

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WESTERLY CREEK METROPOLITAN DISTRICT

Held: Wednesday, September 20, 2017, at 8:00 A.M. at 7350 East 29th Avenue, Suite 200, Denver, Colorado.

Attendance

The meeting referenced above was called and held in accordance with the applicable laws of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Katie Dell
Tom Downey
Justin Ross
Tim Thornton

Director David Ungemah's absence was excused. All directors' absences are deemed excused unless otherwise noted.

Also present were:

- Jennifer Gruber Tanaka, Esq., and Megan J. Murphy, Esq., WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law, District General Counsel;
- John Simmons, Simmons & Wheeler, P.C., District Accountant;
- Brian Fennelly, Vice President and Chief Financial Officer of Forest City Stapleton, Inc.;
- Tammi Holloway, President of Stapleton Development Corporation;
- Andrew Johnston, City and County of Denver Finance Department;
- John Fernandez, Reporter with Front Porch Stapleton; and
- Jan Bevier, Stapleton Development Corporation.

Director Qualification

The directors in attendance confirmed their qualification to serve.

Call to Order

Mr. Downey noted that a quorum of the Board was present and that the directors had confirmed their qualification to serve, therefore, called the meeting to order.

Declaration of
Quorum/Disclosure of
Conflicts of Interest

Ms. Tanaka advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tanaka noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Ms. Tanaka presented the Agenda to the Board for consideration. Following discussion, upon a motion duly made by Mr. Ross seconded by Ms. Dell, the Board unanimously approved the agenda as amended.

Public Comment

None.

Approval of Minutes from
August 16, 2017 Regular
Meeting

Ms. Tanaka presented the minutes from the August 16, 2017 Regular Meeting to the Board for consideration. Mr. Fennelly requested a change to the interest rate of the Park Creek 2017 bonds. Following discussion, upon a motion duly made by Ms. Dell seconded by Mr. Thornton, the Board unanimously approved the minutes as amended.

Introduction of Mr. Pat
Teegarden, Chairman of
Stapleton Development
Corporation

Mr. Teegarden discussed his career background and involvement in civic organizations in Denver. Mr. Teegarden stated he is unfamiliar with metropolitan districts but he is open and receptive to the needs of the metropolitan districts within Stapleton. Stapleton Development Corporation ("SDC") is in the process of determining its role once all the land transfers are complete. Mr. Teegarden is currently working with the SDC Board of Directors to develop a transition plan. There are ongoing issues with the administration and long-term financing plan for the Stapleton project.

Ms. Holloway stated that SDC is trying to be as transparent as possible and provide the SDC Board of Directors and various stakeholders the opportunity to weigh in on the transition plan. Scheduling these meetings has been difficult but after all the meetings take place Ms. Holloway will provide the comments to the SDC Board of Directors for consideration and finalize a

transition plan for SDC.

Ms. Holloway noted that SDC has extended its contract with Denver International Airport to May 1, 2019 because not all of the land was available to take down based on environmental issues. Forest City has seven (7) more one (1) year extensions available.

Mr. Downey asked what the SDC's plan is for their appointment power to the Park Creek Metropolitan District ("Park Creek") Board of Directors.

Ms. Holloway responded that SDC grants a deed to a small piece of property to each person qualified for the Park Creek Board of Directors. Then Park Creek's current Board of Directors can choose to appoint that person. Ms. Tanaka stated that there are statutory limits that require Park Creek to publish if there is a vacancy on the Park Creek Board of Directors and wait ten (10) days after publication prior to qualifying a new person.

Mr. Downey stated that the City has suggested that once all the infrastructure is completed then the Park Creek Board of Directors will merge with the District, the taxing and financing districts will merge under one board of directors. The current debt structure does not allow for Park Creek to dissolve after the infrastructure is built. Rather the idea is for one seat on the Park Creek Board of Directors to transfer to a member of the District's Board of Directors during each regular election (the "**Transition Plan**").

Mr. Teegarden asked if the Transition Plan could be formalized and presented to SDC for consideration. Mr. Downey responded that the Transition Plan had been presented before at many meetings but has not been written down.

Ms. Holloway suggested another idea is for SDC to transfer its appointment authority to another entity such as Denver International Airport. Ms. Dell asked if there will be any property owned by SDC at the end of the project. Ms. Holloway responded the director's parcel may be transferred to Denver International Airport at the end of the project.

Mr. Teegarden asked if Park Creek and the District could present a joint proposal of the Transition Plan. Mr. Downey responded that the District is open to that and has reached out to

Park Creek but has not received a response from Park Creek. Ms. Holloway asked if the Transition Plan had been presented to Park Creek. Mr. Downey responded that he would put the Transition Plan in writing and present it to Park Creek. Mr. Fennelly stated this is the first time he has heard of the Transition Plan. Mr. Teegarden asked if it made sense to present a formal proposal at this time, or should there be more brainstorming and informal discussions.

Mr. Downey asked if Mr. Johnston would consider being a part of a discussion group to evaluate the Transition Plan. Mr. Johnston said he would participate in a conversation with the District and SDC representatives to discuss the Transition Plan.

Mr. Downey stated that the end goal is for the debt to be paid without any issues and the residents of Stapleton are able to be in charge of their own destiny in a phased process so there are no concerns for Forest City.

Ms. Holloway stated she did not want to discuss the Transition Plan until the SDC Board of Directors was able to meet and if the Transition Plan is something SDC is interested in pursuing we can move forward at that time. Ms. Holloway stated she is going to meet with a handful of people and stakeholders before presenting all ideas to the SDC Board of Directors.

Mr. Teegarden stated that it makes sense to continue to discuss the Transition Plan at this time without waiting for the SDC Board of Directors to meet. Ms. Dell agreed and requested a meeting about the Transition Plan move forward with the City. Mr. Teegarden responded that he cannot guarantee that the SDC Board of Directors will support the Transition Plan but the residents should consider the idea with the City.

Ms. Tanaka suggested that Park Creek and the District could create an authority board with both entities having seats to address issues that are a concern to all of Stapleton. Mr. Johnston suggested the formation of a task force to address the Transition Plan. Mr. Teegarden agreed that something less formal is preferred, and suggested informal conversations among residents is appropriate.

Mr. Fennelly asked why Park Creek would agree to the Transition Plan prior to 2020 when the infrastructure is complete because Park Creek and Forest City have been successfully completing the project under the current structure.

Mr. Downey responded that there is no plan to transfer control until the infrastructure is complete but it is undemocratic for people who do not live in Stapleton to control the taxation.

Ms. Dell stated that the land will be taken down sooner than 2020 and the plan for the SDC transition is being discussed now, Park Creek appointment power is part of that conversation. Mr. Ross added that SDC is currently the entity responsible for coordinating with other entities within Stapleton but it not clear what happens after 2019.

Ms. Tanaka stated that an informal task force is a good idea because the various stakeholders might be working on different timelines for when the transition will occur.

Mr. Teegarden stated that he will be having informal conversations and he will work with Ms. Holloway to present the Transition Plan to the SDC Board of Directors.

Report on Special District Association

Mr. Downey discussed his attendance of the Special District Association Annual Conference.

Treasurer's Report

Ms. Bevier presented the Board with the July 31, 2017 Monthly Financial Statements.

Mr. Downey asked about the payment to Collins Cockrel and Cole from earlier this year. Ms. Bevier responded that the invoice was approved by Park Creek and paid earlier this year. Mr. Downey stated that he did not approve the Stapleton Development Corporation Services bill this month because of the unresolved issued with Mr. Cockrel's bill for legal services. Ms. Bevier responded that Park Creek approved the Stapleton Development Corporation Services bill and that too was paid.

Mr. Downey objected to the payment of the Stapleton Development Corporation Services bill without his authorization. Mr. Fennelly stated that withholding payment from Stapleton Development Corporation Services was not appropriate because Ms. Bevier was performing her duties to the District. Mr. Downey responded that with services were incomplete and he intentionally did not approve the bill because of the outstanding issue with Mr. Cockrel's bill. Ms. Holloway stated that Ms. Bevier does not have the authority to withhold payment if Park Creek approves the invoice.

Mr. Downey stated that invoices for the District are presented to

him for approval and only the invoices he approves are to be paid by the District. Mr. Simmons stated that the District should review and approve its own invoices. Mr. Fennelly stated that Park Creek pays for everything and approves all invoices. Ms. Bevier stated that she does not have the authority to withhold payment after Park Creek approves invoices and Mr. Downey needs to speak to Park Creek about his concerns regarding Mr. Cockrel's invoice.

Mr. Fennelly suggested that process be formalized whereby all of the District's invoices are approved by Mr. Downey prior to payment. If Mr. Downey objects to a specific invoice, he should discuss his objection with Park Creek prior to withholding payment. Ms. Tanaka suggested that Park Creek inform the District if an invoice is paid by Park Creek over the District's objection. Mr. Simmons stated that all the money for Park Creek comes from the District so stating that Park Creek can approve and pay invoices over the District's objection is a problem.

Following discussion, upon a motion duly made by Mr. Thornton, and seconded by Ms. Dell, the Board unanimously accepted the Monthly Financial Reports as of July 31, 2017.

Legal Matters

None.

Development Updates

Mr. Fennelly provided a development update to the Board. The Mint Town Center apartment building is opening 164 units for rent later this month and road construction on Martin Luther King, Jr. will begin in approximately ninety days.

Discuss Matters Related to Park Creek Metropolitan District

Discussion of Park Creek Metropolitan District 2017 Bond Issuance

Mr. Fennelly stated that the bond issuance is moving along and the first draft of the Preliminary Offering Statement is expected to be distributed in the middle of October.

Executive Session (§§ 24-6-402(4)(b), C.R.S., for purpose of discussing Park Creek Metropolitan District

Pursuant to Sections 24-6-402(4)(b), C.R.S., upon a motion duly made by Ms. Dell, seconded by Mr. Ross, and, upon unanimous vote the Board convened an Executive Session at 9:53 a.m. for the purpose of seeking legal advice and discussing matters subject to negotiations with third parties.

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the remaining portion of this Executive Session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 9:59 a.m. No action was taken by the Board.

Other Business

None.

Next Meeting

The next regular meeting of the District is scheduled for October 18, 2017.

Adjournment

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

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting



Secretary for the District

Attorney Statement

Regarding Privileged Attorney-Client Communication

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that in my capacity as the attorney representing the Westerly Creek Metropolitan District (the "District"), I attended the Executive Session on September 20, 2017, for the sole purpose of conferencing with the District's Board of Directors for the purpose of giving legal advice on specific legal questions and for discussing matters subject to negotiation as authorized by §§ 24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by § 24-6-402(4)(b), C.R.S., and based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel