

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF WESTERLY CREEK METROPOLITAN DISTRICT HELD

NOVEMBER 17, 2011

The Special Meeting of the Board of Directors ("Board") of the Westerly Creek Metropolitan District ("District") was held on Thursday, November 17, 2011, at 9:00 a.m., at 7350 East 29th Avenue, Suite 300, Denver, Colorado.

ATTENDANCE

Directors in attendance:

Michael Kearns, Acting Chair
Steven C. Lawrence
Adam Sommers
John Lehigh

Director absent:

King H. Harris, whose absence was excused

Also in attendance:

John Moyer of Park Creek Metropolitan District
James Chrisman of Forest City
Cheryl Cohen-Vader of Stapleton Development Corp.
Richard Gonzales of Stapleton Development Corp.
Tammi Holloway of Stapleton Development Corp.
Charlie Nicola of Forest City
Brian Fennelly of Forest City
Sarah French of Forest City
Keven Burnett of Stapleton MCA
Barbara Neal of Public Art
Dennis Piper, Park Consultant
Kerry O'Connell of M.A. Mortenson
Bar Chadwick of City and County of Denver
Paul R. Cockrel of Collins Cockrel & Cole
Micki L. Wadhams of Collins Cockrel & Cole

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NOTICE

It was noted that the agenda notice of the meeting had been properly posted as required by law. Notice of the Special Meeting was posted in three (3) locations within the District's boundaries and in the office of the Denver County Clerk and Recorder at least 72 hours prior to the annual meeting. Certification of such postings is attached hereto.

CONFLICTS OF INTEREST

Mr. Cockrel reported that Director Lehigh had previously filed a Disclosure of Potential Conflict of Interest Statement with the Board and the Secretary of State in accordance with statutory requirements. Such conflict arises from his respective employment relationship or officership or directorship positions with Forest City Stapleton, Inc., Stapleton Land, LLC, or other subsidiaries of Forest City Enterprises, Inc., the developer of property within the District, including entering into various reimbursement, funding, management and service agreements with the District or Park Creek Metropolitan District ("Park Creek" and together with the District, the "Districts").

Chair Harris also has previously filed a Disclosure of Potential Conflict of Interest Statement with the Board and the Secretary of State in accordance with statutory requirements. Such conflict arises from his respective directorship or officership position with Stapleton Development Corporation, a non-profit corporation, which is responsible for the disposition of the development property owned by the City and County of Denver ("City") within the District, including entering into agreements with the District or Park Creek and with SDC Services Corp., a subsidiary company, which provides administrative services to the Districts under the Professional Services Agreement.

Director Kearns also has previously filed a Disclosure of Potential Conflict of Interest Statement with the Board and the Secretary of State in accordance with statutory requirements. Such conflict arises from his directorship position on the Executive Board of the

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Stapleton Master Community Association, which has entered into the Management Services Agreement with Park Creek, and his directorship position with Stapleton Development Corporation, a non-profit corporation, which is responsible for the disposition of the development property owned by the City and County of Denver ("City") within the District, including entering into agreements with the District or Park Creek and with SDC Services Corp., a subsidiary company, which provides administrative services to the Districts under the Professional Services Agreement. Such relationships do not constitute statutory conflicts of interests.

All Disclosure of Potential Conflict of Interest Statements, whether filed for this meeting or previously, are deemed continuing in nature and are incorporated into the record of the meeting.

Directors Harris and Lehigh stated that they also serve on the Board of Directors of Park Creek.

All Directors acknowledged that the participation of at least three of them in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of potential conflicts of interest of Directors Harris, Lehigh and Kearns had been filed with the Board and the Secretary of State in accordance with statutory requirements; and that the nature of such Director's private interests related to their employment relationships or directorship or officership positions with either Forest City Stapleton, Inc., Stapleton Land, LLC, or other subsidiaries of Forest City Enterprises, Inc., or Stapleton Development Corporation or SDC Services Corp. or Stapleton Master Community Association. After Directors Harris, Lehigh and Kearns had summarily stated for the record the fact and nature of each of their private interests and had further stated that the determination to participate in voting or take any other action on any contract or other matter in which he may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its

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attention to the agenda items.

MINUTES

The Board reviewed the Minutes of the June 23, 2011 special meeting. Upon motion duly made, seconded and unanimously carried, the Board approved such Minutes as presented.

TREASURER'S REPORT

The Board next reviewed the District's financial statements through October 31, 2011, as submitted by Richard Gonzales.

After discussion and motion duly made, seconded and unanimously carried, the Board (i) accepted the Treasurer's Report, a copy of which is attached hereto and incorporated herein by this reference, and (ii) authorized the payment of all accounts and the investment of any surplus funds.

2012 BUDGET

Acting Chair Kearns then opened the public hearing to consider the proposed 2012 Budget for the District, after noting that the Notice Concerning Proposed Budget was published pursuant to statute. Mr. Gonzales presented the 2012 Budget for review and discussion.

Upon discussion and motion duly made, seconded, and unanimously carried, the Board approved and certified the 2012 Budget and adopted the Resolution to Adopt Budget, Set Mill Levies, and Appropriate Sums of Money, a copy of which is attached hereto.

The Board also approved the adjusted property tax levies of 1.660 mills for general operating and 53.674 mills for debt service, for a total of 55.334 mills. Upon motion duly made, seconded, and unanimously carried, the Board approved the certification of such mill levies for budget year 2012 to the City and County of Denver. The Certification of Mill Levies will be filed with the City prior to December 15th.

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Thereupon, Acting Chair Kearns closed the public hearing.

ADJOURNMENT


There being no further business to come before the Board, the meeting was adjourned.

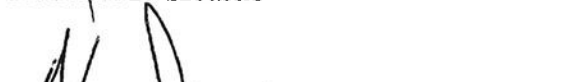

Secretary for the Meeting


APPROVED:


King H. Harris


John S. Lehigh, Jr.


Michael P. Kearns


Adam Sommers


Steven C. Lawrence

**NOTICE OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
WESTERLY CREEK METROPOLITAN DISTRICT**

NOTICE IS HEREBY GIVEN that a special meeting of the Board of Directors of the Westerly Creek Metropolitan District, City and County of Denver, Colorado, will be held at 7350 East 29th Street, Suite 300, Denver, Colorado, on Thursday, November 17, 2011, at 9:00 a.m.

AGENDA

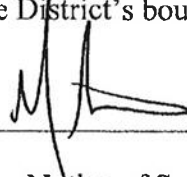
1. Public comment.
2. Disclosure of potential conflicts of interest.
3. Approval of Minutes of June 23, 2011 special meeting.
4. Treasurer's Report.
 - Review and acceptance of current financial statements
5. Conduct public hearing on 2012 Budget and consider approval of Resolution to adopt 2012 Budget, appropriate sums of money and set property taxes.
6. Attorney's Report.
7. Any other matter that may come before the Board.
8. Next Board meeting scheduled for December 15, 2011.

This meeting is open to the public.

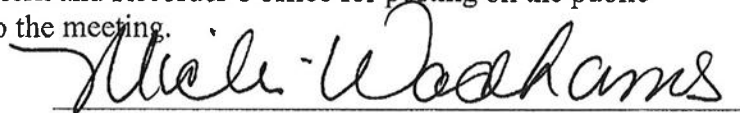
WESTERLY CREEK METROPOLITAN DISTRICT

By /s/ Michael Kearns
Secretary

I hereby certify that a copy of the foregoing Notice of Special Meeting was, by me personally, posted in three (3) locations within the District's boundaries at least 72 hours prior to the meeting.



I hereby certify that a copy of the foregoing Notice of Special Meeting was, by me personally, forwarded to the County Clerk and Recorder's office for posting on the public bulletin board at least 72 hours prior to the meeting.



Westerly Creek Metropolitan District
Monthly Financial Report
Period Ended October 31, 2011

The following reports are attached to this narrative:

- 1) Statement of YTD Revenues, Expenditures and Changes in Net Assets - General Fund (1 page)

Changes in Fund Balance

- » Property tax revenue for the month is less than budgeted. The year-to-date budget variance is still negative because of assessed value adjustments and prior year refunds previously discussed.
- » Specific Ownership tax slightly exceeds budget for the month and year-to-date.

General Comments:

- » All tax income is transferred to Park Creek.
- » All Westerly Creek expenses are funded by Park Creek.
 - > total expenses remain below budget.

- » Westerly Creek has no assets and therefore there is no Statement of Assets report.

Westerly Creek Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
GENERAL FUND
For the 10 Months Ended October 31, 2011

Cash Current Budget	Actual	Favorable/ (Unfavorable)		Cash YTD Budget	Actual	Favorable/ (Unfavorable)
Revenues:						
\$ 48,661.00	\$ 30,102.37	\$ (18,558.63)	Property Tax - Debt Service Mills	\$ 15,401,575.00	\$ 14,853,620.09	\$ (547,954.91)
2,505.00	931.00	(1,574.00)	Property Tax - Oper & Maint Mills	476,296.00	459,390.30	(16,905.70)
72,104.00	90,549.54	18,445.54	Specific Ownership Tax	720,895.00	781,029.44	60,134.44
<u>\$ 122,270.00</u>	<u>\$ 121,582.91</u>	<u>\$ (687.09)</u>	Revenues Before Payments from Park Creek	<u>\$ 16,598,726.00</u>	<u>\$ 16,094,039.83</u>	<u>\$ (504,686.17)</u>
\$ 6,493.00	\$ 4,737.38	\$ (1,755.62)	Transfer from PCMD	\$ 233,803.00	\$ 205,084.16	\$ (28,718.84)
<u>\$ 128,763.00</u>	<u>\$ 126,320.29</u>	<u>\$ (2,442.71)</u>	Total Revenues	<u>\$ 16,832,529.00</u>	<u>\$ 16,299,117.99</u>	<u>\$ (533,411.01)</u>
Expenditures:						
\$ 3,730.00	\$ 3,679.06	\$ 51.00	Staff Services	\$ 37,340.00	\$ 36,790.00	\$ 550.00
290.00	249.03	(19.03)	Office Services/Supplies	2,500.00	2,129.80	(225.80)
411.00	400.00	11.00	Office Rent	4,078.00	3,972.00	106.00
75.00	79.00	(4.00)	Rent - Storage	1,550.00	722.50	827.50
			Dues	500.00	484.22	15.78
			CCP Review/Monitoring Fee	5,000.00		5,000.00
1,525.00		1,525.00	Legal Fees	15,249.49	3,119.00	12,130.49
			Accounting/Audit Fees	6,500.00	2,062.50	4,437.50
502.00	310.35	191.65	Treasury Commission	159,786.00	153,130.09	6,655.91
			Insurance Expense	2,300.00	2,070.08	221.92
\$ 6,403.00	\$ 4,737.38	\$ 1,755.62	Expenditures Before Payments to Park Creek	\$ 233,803.49	\$ 205,084.16	\$ 28,719.33
\$ 122,270.00	\$ 121,582.91	\$ 687.09	Payments to Park Creek	\$ 16,598,726.00	\$ 16,094,039.83	\$ 504,686.17
<u>\$ 128,763.00</u>	<u>\$ 126,320.29</u>	<u>\$ 2,442.71</u>	Total Expenditures	<u>\$ 16,832,529.49</u>	<u>\$ 16,299,117.99</u>	<u>\$ 533,411.50</u>
			Change in Fund Balance	\$ (49)	\$ 149	\$ 198

WESTERLY CREEK METROPOLITAN DISTRICT
2012 BUDGET MESSAGE
November 17, 2011

The budget is prepared using the modified accrual basis of accounting and incorporates assumptions listed below. Westerly Creeks assesses a property tax on Stapleton property and pays all tax revenues to Park Creek Metropolitan District pursuant to an intergovernmental agreement. Pursuant to the same agreement, Westerly Creek expenses are funded by Park Creek.

General Fund

- All revenues are paid to Park Creek and all expenses are paid by Park Creek.
- Tax revenues are based on assessed values certified as final by the county assessor and the mill levy calculated pursuant to the Service Plan.
- Preliminary assessed values for Westerly Creek decreased approximately \$22.5 million as a result of the revaluation of property within the district. This decrease results in a calculated property tax revenue decrease of approximately \$1.2 million.

WESTERLY CREEK METROPOLITAN DISTRICT
2012 BUDGET
GENERAL FUND
November 17, 2011

	2010 Actual	2011 Estimated	2012 Budget
	\$ 269,771,460	\$ 292,671,840	\$ 270,198,100 (2)
Debt service mill levy	53.513	53.395	53.395
Operations & maintenance mill levy	1.655	1.651	1.651
Total mill levy	<u>55.168</u>	<u>55.046</u>	<u>55.046</u> (2)
REVENUE			
Property tax - general obligation	\$ 14,853,490	\$ 14,823,518	\$ 14,066,500 (3)
Property tax - operations & maintenance	459,386	458,459	434,900 (3)
Specific ownership tax	869,329	884,474	884,500 (3)
Other	-	-	-
	<u>16,182,205</u>	<u>16,166,451</u>	<u>15,385,900</u> -5.1%
EXPENDITURES / EXPENSES			
Staff services	45,621	44,148	37,300
Office services and supplies	2,620	3,306	3,800
Rent	4,664	4,772	4,400
Rent - Offsite Storage	-	875	1,000
Dues	482	484	600 (4)
Fees	-	-	-
Legal	16,118	5,490	5,900 (5)
Accounting and audit	6,000	10,313	3,400
Other	704	-	-
Treasurer's fees	153,129	152,820	145,000
Insurance expense	2,195	2,078	2,700 (6)
	<u>231,533</u>	<u>224,286</u>	<u>204,100</u>
Excesss of revenue over expenditures	15,950,672	15,942,165	15,181,800
<u>Other financing sources (uses)</u>			
Payments from Park Creek	231,533	224,286	204,100 (1)
Payments (to) Park Creek	<u>(16,182,205)</u>	<u>(16,166,451)</u>	<u>(15,385,900)</u> (1)
	(15,950,672)	(15,942,165)	(15,181,800)
Change in fund balance	-	-	-
Beginning fund balance	-	-	-
Ending fund balance - restricted	<u>-</u>	<u>-</u>	<u>-</u>

BUDGET NOTES

- (1) Pursuant to an Intergovernmental agreement with Park Creek Metropolitan District all tax revenues are paid to Park Creek and all expenses are paid by Park Creek.
- (2) Preliminary assessed value and mill levy. The final mill levy will be based on the final assessed value certified by the City and County of Denver in December.
- (3) Tax income budget assumes a 2.5% provision for uncollectible taxes and assessed value adjustments. SO tax is budgeted to equal the prior year's income.
- (4) Annual dues for the Special District Association.
- (5) Legal fees for administrative matters including, but not limited to, board of director meetings, budget hearings, petitions for inclusion and elections.
- (6) General liability, public officials liability, comprehensive crime and non owned/ hired auto liability coverage.