

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WESTERLY CREEK METROPOLITAN DISTRICT

Held: Wednesday, October 18, 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. Mr. Downey requested the Public Hearing on Inclusion of Stapleton Filing No. 55, Parcel 1 be moved to the end of the agenda. Following discussion, upon a motion duly made by Mr. Downey seconded by Ms. Dell, the Board unanimously approved the agenda as amended.

Public Comment

None.

Approval of Minutes from
September 20, 2017 Regular
Meeting

Ms. Tanaka presented the minutes from the September 20, 2017 Regular Meeting to the Board for consideration. Mr. Downey requested a change in wording at the bottom of page 3 of the minutes. Following discussion, upon a motion duly made by Mr. Ross, seconded by Ms. Dell, the Board unanimously approved the minutes as amended.

Treasurer's Report

August 31, 2017 Monthly
Financial Statements

Ms. Bevier presented the Board with the August 31, 2017 Monthly unaudited Financial Statement. Ms. Bevier reported that she has updated the financial statement to reflect the 2017 Budget Amendment.

Following discussion, upon a motion duly made by Mr. Downey, seconded by Mr. Ross, the Board unanimously approved the August 31, 2017 Monthly Financial Statement.

Review Draft 2018 Budget
and Set Budget Hearing Date

Mr. Simmons presented the Board with the Draft 2018 Budget. Mr. Simmons stated, ninety-seven percent (97%) of the mill levy is allocated to debt and three percent (3%) is allocated to operations and maintenance. In 1999 or 2000 when the District

first imposed a mill levy, residential property was assessed at 9.74%. The residential assessment rate has been changed to 7.20% for the 2017 assessment. To calculate the 2017 mill levy the accountants determined what revenue can be generated based on the current ratio so the tax revenue remains the same despite the decrease in the residential assessment rate. If this was solely a residential district the mill levy would be 67.639 mills but because the District includes both residential and commercial property the mill levy will increase to approximately 55 mills. The final mill levy will be set prior to December 15, 2017 based on the final assessed valuation for the District.

Mr. Downey requested the legal fees be increased from \$50,000 to \$80,000. Ms. Tanaka stated the May 2018 election will result in increased legal costs which will be covered within that budget. Mr. Simmons stated there is no downside to increasing the budgeted amount because if the money is not spent it is retained by the District.

Ms. Bevier stated that staff services is projected to decrease in cost for 2018 because Ms. Holloway decreased her time spent on the District by 1% and Ms. Kerr decreased her time by 2%.

Mr. Ross requested to increase the Contingency category from \$0 to \$5,000.

Mr. Downey requested to include the SDA Conference in the proposed 2018 budget.

Mr. Simmons stated he will make the requested changes and the final 2018 budget will be presented at the November 15, 2017 meeting.

Development Updates

Mr. Fennelly informed the Board that Forest City has entered into a lease with Pure Barre and has a letters of intent with a restaurant, coffee shop, and juice bar for the Mint. Mr. Fennelly stated the property to be included, Stapleton Filing No. 55, Parcel 1, will be a 40,000 square foot medical office building. Mr. Fennelly stated that Forest City is waiting for the City to accept the extension of Emporia Road before it will be open to the public.

Discuss Matters Related to Park Creek Metropolitan District

Update from Park Creek Metropolitan District None.

Discussion of Park Creek Metropolitan District 2017 Bond Issuance

Ms. Tanaka informed the Board that bond counsel for Park Creek Metropolitan District (“**Park Creek**”) is requesting that the District provide a legal opinion regarding the pledge of revenues by the District to Park Creek under the Intergovernmental Financial and Construction Agreement (the “**Master IGA**”). Ms. Tanaka stated that she cannot provide an opinion on the Master IGA and possibly counsel for Park Creek or bond counsel could provide this opinion as they have done in the past. Ms. Tanaka is willing to issue an opinion that the Board is qualified and there is no pending or threatened litigation, assuming that is the case after researching the matter.

Ms. Tanaka stated that she is following the timing of the proposed 2017 bond issuance but is not providing comments or making statements. Mr. Downey stated that because the District does not have an independent financial advisor the documents are just being reviewed for legal red flags.

Mr. Fennelly stated the preliminary offering statement and other documents are being drafted and updated as the deal moves toward closing. Mr. Fennelly asked if the Board had any concerns so that Forest City and Park Creek can plan to address those concerns before closing. Ms. Tanaka stated she would conduct a litigation check before the next meeting to determine if there is any pending or threatened litigation.

Mr. Johnston stated that the Chief Financial Officer of the City is reviewing the structure of the 2017 bonds and is comfortable with the structure.

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. Thornton, and, upon unanimous vote the Board convened an Executive Session at 8:37 a.m. for the purpose of seeking legal advice and discussing matters subject to negotiations with third parties.

Mr. Ross left the meeting at 9:07 a.m.

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 9:23 a.m. No action was taken by the Board.

Legal Matters

Conduct Public Hearing on Inclusion of Stapleton Filing No. 55, Parcel 1 in the District and Consider Adoption of Resolution No. 2017-10-01: Order for Inclusion of Real Property (Stapleton Filing No. 55, Parcel 1)

Mr. Downey opened the public hearing on the Inclusion of Stapleton Filing No. 55, Parcel 1 and adoption of Resolution No. 2017-10-01. Ms. Tanaka reported that notice for the public hearing was published in accordance with Colorado law and no written objections were received prior to the hearing. There were no public comments at the public hearing and Mr. Downey closed the public hearing. Upon a motion duly made by Mr. Downey, and seconded by Mr. Thornton, the Board unanimously adopted the inclusion of property as presented and adopted the corresponding inclusion of real property resolution.

Discuss Volunteers for Attendance at Next Park Creek Metropolitan District Meeting
Next Meeting


Mr. Downey will attend the Park Creek Metropolitan District Meeting on October 26, 2017 at 9:00 a.m.

The next regular meeting of the District is scheduled for November 15, 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 October 18, 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 as authorized by §§ 24-6-402(4)(b), 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