

MINUTES OF A SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

OF

CLEAR CREEK STATION METROPOLITAN
DISTRICT NOS. 1-3

Held: Wednesday, July 26, 2017 at 6:00 p.m.
The Shed at Midtown, 1625 W. 67th Ave., Denver,
Colorado.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following Directors were in attendance:

Marc Savela – District Nos. 1-3
Ashley Tarufelli – District Nos. 1-3
Chris Petro – District Nos. 1-3
Neil Simpson – District Nos. 1 & 3
Sam Delp – District No. 2
Matthew Zielinski – District No. 2

All Directors' absences are deemed excused unless a contrary notation is recorded in these minutes.

Also present were Kristen D. Bear, Esq. and Casey K. Lekahal, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District general counsel; Kimberly Johanns, Simmons & Wheeler, District accountant; Guy Ford and Barrett Marrocco, District engineers; Kimberly Reed, bond counsel; and Zach Bishop, underwriter. See attached sign in sheet for additional attendees.

Call to Order/Declaration of Quorum

Director Savela noted that a quorum of each Board was present and therefore called the meeting to order.

Director Disclosures

Ms. Bear advised the Boards that pursuant to Colorado law, certain disclosures by the Directors may be required prior to taking official action at the meeting. Director Zielinski objected to the participation of Brookfield employees based upon conflict of interest. The Boards reviewed the agenda for the meeting, following which each Director confirmed the contents of any written disclosure previously made stating the fact and summary nature of any additional matters as required under Colorado law to permit official

action to be taken at the meeting. Additionally, the Boards determined that the participation of the Directors present were necessary to obtain a quorum or otherwise enable the Boards to act pursuant to §24-18-109(3)(b). Director Zielinski objected.

Approval of Agenda

Ms. Bear presented the Boards with the proposed agenda for the meeting. Director Savela recommended including a discussion on the bonds from Mr. Bishop prior to public comment. After consideration, a motion was duly made on behalf of each of the Boards and seconded to approve the agenda as amended. The motion was unanimously approved by the Boards.

Overview of Financing

Mr. Bishop presented the overview of proposed District No. 2 financing, including the three proposed tranches, as well as the relevant documents and projected timing. Director Zielinski had questions on the interest rate related to the 2017C Bonds. Mr. Bishop explained that they are essentially required to be set below market rate to allow for the fairness opinion, which required for the tax exempt analysis of bond counsel. Director Zielinski asked how issuance of the bonds might impact future financings. Mr. Bishop confirmed that issuance of the bonds will utilize virtually all remaining debt capacity currently permitted of the Districts under the Service Plan. Absent a further amendment of the Service Plan, District No. 2 would not be permitted to issue additional debt. Mr. Bishop further stated that the Developer will remain obligated to finish necessary public improvements pursuant to its existing agreements with the County. Director Savela affirmed that the Developer will complete the remaining public improvements and warranties would be provided to the appropriate jurisdictions, including District No. 1. Mr. Ford confirmed that the Districts have a Policy in place regarding acceptance of public improvements through the Districts, which is inclusive of warranty provisions. Director Delp questioned why the bonds are proposed for issuance now. Director Savela replied that this financing was always part of the plan based upon development, and was built into their financial modeling of the project from the beginning. Director Savela further noted that assessed valuations are able to support issuance of the debt on a current basis, the interest rates are very favorable right now, and that this financing is in line with the projections from the Service

Plan. Director Zielinski had a question as to whether District 3 will be responsible for payment on the debt and Ms. Bear confirmed that as part of the financing, District 3 will pledge revenues to the payment of the debt pursuant to a Pledge Agreement.

Public Comment

Ms. Rini asked all Brookfield employees to confirm whether they had any ownership interest in Brookfield, as an entity, or in Brookfield related entities, inclusive of stock ownership. Directors Savela, Taruffelli, Simpson, and Petro further disclosed that they may have some interest in Brookfield Residential Properties Inc. through certain mutual funds that they might personally invest in, but are not aware of any direct stake in any such entity as part of their employment relationship through Brookfield Residential Properties.

Construction Matters

Consider Approval of Resolution regarding the Acceptance of District Eligible Costs (D1)

The Boards determined to discuss this matter next despite its placement on the agenda. Mr. Ford and Mr. Marrocco presented the Boards with Infrastructure Acquisition Certification Report No. 2. Mr. Ford confirmed that as part of the Report, the Engineer has recommended a requirement for the District to require collateral to cover all warranties for public improvements accepted by District No. 1. Brookfield is required to post additional collateral for those public improvements to be conveyed to a different governmental jurisdiction (such as the County). Mr. Ford recommended that District No. 1 retain \$75,000.00 from bond proceeds to cover repairs to improvements accepted under Infrastructure Acquisition Report No. 1 ("IA1"). Following discussion, upon a motion duly made and seconded, the District No. 1 Board adopted the resolution noting that the hold-back amount shall be increased to \$250,000 pending confirmation of completion of outstanding repairs to alleyway improvements included within IA1. Director Zielinski objected due to the Brookfield representative's conflicts of interest. It was noted that the conflicted directors were necessary to constitute a quorum pursuant to §24-18-109(3)(b), C.R.S.

Legal Matters

Consider Approval of Operation, Maintenance and Administrative Services Agreement (D1, 2 and 3)

Ms. Bear presented the proposed Operation, Maintenance and Administrative Services Agreement to the Boards and explained that the Agreement was intended to completely supersede and replace the prior Facilities Construction and Services Agreement between the Districts pending further discussions regarding the consolidation of the Districts. Director Zielinski had a question on the Gallagher Adjustment. Ms. Reed confirmed that there has been a change based upon the recent decrease in the residential assessment ratio to 7.2% and that the Districts' will now annually re-calculate any mill levy adjustment as necessary based upon the residential property within the Districts. The mill levy of the Districts will be determined at the time of the budget hearings for the respective districts. Following discussion, upon a motion duly made and seconded in each of the Districts, the Boards approved the Agreement. Director Zielinski voted against approval of the Agreement.

Consider Approval of Resolution Concerning the Imposition of a Facilities Fee (D3)

Ms. Bear presented the District No. 3 Board with the Resolution Concerning the Imposition of a Facilities Fee. Following discussion, upon a motion duly made and seconded, the Board adopted the resolution.

Bond Matters

Consider approval of Engagement of Kutak Rock LLP for bond counsel services (D2-D3)

Ms. Bear presented the District Nos. 2 and 3 Boards with the Engagement Letter of Kutak Rock LLP for bond counsel services related to the Series 2017 Bonds. Following a discussion, upon a motion duly made and seconded, the Boards approved the engagement of Kutak Rock. Director Zielinski voted against approval of the engagement.

Consider approval of Supplemental Engagement of White Bear Ankele Tanaka & Waldron as General Counsel for Series 2017A, B and C Bonds (D2-D3)

Ms. Bear presented the District Nos. 2 and 3 Boards with the Engagement Letter of White Bear Ankele Tanaka & Waldron for general counsel services. Following a discussion, upon a motion duly made and seconded, the Boards approved the engagement of White Bear Ankele Tanaka & Waldron. Director Zielinski abstained from voting.

Consider approval of engagement

Ms. Bear presented the District Nos. 1, 2 and 3 Boards with

of D.A. Davidson & Co. for Investment Banking Services (D1-D3)

the Engagement Letter of D.A. Davidson & Co. for investment banking services. Following a discussion, upon a motion duly made and seconded, the Boards approved the engagement of D.A. Davidson. Director Zielinski abstained from voting.

Consider Adoption of Resolution Authorizing the Issuance of (i) the District's Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017A, in the maximum principal amount of \$22,000,000 (the "2017A Bonds"), for the purpose of refunding any indebtedness incurred under the Loan Agreement with Compass Mortgage Corporation, an Alabama corporation, dated December 19, 2014, paying costs related to the acquisition, construction, and installation of public facilities, and paying the issuance and other costs in connection with the 2017A Bonds, and (ii) the District's Subordinate Limited Tax General Obligation Bonds, Series 2017B, in the maximum principal amount of \$3,500,000 (the "2017B Bonds"), for the purpose of paying costs related to the acquisition, construction, and installation of public facilities, and paying the issuance and other costs in connection with the 2017B Bonds, and any other documents necessary to effectuate the issuance thereof (D2)

Ms. Reed presented the District No. 2 Board with the 2017A & 2017B Bond Resolution and supporting documents and explained the structure of the bond documents and proposed 2017 A, B and C bonds. The boards discussed the favorability of the market and the need for flexibility in sizing the respective series based upon actual pricing, which would occur in the near term. Following further discussion by the Boards, upon a motion duly made and seconded, the Boards adopted the resolution. Director Delp and Director Zielinski objected to the motion due to Brookfield's conflict of interest. It was noted that the conflicted directors are necessary to constitute a quorum, pursuant to §24-18-109(3)(b), C.R.S. Both Director Delp and Director Zielinski voted against the adoption of the resolution.

Consider Adoption of Resolution Authorizing the Issuance of the District's Junior Lien Limited Tax General Obligation Bonds, Series 2017C, in the maximum principal amount of \$8,000,000 (the "2017C Bonds"), for the purpose

Ms. Reed presented the District No. 2 Board with the 2017C Bond Resolution and supporting documents. Following discussion, upon a motion duly made and seconded, the Boards adopted the resolution. Director Zielinski objected to the measure due to Brookfield's conflict of interest. It was noted that the conflicted directors are necessary to constitute

of paying costs related to the acquisition, construction, and installation of public facilities, and paying the issuance and other costs in connection with the 2017C Bonds, and any other documents necessary to effectuate the issuance thereof (D2)

a quorum pursuant to §24-18-109(3)(b), C.R.S. Both Director Delp and Director Zielinski voted against the adoption of the resolution.

Consider Adoption of Resolution Authorizing three separate pledge agreements with Clear Creek Station Metropolitan District No. 2, including (i) a Senior Capital Pledge Agreement requiring the imposition of ad valorem property taxes to be applied to the payment of District No. 2's Senior Obligations, including the 2017A Bonds, (ii) a Subordinate Capital Pledge Agreement requiring the imposition of ad valorem property taxes to be applied to the payment of District No. 2's Subordinate Obligations, including the 2017B Bonds, and (iii) a Junior Lien Capital Pledge Agreement requiring the imposition of property taxes to be applied to the payment of District No. 2's Junior Lien Obligations, including the 2017C Bonds and any other documents necessary to effectuate the issuance thereof (D3)

Ms. Reed presented the District No. 3 Board with the Pledge Resolution and supporting documents. Following discussion, upon a motion duly made and seconded, the Boards adopted the resolution. Director Zielinski objected to the measure due to Brookfield's conflict of interest. It was noted that the conflicted directors are necessary to constitute a quorum pursuant to §24-18-109(3)(b), C.R.S.

Other Business

Discussion of Consolidation Resolution initiated from Clear Creek Station Metropolitan District No. 2, consolidating Clear Creek Station Metropolitan District Nos. 1-3 into a single district as per Section 32-1-602, C.R.S. (D2)

The District No. 2 Board engaged in a discussion regarding the Consolidation Resolution considering consolidating Clear Creek Station Metropolitan District Nos. 1-3 into a single district. Following discussion, a motion was duly made and seconded to approve the posting of a notice for consideration of the Resolution at the next regular meeting.


Next Meeting

The next regular meeting will be held on December 13, 2017 at 6:00 p.m.

Adjourn

There being no further business to come before the Boards and upon motion duly made, seconded, and unanimously carried, the meeting was adjourned.

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


Secretary for the Meeting

The foregoing minutes were approved on the 26th day of September, 2017.