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March 24, 2021

Board of County Commissioners
c/o Planning and Community Development
El Paso County, Colorado
2880 International Circle, Suite 110
Colorado Springs, CO 80910
Attention: Kari Parsons

Re: Proposed Amended and Restated Service Plan for Waterview II Metropolitan District

Dear Ms. Parsons:

Our firm serves as general counsel to Waterview II Metropolitan District (the “**District**”), which is an existing Title 32 metropolitan district located within El Paso County, Colorado (the “**County**”). Please accept this letter, along with an electronic copy of the proposed Amended and Restated Service Plan for Waterview II Metropolitan District (the “**Amended and Restated Service Plan**”), as our submittal for consideration by the Board of County Commissioners of El Paso County (the “**BOCC**”). Payment of County fees for the amendment will be made by the District upon request.

The former land owner, Cygnet Land LLC, formed the District pursuant to its 2006 original Service Plan, as approved by the BOCC on August 31, 2006 (the “**Original Service Plan**”). The District was formed to assist with the construction, installation, financing, operation and maintenance of public infrastructure and services.

Shortly after formation, there was an economic downturn which resulted in development delays and subsequent land ownership changes. With revitalized development activity within the District, the current developer, COLA, LLC, and the District have updated and revised public infrastructure costs and build-out projections for the development inclusive of the Trails at Aspen Ridge (the “**Project**”). The Amended and Restated Service Plan incorporates an updated financial plan and estimated infrastructure costs.

The Original Service Plan predates the County’s use of a model service plan, and the Amended and Restated Service Plan materially adheres to the County’s current model service plan. The financial provisions proposed are within the parameters of the model service plan. The debt mill levy is capped at 50 mill, the operational mill levy is capped at 10 mills, and the

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special purpose mill levy for covenant control and design review is capped at 5 mills. Each are able to be adjusted to offset the effect of adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such mill levy caps based on the ratio between market value and assessed value. The Amended and Restated Service Plan, being based on the County's current model service plan, provides straight-forward terms which allow for the financing and construction of the public improvements necessary for today's needs of the Project, is sufficient and flexible to ensure the Project is completed in the most cost-effective and efficient manner, all while providing protections for future homeowners from overly burdensome financing terms.

We look forward to working with you on this amendment. Should you have any questions, please do not hesitate to contact me.

Sincerely,

WHITE BEAR ANKELE TANAKA & WALDRON



K. Sean Allen
Of Counsel