

In the opinion of Bond Counsel to the District to be delivered upon the issuance of the Series 2017A Senior Bonds, under existing law and assuming compliance by the District with requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Series 2017A Senior Bonds, with which the District has certified, represented and covenanted its compliance, interest on the Series 2017A Senior Bonds is excluded from gross income for federal income tax purposes and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, subject to certain exceptions, corporations. Also, in the opinion of Bond Counsel to the District to be delivered upon the issuance of the Series 2017 Senior Bonds, under existing law, interest on the Series 2017 Senior Bonds is not subject to taxation by the State of Colorado. Interest on the Taxable Series 2017B Senior Bonds is not excluded from gross income for federal income tax purposes. See “TAX MATTERS” herein for a more detailed discussion.

PARK CREEK METROPOLITAN DISTRICT

\$48,610,000
Senior Limited Property
Tax Supported Revenue Bonds
Tax-Exempt Series 2017A

\$18,000,000
Senior Limited Property
Tax Supported Revenue Bonds
Taxable Series 2017B

Dated: Date of Delivery

Due: December 1, as shown on the inside front cover

The Park Creek Metropolitan District Senior Limited Property Tax Supported Revenue Bonds, Tax-Exempt Series 2017A (the “Series 2017A Senior Bonds”) and the Park Creek Metropolitan District Senior Limited Tax Supported Revenue Bonds, Taxable Series 2017B (the “Taxable Series 2017B Senior Bonds”) and together with the Series 2017A Senior Bonds, the “Series 2017 Senior Bonds” or “Bonds”), are issued and secured under an Amended and Restated Senior Master Trust Indenture dated as of December 1, 2015 as previously supplemented (the “Senior Master Indenture”), as further supplemented by a Third Supplement to Amended and Restated Senior Master Trust Indenture dated as of December 1, 2017 (the “Third Supplemental Indenture,” and, together with the Senior Master Indenture, the “Senior Indenture”), both between the Park Creek Metropolitan District (the “District”) and U.S. Bank National Association, as Senior Trustee (the “Senior Trustee”). When issued, the Series 2017 Senior Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC initially will act as securities depository for the Series 2017 Senior Bonds. Individual purchases will be made in book-entry form only, and purchasers of the Series 2017 Senior Bonds will not receive physical delivery of bond certificates, all as more fully described herein.

The principal of and premium, if any, and interest on the Series 2017 Senior Bonds are payable by the Senior Trustee, acting as paying agent under the Senior Indenture, to DTC. DTC is required to remit such principal, premium and interest to its Participants, for subsequent disbursement to the Beneficial Owners of the Series 2017 Senior Bonds, as more fully described herein. The Series 2017 Senior Bonds will bear interest at fixed rates as shown on the inside front cover of this Official Statement. Interest on the Bonds is payable on each June 1 and December 1, commencing June 1, 2018. The Bonds are being issued only in fully registered form without coupons, in minimum denominations of \$5,000 and integral multiples thereof.

The District was created, among other purposes, to assist in the financing and construction of certain public infrastructure improvements necessary to the redevelopment of an area located in the City and County of Denver, Colorado (the “City”). This area is a major portion of the site on which the former Stapleton International Airport was operated, a portion of which site is currently owned by the City. The City has leased most of this area, and has granted an exclusive purchase option, to the Stapleton Development Corporation (“SDC”), a Colorado nonprofit corporation created by the City and the Denver Urban Renewal Authority (“DURA”). In 1998, SDC selected Forest City Enterprises, Inc., an Ohio corporation (“FCEI”), as the master developer for the mixed-use redevelopment of this area. In 2015, Forest City Realty Trust, Inc., a Maryland corporation (the “Company”) became the successor to FCEI by reason of the conversion of FCEI to a real estate investment trust. The Company and certain of its affiliates that conduct the development activities in this area, including Stapleton Land, LLC, a Colorado limited liability company, and Forest City Stapleton, Inc., a Colorado corporation, are collectively referred to herein as the “Developer.”

The Series 2017 Senior Bonds are being issued by the District to (i) repay certain Developer Advances (as defined herein) and/or Reimbursement Notes (as defined herein) as further described herein, and (ii) pay costs of issuance relating to the Series 2017 Senior Bonds.

The Series 2017 Senior Bonds are special, limited obligations of the District, payable solely from the Pledged Revenues (as defined in the Senior Master Indenture and further described herein) of the District, generally consisting of amounts payable to the District derived from revenues collected pursuant to a limited mill levy imposed on property in the District’s Service Area by the Westerly Creek Metropolitan District (the “Westerly Creek District”) and certain specific ownership taxes up to a maximum amount (as described herein, the “Maximum SO Tax Amount”). The Senior Master Indenture provides for the issuance of additional parity bonds and subordinate and junior lien bonds on the terms and subject to the conditions contained therein. The District has previously issued, and pledged the Pledged Revenues to support repayment of, such subordinate and junior lien bonds as described herein.

The Series 2017 Senior Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity, as described herein.

The purchase and ownership of the beneficial ownership interests in the Series 2017 Senior Bonds involve certain risks and other investment considerations. Prospective purchasers should read this Official Statement in its entirety, giving particular attention to the matters discussed under “RISK FACTORS.”

The Series 2017 Senior Bonds are offered when, as and if issued, subject to the approval of the validity and enforceability by Hogan Lovells US LLP, Denver, Colorado, Bond Counsel to the District. Kipling Jones & Co. Ltd. is serving as municipal advisor to the District in connection with the issuance of the Series 2017 Senior Bonds. Certain legal matters will be passed upon for the District by Collins Cockrel & Cole, a Professional Corporation, Denver, Colorado, General Counsel to the District; for the Developer by Thompson Hine LLP, Kaplan Kirsch & Rockwell LLP, Denver, Colorado, and the Developer’s In-House Counsel; and for the Underwriters by Butler Snow LLP, Denver, Colorado and The Holt Group LLC, Denver, Colorado. It is expected that delivery of the Series 2017 Senior Bonds will be made through the facilities of DTC on or about December 20, 2017.

RBC Capital Markets
Piper Jaffray & Co.

Harvestons Securities Inc.
D.A. Davidson

Dated: December 7, 2017

MATURITY SCHEDULES
PARK CREEK METROPOLITAN DISTRICT
\$48,610,000
Senior Limited Property
Tax Supported Revenue Bonds
Tax-Exempt Series 2017A
(CUSIP® 6-digit issuer number: 700387)

<u>Year (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP® Number⁽¹⁾</u>
2032	\$ 700,000	5.000%	2.800% ^(c)	EP4
2033	1,535,000	5.000	2.830 ^(c)	EQ2
2034	1,615,000	5.000	2.880 ^(c)	ER0
2035	1,695,000	5.000	2.930 ^(c)	ES8
2036	1,780,000	5.000	2.960 ^(c)	ET6
2037	3,905,000	5.000	2.990 ^(c)	EU3
\$17,750,000 Term Bond due December 1, 2041, Interest Rate: 5.000%, Yield: 3.010 ^(c) (CUSIP ^(c) No.: EV1 ⁽¹⁾)				
\$17,130,000 Term Bond due December 1, 2046, Interest Rate: 5.000%, Yield: 3.050 ^(c) (CUSIP ^(c) No.: EW9 ⁽¹⁾)				
\$2,500,000 Term Bond due December 1, 2051, Interest Rate: 5.000%, Yield: 3.200 ^(c) (CUSIP ^(c) No.: EX7 ⁽¹⁾)				

⁽¹⁾ Neither the District nor the Underwriters take any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Series 2017A Senior Bonds.

\$18,000,000
Senior Limited Property
Tax Supported Revenue Bonds
Taxable Series 2017B
(CUSIP® 6-digit issuer number: 700387)

<u>Year (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP® Number⁽¹⁾</u>
2019	\$ 2,045,000	2.400%	2.400%	FH1
2020	1,660,000	2.625	2.625	FJ7
2021	1,000,000	2.850	2.850	EY5
2022	1,025,000	3.050	3.050	EZ2
2023	1,060,000	3.150	3.150	FA6
2024	1,095,000	3.300	3.300	FB4
2025	1,130,000	3.450	3.450	FC2
2026	1,165,000	3.600	3.600	FD0
2027	1,215,000	3.700	3.700	FE8
\$6,105,000 Term Bond due December 1, 2032, Interest Rate: 4.000%, Yield: 4.000% (CUSIP ^(c) No.: FF5 ⁽¹⁾)				
\$500,000 Term Bond due December 1, 2051, Interest Rate: 5.000%, Yield: 5.100% (CUSIP ^(c) No.: FG3 ⁽¹⁾)				

⁽¹⁾ Neither the District nor the Underwriters take any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Taxable Series 2017B Senior Bonds.

© Copyright 2017, American Bankers Association. CUSIP data is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers are provided for convenience only; the District takes no responsibility for the CUSIP numbers.

^(c) Priced to par call on December 1, 2025.

No broker, dealer, salesperson, or other person has been authorized by the District to give any information or to make any representations in connection with the offering of the Series 2017 Senior Bonds other than those contained in this Official Statement and the Appendices hereto, and, if given or made, such information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page hereof, nor shall there be any offer to sell, solicitation of an offer to buy, or sale of such securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information set forth herein has been furnished by the District and the Developer, and from other sources believed to be reliable. This Official Statement contains, in part, estimates and matters of opinion which, whether or not expressly stated as such, are not intended as statements of fact, and no representation is made as to the accuracy of such estimates and opinions or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made after any such delivery shall, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date of this Official Statement.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2017 Senior Bonds is made only by means of this entire Official Statement.

THE SERIES 2017 SENIOR BONDS ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES OF THE DISTRICT RECEIVED BY THE DISTRICT EACH YEAR. THE SERIES 2017 SENIOR BONDS DO NOT CONSTITUTE A DEBT OR FINANCIAL OBLIGATION OF THE CITY, DURA, THE WESTERLY CREEK DISTRICT, SDC, THE DEVELOPER, OR THE UNDERWRITERS AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY, THE WESTERLY CREEK DISTRICT, SDC, THE DEVELOPER, THE UNDERWRITERS OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE DISTRICT FROM THE PLEDGED REVENUES) OR A CHARGE AGAINST THE GENERAL CREDIT OF DURA OR THE GENERAL CREDIT AND TAXING POWERS OF THE CITY OR THE WESTERLY CREEK DISTRICT (OTHER THAN WITH RESPECT TO THE REQUIRED MILL LEVY OF THE WESTERLY CREEK DISTRICT UNDER THE INTERGOVERNMENTAL AGREEMENT). THE SERIES 2017 SENIOR BONDS ARE NOT SECURED BY ANY LIEN OR MORTGAGE ON OR SECURITY INTEREST IN ANY PROPERTY OF THE CITY, DURA, THE DISTRICT, THE WESTERLY CREEK DISTRICT, SDC, OR THE DEVELOPER OTHER THAN THE PLEDGED REVENUES. NO SUCH ENTITY HAS GUARANTEED THE OBLIGATIONS OF THE DISTRICT WITH RESPECT TO THE SERIES 2017 SENIOR BONDS.

IN MAKING ANY INVESTMENT DECISION, THE PURCHASER MUST RELY ON ITS OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2017 SENIOR BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT OR PASSED UPON THE MERITS OF THE SERIES 2017 SENIOR BONDS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE PRICES AT WHICH THE SERIES 2017 SENIOR BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE SERIES 2017 SENIOR BONDS, THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2017 Senior Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Senior Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The registration and qualification of the Series 2017 Senior Bonds in accordance with applicable provisions of the securities laws of the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities, under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information, and this Official Statement is not to be construed as the promise or guarantee of the Underwriters.

This Official Statement is submitted in connection with the initial offering and sale of the Series 2017 Senior Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

TABLE OF CONTENTS

INTRODUCTION	1
Generally	1
Changes Since the Date of the Preliminary Official Statement	1
The District	2
The Development and the Developer	2
Use of Proceeds	4
Risk Factors	4
The Series 2017 Senior Bonds	4
Book-Entry System	5
Security and Sources of Payment for the Series 2017 Senior Bonds	5
Consultant's Tax Study	7
Tax Matters	7
Continuing Disclosure Agreement	7
Professionals Involved in the Offering	7
Other Information	8
FORWARD-LOOKING STATEMENTS	8
RISK FACTORS	8
Maintenance or Growth of Assessed Valuation Not Assured	9
Achievement of Projections Not Assured	9
Risks Affecting the Pledged Revenues	10
Environmental Issues	10
Possible Delays	11
Dependence on Other Sources of Funding	13
Additional Debt of the District; Outstanding Debt	15
Competition	16
Present Concentration of Taxpayers in the Taxing Area	16
Legal Restrictions Applicable to the District	16
Possible Conflicts of Interest	17
Enforceability of Bondholders' Remedies Upon Default	17
Special, Limited Obligations	18
Tax Collections	18
Dependence on Developer	19
Future Changes in Law	19
THE SERIES 2017 SENIOR BONDS	19
General	19
Senior Trustee, Bond Registrar and Senior Paying Agent	19
Book-Entry System	20
Payment and Registration	22
Redemption Prior to Maturity	22
Selection of Bonds for Redemption	25
Notice of Redemption	25
Transfer and Exchange	25
Additional Parity Bonds	26
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS	27
Special, Limited Obligations	27
Payment of Pledged Revenues to the District	28
Other Obligations of the District Secured by Pledged Revenues	31
THE SENIOR INDENTURE	31
General	31
Flow of Funds	31
Events of Default and Remedies	33
General Covenants of the District Under the Senior Indenture	33

Tax Covenant	34
PLAN OF FINANCE	34
Use of Proceeds.....	34
Estimated Sources and Uses of Funds.....	35
Repayment of Developer Advances and/or Reimbursement Notes.....	35
Debt Service Requirements	36
THE DISTRICT	36
Generally	36
District Powers	37
Principal Officials	37
Administration.....	38
Service Plans of the District and the Westerly Creek District.....	38
Inclusions, Exclusions, Consolidations and Dissolutions.....	42
The Urban Redevelopment Plan.....	43
District Facilities and Services	43
Material Contracts	44
Governmental Immunity and District Liability	51
State Constitutional Limitation	52
DISTRICT FINANCIAL MATTERS	53
Debt Structure	53
Budgetary Process	53
Financial Statements	54
Other District Revenues	54
Colorado Statutory and Other Restrictions.....	55
AD VALOREM PROPERTY TAXES.....	55
Property Subject to Taxation.....	55
Assessment of Property	55
Taxation Procedure	57
Adjustment of Taxes to Comply with Certain Limitations.....	57
Urban Renewal.....	58
Property Tax Collections.....	58
Property Tax Reduction for Senior Citizens and Disabled Veterans.....	59
Largest Property Taxpayers.....	59
DENVER URBAN RENEWAL AUTHORITY	60
TAX MATTERS	62
Series 2017A Senior Bonds.....	62
Taxable Series 2017 B Senior Bonds	64
In General.....	66
CONSULTANT’S TAX STUDY.....	66
LEGAL MATTERS	67
LITIGATION	67
CONTINUING DISCLOSURE AGREEMENT	67
RATING	68
UNDERWRITING	68
RELATIONSHIPS OF PARTIES	69
MUNICIPAL ADVISOR	69
ADDITIONAL INFORMATION.....	69
MISCELLANEOUS.....	69
APPENDIX A – THE DEVELOPER AND THE DEVELOPMENT	A-1
APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016 AND COVERAGE TABLE	B-1
APPENDIX C – CONSULTANT’S TAX STUDY	C-1

APPENDIX D – DISTRICT MAP	D-1
APPENDIX E – FORMS OF THE SENIOR INDENTURE	E-1
APPENDIX F – FORM OF OPINION OF BOND COUNSEL	F-1
APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT	G-1

(THIS PAGE INTENTIONALLY LEFT BLANK)

OFFICIAL STATEMENT

PARK CREEK METROPOLITAN DISTRICT

\$48,610,000

**Senior Limited Property
Tax Supported Revenue Bonds
Tax-Exempt Series 2017A**

\$18,000,000

**Senior Limited Property
Tax Supported Revenue Bonds
Taxable Series 2017B**

INTRODUCTION

This Introduction is qualified in its entirety by the more detailed information included and referred to elsewhere in this Official Statement, including the cover page, inside cover page and the Appendices hereto, and the documents summarized or described herein. The offering of the Series 2017 Senior Bonds to potential investors is made only by means of this entire Official Statement. This Official Statement does not constitute a contract between the District, the Developer or the Underwriters, and any one or more owners of the Series 2017 Senior Bonds. Capitalized terms used in this Introduction and not otherwise defined shall have the respective meanings assigned to them elsewhere in this Official Statement.

Generally

This Official Statement, including the cover page, inside cover page and Appendices (this “Official Statement”), is furnished in connection with the issuance of the above-captioned Senior Limited Property Tax Supported Revenue Bonds, Tax-Exempt Series 2017A (the “Series 2017A Senior Bonds”) and the above-captioned Senior Limited Property Tax Supported Revenue Bonds, Taxable Series 2017B (the “Taxable Series 2017B Senior Bonds” and together with the Series 2017A Senior Bonds, “Series 2017 Senior Bonds” or the “Bonds”), issued by Park Creek Metropolitan District (the “District”), located in the City and County of Denver, Colorado (the “City”). Any purchaser of the Series 2017 Senior Bonds should read this entire Official Statement before making an investment decision. Additional information concerning the District, the Series 2017 Senior Bonds, the Development and other aspects of this offering may be obtained from Forest City Realty Trust, Inc., a Maryland corporation (“Forest City” or the “Company”), and certain of its affiliates, including Stapleton Land, LLC, a Colorado limited liability company (“Stapleton Land”), and Forest City Stapleton, Inc., a Colorado corporation (“Forest City Stapleton”), all of which together are referred to herein as the “Developer,” and from the District at the addresses set forth in the section entitled “ADDITIONAL INFORMATION.” See also Appendix A – “THE DEVELOPER AND THE DEVELOPMENT” and Appendix B.

The Series 2017 Senior Bonds are issued under and secured by an Amended and Restated Senior Master Trust Indenture dated as of December 1, 2015 as previously supplemented (the “Senior Master Indenture”), as further supplemented by a Third Supplement to Amended and Restated Senior Master Trust Indenture dated as of December 1, 2017 (the “Third Supplemental Indenture” and, together with the Senior Master Indenture, the “Senior Indenture”), both between the District and U.S. Bank National Association, as Senior Trustee (the “Senior Trustee”). See Appendix E – “FORMS OF THE SENIOR INDENTURE.”

Changes Since the Date of the Preliminary Official Statement

This Official Statement includes certain information that was not available for inclusion in the Preliminary Official Statement dated November 29, 2017 (the “POS”), including the final sources and uses of funds, the principal amounts, maturity dates, interest rates, prices and yields, redemption provisions and other terms of the Bonds. Additionally, the Consultant’s Tax Study included as Appendix

C hereto has been updated to include the 2017 final assessed valuations of the Westerly Creek District, as well as the inclusion of the City's 1% cost of collection.

The District

The District is a quasi-municipal corporation and a political subdivision of the State of Colorado (the "State"). The District was formed pursuant to Colorado Revised Statutes, Title 32, Article 1, as amended (the "Special District Act"), by order of the District Court for the City and County of Denver, Colorado, on July 13, 2000, after approval of the eligible electors of the District. See Appendix B for the most recent audited financial statements of the District and the historical revenue information. The District was created for the purpose of assisting in the financing and construction of infrastructure to serve a portion of the former Stapleton International Airport being redeveloped as a mixed-use development (the "Development"). The District was created simultaneously with the Westerly Creek Metropolitan District (the "Westerly Creek District"), which was established to provide property tax and other revenue to the District in exchange for the provision of services and completion of the infrastructure improvements by the District to the Service Area of the District and the Westerly Creek District (the "Service Area"). The Series 2017 Senior Bonds are not obligations of the Westerly Creek District.

The boundaries of the District covers an area of approximately 17 acres within the Development, as described in the District's Service Plan dated April 12, 2000 (the "District's Service Plan"). See "THE DISTRICT – Service Plans of the District and the Westerly Creek District." As of November 1, 2016, the Westerly Creek District Service Area, and the property that is subject to the Westerly Creek Limited Mill Levy (as defined herein) (the "Taxing Area"), comprised approximately 3,031 acres within the Development, of which approximately 1,173 acres are open space and park and recreational facilities owned by the District, the City or the Stapleton Development Corporation ("SDC") and not subject to taxation. The Taxing Area is planned to include additional property over time and eventually to cover an area of approximately 4,000 acres within the Development, resulting in a projected 2,350 acres of nontaxable property (including 1,200 acres for park, open space and recreation purposes) and 1,650 acres of taxable commercial and residential property at build out. As additional property is purchased by the Developer pursuant to the Stapleton Purchase Agreement (as defined herein), such property is, by action of the Westerly Creek District, included into the Taxing Area. See Appendix D for a map showing the locations of the District, the Westerly Creek District, the Service Area and the Development.

The Development and the Developer

The Development

The Development consists of the mixed used redevelopment (including residential, commercial and retail), streets, alleys, in-tract parks and other public spaces of approximately 4,000 acres of land, as more particularly described in Appendix A hereto. The Development area is comprised of approximately 2,935 acres of developable area and approximately 1,116 acres of open space. The developable area has been and is expected to be acquired by the Developer and the open space is expected to be acquired by SDC or the District in accordance with the following arrangements. Some or all of the open space has been and is expected to be subsequently transferred to the City.

The City in July 1998 entered into a Master Lease and Disposition Agreement with SDC, which was amended by a First, Second, Third and Fourth Amendment to Master Lease and Disposition Agreement (collectively, the "Master Lease and Disposition Agreement"). The Master Lease and Disposition Agreement provides that SDC will maintain and lease the Development for a period of 15 years from July 1, 1990, or until completion of purchase of all of the developable acreage identified in the Master Lease and Disposition Agreement, subject to extensions as provided therein to coincide with the term of the Stapleton Purchase Agreement (referred to below). As of December 31, 2010, the term of the

Stapleton Purchase Agreement was extended three years to May 2019. The Master Lease and Disposition Agreement has also been extended three (3) years to May 2019. The Master Lease and Disposition Agreement gives SDC an exclusive option to purchase all or any portion of the property within the Development area upon meeting certain conditions. In November 1998, SDC selected the Developer through a competitive process to serve as master developer for the Development. SDC and the Developer have entered into an Amended and Restated Stapleton Purchase Agreement dated as of February 15, 2000 (the “Stapleton Purchase Agreement”), pursuant to which the Developer has agreed that it will, under certain circumstances, purchase approximately 2,935 developable acres and certain structures within the Development area over a 15-year period, which the Developer may extend under certain specific circumstances, pay certain Trunk Open Space Development Fees (see “PLAN OF FINANCE – Estimated Sources and Uses of Funds” and “DISTRICT FINANCIAL MATTERS – Other District Revenues - Trunk Open Space Development Fees”), and develop a portion of the Development area according to the principles set forth in the Stapleton Development Plan approved by the Denver City Council as an amendment to the City’s Comprehensive Plan in March 1995 (the “Stapleton Development Plan”).

The Development is being constructed in multiple phases, the designation of which generally corresponds to the funding for the related improvements. To date, the Developer’s development plans include approximately 2,538 acres broken down into multiple phases. For information concerning the progress of Phase I of the Development (which commenced in 2001 and is continuing), Phase II of the Development (which commenced in 2003 and is continuing), Phase III of the Development (which commenced in 2007 and is continuing), Phase IV of the Development (which commenced in 2008 and is continuing), Phase V of the Development (which commenced in 2009 and is continuing), and Phase VI of the Development (which commenced in 2016 and is continuing), see Appendix A – “THE DEVELOPER AND THE DEVELOPMENT.” For general economic and demographic information relating to the Denver metropolitan area, see Appendix C – “CONSULTANT’S TAX STUDY.”

As of September 30, 2017, the Developer had purchased, through an affiliate, approximately 2,538 acres within the Development area pursuant to the Stapleton Purchase Agreement, of which 320 acres relate to Phase I of the Development, 778 acres relate to Phase II of the Development, 588 acres relate to Phase III of the Development, 191 acres relate to Phase IV of the Development, 374 acres relate to Phase V of the Development and 287 acres relate to Phase VI of the Development. Of this total, approximately 2,089 acres had been transferred to other parties, including homeowners, home builders, the City, and the Denver Public Schools, the District and other commercial landowners, as of September 30, 2017.

Portions of the Development site that have been platted separately for development are sometimes referred to herein as “filings.”

Forest City Realty Trust, Inc.

Forest City Realty Trust, Inc. (referred to herein as “Forest City” or the “Company”), is a Maryland corporation that, together with its subsidiaries, principally engages in the operations, development, management and acquisition of office, apartment and retail real estate and land throughout the United States. Forest City is publicly-traded on the New York Stock Exchange (symbol: FCEA and FCEB) and, as of September 30, 2017, holds approximately \$8.1 billion in consolidated assets. Forest City’s corporate headquarters are in Cleveland, Ohio, and it has regional offices in Boston, Dallas, Denver, Los Angeles, New York City, San Francisco and Washington, D.C. See Appendix A – “THE DEVELOPER AND THE DEVELOPMENT.”

Use of Proceeds

The proceeds of the Series 2017 Senior Bonds, will be used to (i) repay certain Developer Advances (as defined herein) and/or Reimbursement Notes (as defined herein) as further described herein, and (ii) pay costs of issuance relating to the Series 2017 Senior Bonds. See “PLAN OF FINANCE.”

Risk Factors

The purchase and ownership of the Series 2017 Senior Bonds involve investment risks and may not be suitable for all investors. Prospective purchasers of the Series 2017 Senior Bonds being offered by this Official Statement should read this Official Statement in its entirety. For a discussion of certain of such risks relating to the Series 2017 Senior Bonds, see “RISK FACTORS.”

The Series 2017 Senior Bonds

Authority for Issuance of the Series 2017 Senior Bonds

The Series 2017 Senior Bonds are issued pursuant to the November 7, 2000 election, the authority of the Special District Act, the Supplemental Public Securities Act, Part 2, Article 57, Title 11, Colorado Revised Statutes, as amended, and the Senior Indenture. See “THE SERIES 2017 SENIOR BONDS.”

Interest Rate, Denomination and Payment

The Series 2017 Senior Bonds will mature and bear interest as set forth on the inside front cover hereof and as more fully described in the section entitled “THE SERIES 2017 SENIOR BONDS.” The Bonds are being issued only in fully registered form in minimum denominations of \$5,000 and integral multiples thereof. Interest on the Series 2017 Senior Bonds will be payable on each June 1 and December 1, commencing June 1, 2018. See “THE SERIES 2017 SENIOR BONDS – General.”

The principal and redemption price of any Series 2017 Senior Bond shall be payable when due, upon surrender of such Series 2017 Senior Bond, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, at the principal office of the Senior Paying Agent (as defined herein). Interest on any Series 2017 Senior Bond on each Interest Payment Date in respect thereof shall be payable by check mailed on the Interest Payment Date to the address of the person entitled thereto as such address shall appear in the bond register relating to the Series 2017 Senior Bond (the “Bond Register”), or, at the request of an owner of \$1,000,000 or more in principal amount of Series 2017 Senior Bonds, by wire transfer to an account in the United States designated in writing by such owner.

U.S. Bank National Association, or its successor, will serve as the Senior Trustee (the “Senior Trustee”) and Paying Agent (the “Senior Paying Agent”) for the Bonds pursuant to the Senior Indenture. Principal of, premium, if any, and interest on the Series 2017 Senior Bonds will be paid by the Senior Trustee at its principal operations office, currently located in St. Paul, Minnesota.

Redemption Prior to Maturity

The Series 2017A Senior Bonds maturing on and after December 1, 2032 are subject to redemption prior to maturity at the option of the District, on and after December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date. The Series 2017A Senior Bonds maturing on

December 1, 2041, December 1, 2046 and December 1, 2051, are subject to mandatory sinking fund redemption. See “THE SERIES 2017 SENIOR BONDS – Redemption Prior to Maturity.”

The Taxable Series 2017B Senior Bonds maturing on and after December 1, 2026 are subject to redemption prior to maturity at the option of the District, on and after December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date. The Taxable Series 2017B Senior Bonds maturing on December 1, 2032 and December 1, 2051, are subject to mandatory sinking fund redemption. See “THE SERIES 2017 SENIOR BONDS – Redemption Prior to Maturity.”

Book-Entry System

The Series 2017 Senior Bonds are issuable only as fully registered Bonds without coupons in the denomination of \$5,000 and integral multiples thereof. The Depository Trust Company, New York, New York (“DTC”) is acting as securities depository for the Series 2017 Senior Bonds through its nominee, Cede & Co., to which principal of and interest payments on the Series 2017 Senior Bonds are to be made. One fully registered Series 2017 Senior Bond certificate will be (i) issued for each maturity of the Series 2017 Senior Bonds, in the aggregate principal amount of such maturity, (ii) registered in the name of Cede & Co., and (iii) deposited with DTC. Individual purchases will be made in book-entry form only and purchasers of the Series 2017 Senior Bonds will not receive physical delivery of bond certificates, all as more fully described herein. Upon receipt of payments of principal and interest, DTC is to remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2017 Senior Bonds. For a more complete description of the book-entry system, see “THE SERIES 2017 SENIOR BONDS – Book-Entry System.”

For a more complete description of the Series 2017 Senior Bonds and the Senior Indenture and other documents pursuant to which such Series 2017 Senior Bonds are being issued, see “THE SERIES 2017 SENIOR BONDS, “THE SENIOR INDENTURE” and “FORMS OF THE SENIOR INDENTURE” in Appendix E hereto.

Security and Sources of Payment for the Series 2017 Senior Bonds

The Series 2017 Senior Bonds are special, limited obligations of the District, payable solely from the “Pledged Revenues.” The Pledged Revenues are defined in the Senior Indenture to include (a) the amounts payable to the District pursuant to the Stapleton Development Plan, Stapleton Urban Redevelopment Area Cooperation Agreement dated as of July 15, 2000, as amended (the “City Cooperation Agreement”), between the Denver Urban Renewal Authority (“DURA”) and the City, and a Cooperation Agreement dated as of March 1, 2001, as amended (the “District Cooperation Agreement”), among DURA, the District, and the Westerly Creek District, pursuant to which DURA agrees to pay to the District taxes collected by the City and paid to DURA from a limited ad valorem mill levy not to exceed 50 mills, subject to certain adjustments (the “Westerly Creek Limited Mill Levy”), imposed by the Westerly Creek District on property within the Taxing Area, and (b) the amount of Specific Ownership Taxes (“SO Taxes”) received by the District pursuant to the Intergovernmental Agreement (as defined herein) from Westerly Creek District and paid to the Senior Trustee for deposit into the Revenue Fund from December 1 of each bond payment year through November 30 of the following bond payment year until December 1, 2037, which, together with any earnings thereon, shall equal in each such twelve month period the lesser of (i) \$700,000 and (ii) the amount of SO Taxes received by the District from the Westerly Creek District (the “Maximum SO Tax Amount”). Pursuant to an Intergovernmental Financing and Construction Agreement dated as of April 30, 2001 (the “Intergovernmental Agreement”) between the District and the Westerly Creek District, the Westerly Creek District agrees to impose the Westerly Creek Limited Mill Levy and to permit the collection and payment of District Tax Revenues by the City to DURA and by DURA to the District. Under the Service Plan, not less than 48.5 mills, as adjusted, of

the Westerly Creek Limited Mill Levy is to be imposed for the payment of debt service, provided that, in the event that the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the Westerly Creek Limited Mill Levy may be adjusted so that less than 48.5 mills is available to generate Pledged Revenues and, likewise, Subordinate Tax Revenues (as defined herein) and Second Lien Subordinate Revenues (as defined herein), to make payments on the Senior Bonds, the Subordinate Bonds (as defined below) and the Second Lien Subordinate Bonds (as defined herein), and Developer Advances (as defined herein) and Notes (as defined herein) evidenced under the Developer Reimbursement Agreements, respectively; however, such decrease may occur solely for the purpose of ensuring that the actual tax revenues generated by the mill levy, as adjusted, are unchanged as a result of the change in calculation of assessed valuation. See “THE DISTRICT – Service Plans of the District and the Westerly Creek District.” The Pledged Revenues also include District Tax Revenues, if any, payable to the District or the Westerly Creek District by the City pursuant to a Redevelopment Services Agreement dated as of April 15, 2001, as supplemented from time to time (the “City Redevelopment Agreement”). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District” and “THE DISTRICT.”

SO Taxes represent the proportionate amount of specific ownership taxes imposed by the State on motor vehicles that is distributed to the Westerly Creek District pursuant to Section 42-3-101 et seq., Colorado Revised Statutes, and paid to the District by the Westerly Creek District pursuant to the Intergovernmental Agreement. SO Taxes are imposed by the State annually upon motor vehicles, which are payable at a graduated rate ranging from 2.1% of taxable value in the first year of ownership to \$3 per year in the tenth year of ownership and thereafter for most classes of motor vehicles. Such tax is collected by all counties in the State and distributed to every taxing entity within a county, such as the District or the Westerly Creek District, in the proportion of the cumulative amount of ad valorem taxes levied by all taxing entities county-wide that the taxing entity’s ad valorem taxes represents. Accordingly, under current law, the amount of SO Taxes to be received by the Westerly Creek District in any year will depend upon the amount of ad valorem property taxes levied by the Westerly Creek District and the amount of taxes levied by other entities in the City and County of Denver, Colorado, among other factors. SO Taxes are distributed by the City and County of Denver to the Westerly Creek District, and by the Westerly Creek District to the District, on a monthly basis. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District.” In Fiscal Year 2016, the District received \$1,523,743 in SO Taxes from the Westerly Creek District pursuant to the Intergovernmental Agreement.

THE SERIES 2017 SENIOR BONDS ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES OF THE DISTRICT RECEIVED BY THE DISTRICT EACH YEAR. THE SERIES 2017 SENIOR BONDS DO NOT CONSTITUTE A DEBT OR FINANCIAL OBLIGATION OF THE CITY, DURA, THE WESTERLY CREEK DISTRICT, SDC, THE DEVELOPER, OR THE UNDERWRITERS AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY, THE WESTERLY CREEK DISTRICT, SDC, THE DEVELOPER, THE UNDERWRITERS OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE DISTRICT FROM THE PLEDGED REVENUES) OR A CHARGE AGAINST THE GENERAL CREDIT OF DURA OR THE GENERAL CREDIT AND TAXING POWERS OF THE CITY OR THE WESTERLY CREEK DISTRICT (OTHER THAN WITH RESPECT TO THE REQUIRED MILL LEVY OF THE WESTERLY CREEK DISTRICT UNDER THE INTERGOVERNMENTAL AGREEMENT). THE SERIES 2017 SENIOR BONDS ARE NOT SECURED BY ANY LIEN OR MORTGAGE ON OR SECURITY INTEREST IN ANY PROPERTY OF THE CITY, DURA, THE DISTRICT, THE WESTERLY CREEK DISTRICT, SDC OR THE DEVELOPER OTHER THAN THE PLEDGED REVENUES. NO SUCH ENTITY HAS GUARANTEED THE OBLIGATIONS OF THE DISTRICT WITH RESPECT TO THE SERIES 2017 SENIOR BONDS.

Consultant's Tax Study

King & Associates, Inc. (the "Consultant") has been retained by the District to provide an analysis and revenue forecast with respect to the District. The Consultant's "Park Creek Metropolitan District Market & Revenue Analysis" dated December, 2017 (the "Consultant's Tax Study") is attached hereto as Appendix C and should be read in its entirety for an understanding of the assumptions and rationale underlying the financial forecasts contained therein. The Consultant's Tax Study is based upon the assumptions stated therein and does not reflect the terms of the Series 2017 Senior Bonds. See "CONSULTANT'S TAX STUDY" herein, Appendix C hereto and "FORWARD-LOOKING STATEMENTS."

Tax Matters

In the opinion of Bond Counsel to the District to be delivered upon the issuance of the Series 2017A Senior Bonds, under existing law and assuming compliance by the District with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met subsequent to the issuance of the Series 2017A Senior Bonds, with which the District has certified, represented, and covenanted its compliance, interest on the Series 2017A Senior Bonds is excluded from gross income for federal income tax purposes and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, subject to certain exceptions, corporations. The opinion of Bond Counsel to the District will also provide to the effect that, under the Special District Act, the Series 2017 Senior Bonds and the income therefrom are not subject to income taxation by the State. Interest on the Taxable Series 2017B Senior Bonds is not excluded from gross income for federal income tax purposes. See "TAX MATTERS" for a more detailed discussion. See also the form of such opinion attached hereto as Appendix F.

Continuing Disclosure Agreement

The District has covenanted for the benefit of the owners of the Series 2017 Senior Bonds to provide annually certain financial information and operating data concerning the District to the Municipal Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System (<http://emma.msrb.org>) and to provide notice to the MSRB of certain enumerated events, pursuant to the requirements of Section (b)(5)(i) of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission ("SEC"). To comply with the provisions of the Rule, the District and Digital Assurance Certification, L.L.C. (the "Dissemination Agent") will undertake in a written agreement for the benefit of the owners of the Series 2017 Senior Bonds (the "Continuing Disclosure Agreement") to provide the required information described above to the MSRB. See "CONTINUING DISCLOSURE AGREEMENT" and Appendix G – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

Professionals Involved in the Offering

The underwriters listed on the front cover of this Official Statement (the "Underwriters") have served as underwriters in connection with the issuance of the Series 2017 Senior Bonds. Hogan Lovells US LLP, Denver, Colorado, has acted as Bond Counsel to the District in connection with the issuance of the Series 2017 Senior Bonds. Kipling Jones & Co., Ltd. is serving as municipal advisor to the District in connection with the issuance of the Series 2017 Senior Bonds. Certain legal matters will be passed upon for the District by Collins Cockrel & Cole, a Professional Corporation, Denver, Colorado; for the Developer by Thompson Hine LLP, Kaplan Kirsch & Rockwell LLP, Denver, Colorado, and the Developer's In-House Counsel; and for the Underwriters, by Butler Snow LLP, Denver, Colorado and The Holt Group LLC, Denver, Colorado. See "LEGAL MATTERS." U.S. Bank National Association will serve as Senior Trustee, Senior Paying Agent, and Bond Registrar for the Series 2017 Senior Bonds.

King & Associates, as consultant to the District, has prepared the Consultant's Tax Study included in Appendix C hereto.

Other Information

This Official Statement speaks only as of its date and the information contained herein is subject to change without notice.

The purpose of this Official Statement is to supply information to any purchaser of the Series 2017 Senior Bonds. This Official Statement includes financial and other information about the District and also contains descriptions of the District, the Westerly Creek District, DURA, the City, the Developer, the Development, the Series 2017 Senior Bonds, the Senior Indenture, the City Cooperation Agreement, the District Cooperation Agreement, the Intergovernmental Agreement, and related documents and federal and Colorado laws. None of such information or descriptions in this Official Statement purport to be definitive or comprehensive. All references to the City Cooperation Agreement, the District Cooperation Agreement, the Intergovernmental Agreement, the Senior Indenture, the Series 2017 Senior Bonds, and related documents, and such laws are qualified in their entirety by reference to each of such documents, the form of the Series 2017 Senior Bonds in the Senior Indenture and such laws. See "ADDITIONAL INFORMATION." Except as otherwise noted, and except for the information herein regarding and provided by the Developer, DURA, and the City, all data contained herein has been derived from District records. So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District, the Westerly Creek District, the Developer, or the Underwriters and the purchasers or holders of any of the Series 2017 Senior Bonds.

FORWARD-LOOKING STATEMENTS

This Official Statement, and particularly the information contained under the caption "PLAN OF FINANCE," "CONSULTANT'S TAX STUDY" and in Appendices A and C, contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. Important factors to consider in evaluating such forward-looking statements in this Official Statement include changes in external competitive market factors, changes in the Developer's business strategy with respect to the Development or an inability of the Developer to execute such strategy due to unanticipated changes in the demand for property in the area or the economy in general and various other competitive factors that may prevent the Development from competing successfully in the Denver marketplace.

RISK FACTORS

The purchase and ownership of the Series 2017 Senior Bonds involve investment risks and may not be suitable for all investors. The purchasers of the Series 2017 Senior Bonds should consider carefully, along with other matters referred to herein, the following factors concerning their investment. The ability of the District to meet the debt service requirements of the Series 2017 Senior Bonds is subject

to various uncertainties which are discussed throughout this Official Statement. Certain of such risk factors are discussed below.

Maintenance or Growth of Assessed Valuation Not Assured

The amount of Pledged Revenues received by the District and the sufficiency thereof to pay debt service with respect to the Series 2017 Senior Bonds is dependent upon the maintenance at current levels and growth of the assessed valuation of property within the Taxing Area. The Taxing Area currently covers only approximately 3,031 acres within the Development, of which approximately 1,173 acres are open space and park and recreational facilities owned by the District, the City or SDC and are not subject to taxation, and there is no assurance that future inclusions will be made as currently anticipated to include all of the approximately 4,000 acres of the Development. There is no assurance that such undeveloped property will be developed in the future so as to increase the assessed valuation thereof and thereby increase the amount of Pledged Revenues ultimately received by the District. All development and construction activity, as well as growth of the tax base within the Taxing Area, is affected markedly by general economic conditions. Some significant factors which may inhibit completion of planned future development and diminish the likelihood of increased assessed valuations include, but are not limited to: the financial condition of the Developer and other owners of property within or adjacent to the Taxing Area; the availability of an adequate water supply, sanitary sewer facilities, and other utilities; the availability of mortgage funds; the availability of labor and materials; the availability of energy sources; construction costs and interest rates; environmental issues; adequate regional transportation facilities; other political, legal, competitive and general economic conditions; future tax law changes impacting the availability of tax exempt financing; and governmental policies with respect to land development, the extension of utility services, and special districts in general. The Developer is not required under current agreements to develop any part of the Development, including the Taxing Area. There is no assurance that any planned future development will be completed on a timely basis, if at all, or that properties presently within the Taxing Area or included in the Taxing Area in the future will experience increases in assessed valuations at the rates projected by the Consultant. See “Possible Delays” below, “THE DEVELOPER AND THE DEVELOPMENT” attached as Appendix A hereto, and the “CONSULTANT’S TAX STUDY” attached hereto as Appendix C.

Achievement of Projections Not Assured

The sufficiency of the Pledged Revenues to make payments of principal of, premium, if any, and interest on the Series 2017 Senior Bonds is dependent on the generation and receipt of sufficient revenues from the Westerly Creek Limited Mill Levy imposed by the Westerly Creek District on property in the Taxing Area. The Consultant’s Tax Study includes certain forecasts regarding the future levels of tax revenues expected to be generated from development and corresponding increases in the tax base and assessed value with respect to the Taxing Area, and such forecasts are based on the assumptions described in the Consultant’s Tax Study. See Appendix C. As described in the Consultant’s Tax Study, the Consultant’s Tax Study relies in large part on certain projections of the Developer regarding development in the Taxing Area. Such projections are not set forth herein. Inevitably, some of such assumptions will not be realized, and there are likely to be differences between projections and actual results, which differences may be material. See “FORWARD-LOOKING STATEMENTS.” SO Taxes are collected by all counties in the State and distributed to every taxing entity within a county, such as the District or the Westerly Creek District, in the proportion of the cumulative amount of ad valorem taxes levied by all taxing entities county-wide that the taxing entity’s ad valorem taxes represents. Accordingly, under current law, the amount of SO Taxes to be received by the Westerly Creek District in any year will depend upon the amount of ad valorem property taxes levied by the Westerly Creek District and the amount of taxes levied by other entities in the City and County of Denver, Colorado, among other factors. Since the amount of SO Taxes is dependent upon the level of collections and allocations from year to

year, it is uncertain whether the District will receive all or a portion of the Maximum SO Tax Amount each year from the Westerly Creek District pursuant to the Intergovernmental Agreement. See “Tax Collections” and “Future Changes in Law” under this caption. There is no assurance that Pledged Revenues will be generated as projected in amounts sufficient to pay principal of, premium, if any, and interest on the Series 2017 Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District.”

Risks Affecting the Pledged Revenues

The District’s receipt of Pledged Revenues (except for the Maximum SO Tax Amount) is directly dependent on the levy of the Westerly Creek Limited Mill Levy on property in the Taxing Area, the collection of the revenues from such levy by the City, the payment of such revenues by the City to DURA and by DURA to the District, and the payment of the Pledged Revenues by the District to the Senior Trustee and by the Senior Trustee to Bondholders under the Senior Indenture. See “Maintenance or Growth of Assessed Valuation Not Assured” under this caption. Each of such steps in the receipt and collection of Pledged Revenues is subject to laws and agreements affecting the entities involved, including but not limited to the City Cooperation Agreement, the District Cooperation Agreement, and the Intergovernmental Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District” and “THE DISTRICT.” The SO Taxes that comprise the Maximum SO Tax Amount are collected by the City, distributed to the Westerly Creek District and then remitted to the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District - Maximum SO Tax Amount.” There is no assurance that the obligations of each entity involved in the process of receipt and collection of Pledged Revenues will not be materially adversely affected by a variety of economic, administrative, or legal factors, or that each such entity will perform its obligations so as to result in the timely payment of sufficient Pledged Revenues to make payments on the Series 2017 Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District - District Cooperation Agreement.” The authority of DURA to receive revenue from the Westerly Creek Limited Mill Levy and to pay Pledged Revenues to the District will expire in 2025. After that time, the Westerly Creek Limited Mill Levy will be collected by the Westerly Creek District and remitted to the District under the Intergovernmental Agreement.

The Consultant’s Tax Study includes certain forecasts regarding the future levels of tax revenues to be generated with respect to the Taxing Area, and such forecasts are based on the assumptions described in such Tax Study. See Appendix C and “FORWARD-LOOKING STATEMENTS.” As described in the Consultant’s Tax Study, the Tax Study relies in part on certain projections of the Developer regarding development and corresponding increases in the tax base and assessed value in the Taxing Area.

Environmental Issues

The Development is located within the area formerly occupied by Stapleton International Airport, at which airport operations were conducted from 1929 until 1995. Although many studies have been conducted regarding environmental issues at the Stapleton International Airport site, no recent overall, comprehensive study has been conducted covering the entire Development.

For property in the Development Area that is not designated as trunk open space, the Master Lease and Disposition Agreement provides that before SDC purchases individual parcels of property within the Development, the City’s Manager of Aviation must be reasonably satisfied that (i) the City has performed environmental remediation to specified standards and protocols appropriate for residential use on such parcels, or the City will have sufficient access to complete environmental remediation already

begun; (ii) the Developer will agree to assume all environmental liability for such property, to perform environmental remediation of such property, and to provide an environmental indemnity to the City and SDC satisfactory to the Manager of Aviation and SDC; or (iii) another proposal for environmental remediation of such property has been accepted by the Manager of Aviation. However, the Developer is not obligated to purchase property under the Stapleton Purchase Agreement until it has been remediated to specified standards appropriate for residential use, and in certain circumstances, for obtaining a “no further action” determination (“NFA Letter”) from the appropriate regulatory agencies of the State of Colorado as a condition of conveyance.

As a condition of conveying property designated as trunk open space to SDC, unless waived by the Manager of Aviation, the City is responsible under the Master Lease and Disposition Agreement for determining that no further environmental remediation is required for the intended use of the property pursuant to standards set by the City’s Manager of Environmental Health. For property designated for the construction of streets, parks, utilities, and other infrastructure to be conveyed to the City after construction (“City Development Infrastructure”), remediation of property in which the City Development Infrastructure is located must be conducted to meet the environmental standards specified in the Master Facilities Development Agreement entered into among the City, the District, and the Developer, dated as of February 12, 2001, as amended (the “Master Facilities Development Agreement” or “MFDA”), or set forth in the applicable Individual Facilities Development Agreements (each an “Individual Facilities Development Agreement” or “IFDA”) among the City, the District, and the Developer (“Reconveyance Standards”). Such property must meet the Reconveyance Standards before the City will accept completed City Development Infrastructure from the District for long term ownership. If requested by the District and the Developer, before the City conveys to SDC property designated to contain City Development Infrastructure, the City is responsible for remediation of such property to the Reconveyance Standards. If the District fails to request remediation before the City conveys such property to SDC, or previously unknown contamination is discovered during construction, the District is responsible for any environmental remediation required to meet the Reconveyance Standards, not the City.

The City has not made any representations or warranties to SDC, the District or the Developer regarding the environmental condition of property within the Development, the timing of environmental remediation within the Development, or the total costs and funding of such environmental remediation. There is no assurance that the Development will not be materially adversely affected by environmental issues, including but not limited to onsite contamination, contamination migrating from or to property in the Development, liability imposed on the District, the City, SDC, or the Developer, or others with respect to offsite disposal locations, liability for violations of law, and liability for torts or damages to natural resources. Such environmental issues could possibly result in substantial delays or prevention of development needed to connect infrastructure within the Development or avoid isolation of pockets of property within the Development. There is no assurance that any effect on development caused by environmental issues associated with the Development would not materially adversely affect the amount of Pledged Revenues available to the District to make payments of principal of, premium, if any, and interest on the Series 2017 Senior Bonds. See “Possible Delays” below.

Possible Delays

Environmental Remediation

As indicated above under “Environmental Issues,” the Development is on the site of the former Stapleton International Airport. Prior to and during the Development, environmental investigations of the Development Area have indicated that certain contamination exists or may exist on the Development.

For property in the Development that is not designated as trunk open space, the City, under the Master Lease and Disposition Agreement, is responsible for assuring remediation of environmental contamination of property in the Development to specified standards appropriate for residential use and, in certain circumstances, for obtaining a “no further action” determination from the appropriate regulatory agencies of the State of Colorado as a condition of conveyance to SDC. These standards are also contained in the Stapleton Purchase Agreement between SDC and the Developer. As described above, as a condition of conveying property designated as trunk open space to SDC, unless otherwise waived by the Manager of Aviation, the City is responsible under the Master Lease and Disposition Agreement for determining that no further environmental remediation is required for the intended use of the property pursuant to standards set by the City’s Manager of Environmental Health. In certain circumstances also described above, the City also may be responsible for remediation of property designated for construction of City Development Infrastructure necessary to meet Reconveyance Standards.

The Developer has waived the requirement under the Stapleton Purchase Agreement that property be remediated to standards appropriate for residential use as a condition of purchase in certain circumstances. The Developer has waived this requirement within Stapleton Filing Nos. 32 and 52, where it took title to this property and remediated the property under voluntary cleanup plans approved by the Colorado Department of Public Health and Environment. The Developer has received NFA Letters for residential use in both cases. The Developer also has waived this requirement with respect to certain parcels where Developer has placed fill and performed overlot grading under license from the City prior to purchase and where no conditions requiring environmental remediation has been identified. The Developer also has waived the requirement that the former airport control tower be demolished and certain related asbestos abatement be conducted as a condition of its purchase.

Similarly, the District has performed remediation of trunk open space during construction of City Development Infrastructure in the northern Westerly Creek and Sand Creek corridors. This work has been conducted under a reimbursement agreement under which the City has paid the costs of remediation.

Funding for environmental remediation to be paid out of airport funds is governed by an agreement between the City and nine of the air carriers that formerly operated at the former Stapleton International Airport (the “Airlines Environmental Funding Agreement”). Three of the signatory airlines were required under the Airlines Environmental Funding Agreement to pay an aggregate of \$15 million to the City to perform certain environmental remediation that is related to or caused by their past operations at Stapleton International Airport, and, having made such payment, were released from any further liability to the City relating to environmental remediation attributable to their past operations at Stapleton International Airport. Pursuant to the Airlines Environmental Funding Agreement, the cost of certain other environmental remediation at the former airport site that was not attributable to the past operations of any specific airline, the cost of attributable environmental remediation that exceeds the \$15 million limit described above, demolition costs and specified insurance costs (together, the “Non Attributable Costs”) are to be funded from rate based charges to the airlines operating at Denver International Airport and gross proceeds from the disposition of the former airport site. The aggregate amount of expenditures for Non Attributable Costs is generally limited to \$85 million, subject to certain adjustments. In certain circumstances, the City may expend an additional \$20 million for remediation from the City’s share of Denver International Airport net revenue as defined under the Airlines Environmental Funding Agreement. Accordingly, the total funds available to pay for remediation and demolition costs from those sources under the Airlines Environmental Funding Agreement is \$120 million, subject to those certain adjustments noted above. In addition, the Airlines Environmental Funding Agreement also required the City to purchase pollution legal liability insurance with policy limits of not less than \$200 million providing coverage for unknown conditions and a “cost cap” or similar insurance policy against the risk that remediation and demolition costs exceed the dollar amounts provided under the Airlines Environmental Funding Agreement.

The City has indicated that, as of October 31, 2017, approximately \$106 million of the funds available under the Airlines Environmental Funding Agreement (exclusive of insurance proceeds) had been expended on remediation and demolition costs. However, claims paid under the insurance policies may result in additional funds becoming available under the \$120 million limit.

Most known areas of environmental contamination within the Development had been remediated by the City as of October 31, 2017. Of the sites where the City has conducted or is currently conducting environmental remediation, all have received NFA Letters from regulatory agencies of the State of Colorado except a site east of Moline Street. The City and the Developer also have sought and received NFA Letters for portions of Stapleton International Airport where no remediation was required. However, environmental contamination may remain that has not been remediated on certain limited portions of the Development that have not yet been conveyed to the Developer or the District. In addition, the possibility remains that unknown environmental contamination will be discovered as the Developer completes its investigation of individual parcels prior to conveyance to the Developer or the District or during subsequent development activities.

Neither the District nor the Developer controls or directs the environmental remediation work that is the responsibility of the City. There is no assurance that all payments required under the Airlines Environmental Funding Agreement or payments for which claims have been submitted under the insurance policies or the City's reimbursement agreement with the District will be received such that the environmental remediation can be completed in a time frame consistent with the desire of the Developer to purchase any particular parcels of property for development or for the District to complete City Development Infrastructure as anticipated. The receipt of payment under the Airlines Environmental Funding Agreement may be adversely affected by financial difficulties or bankruptcies experienced by or involving various air carriers who are parties to the Airlines Environmental Funding Agreement. Similarly, insurance coverage disputes may not be resolved favorably to the City or in a timely manner or insurance carriers may become insolvent. No assurance is given as to the current or future financial condition of the insurance carriers or their assigns. Should such environmental remediation not be completed in a timely manner, it could delay the development of certain parcels, and therefore adversely impact the pace of development and the generation of Pledged Revenues.

City Permitting and Approval Processes

Under the District's Service Plan dated April 12, 2000 and approved by the City and County of Denver on April 24, 2000, the MFDA, and certain other agreements, the District cannot spend moneys or construct Trunk Infrastructure and In-Tract Infrastructure (together "Development Infrastructure") without the scope, funding and certain related items with respect to such moneys or Development Infrastructure having been approved by the City in an Individual Facilities Development Agreement. The City Projects (as defined in Appendix A) are also subject to approval through the IFDA process. The IFDA process, with the requisite City approvals, may take longer than contemplated and result in a delay in the construction of the infrastructure. In addition, the construction of Development Infrastructure and the Development itself is subject to the normal City permitting and approval processes. These processes could take longer than contemplated, and result in a delay in the construction of the Development and the Development Infrastructure. Any such delays in the construction of such Development Infrastructure could adversely affect the timing of construction of the Development and any increase in the tax base and assessed value in the Taxing Area and, therefore, the generation and collection of Pledged Revenues.

Dependence on Other Sources of Funding

The District currently has no material sources of funds for Development Infrastructure within the District, other than, (i) for purposes of In-Tract Infrastructure (as defined under "THE DISTRICT – Service Plans of the District and the Westerly Creek District - The District's Service Plan") only,

infrastructure fees, (ii) for purposes of Trunk Infrastructure only, the proceeds of certain tax increment supported revenue bonds issued by the District and/or DURA payable solely from amounts received as a result of Pledged Tax Increment Revenues (as defined under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District - City Cooperation Agreement”) and Developer contributions for Trunk Infrastructure within specific filings pursuant to an Individual Facilities Development Agreement, and (iii) certain reimbursable advances (“Developer Advances”) which Stapleton Land may make to the District in respect of projects within the Service Area. The District’s ability to expend the Developer Advances is subject to the provisions set forth in the District’s Service Plan, the Master Facilities Development Agreement and the Individual Facilities Development Agreements. Such advances are to be repaid by the District pursuant to a certain Third Amended and Restated Reimbursement Agreement for In-Tract Infrastructure dated as of December 3, 2009, between the District and Stapleton Land (the “Reimbursement Agreement for In-Tract Infrastructure”), a certain Second Amended and Restated Reimbursement Agreement for Trunk Infrastructure dated as of February 28, 2013 between the District and Stapleton Land (the “Reimbursement Agreement for Trunk Infrastructure” and, together with the Reimbursement Agreement for In-Tract Infrastructure, the “Developer Reimbursement Agreements”), and from other available funds not otherwise appropriated or obligated for any current or future purposes in any fiscal year. The amount of Developer Advances and the reimbursement notes issued by the District to the Developer to memorialize the Developer Advances (the “Reimbursement Notes”) under the Reimbursement Agreement for In-Tract Infrastructure as of November 1, 2017 was \$179,801,439, such amount together with accrued interest will be reduced by the application of the proceeds of the Bonds. See “PLAN OF FINANCE- Repayment of Developer Advances and/or Reimbursement Notes.” See “THE DISTRICT – Material Contracts - The Developer Reimbursement Agreements.” There are no Developer Advances or Reimbursement Notes outstanding under the Reimbursement Agreement for Trunk Infrastructure. DURA has agreed to reimburse the Developer for certain advances it makes to pay certain costs of Trunk Infrastructure Projects from Pledged Tax Increment Revenues. The pledge of Pledged Revenues to the repayment of the Developer Advances and the Notes under the Developer Reimbursement Agreements is subordinate to the pledge of Pledged Revenues with respect to the Series 2017 Senior Bonds. See “THE DISTRICT – Material Contracts.” Certain additional obligations of the District may be issued to the Developer in respect of the District’s repayment obligations to the Developer under the Developer Reimbursement Agreements. Pursuant to the terms of the Developer Reimbursement Agreements, the District must, with certain exceptions, obtain the consent of the Developer before issuing any additional obligations. As described under the caption “THE DISTRICT – Material Contracts - Subordinate Bond Reimbursement Agreement,” the District may also incur repayment obligations to the Developer, on a basis subordinate to the Series 2017 Senior Bonds, in the event that the Developer, in its sole discretion, elects to advance to the District amounts to pay principal of and interest on the Subordinate Bonds or Second Lien Subordinate Bonds.

There is no assurance that the District will receive moneys from the Developer or other sources in sufficient amounts and in sufficient time to sustain its development of Infrastructure within the District, that the District will be able to issue additional obligations in the future to finance development projects and to meet its obligations under the Developer Reimbursement Agreements, or that DURA will agree or be able to issue additional DURA bonds in the future to fund Trunk Infrastructure development. The District may be dependent on its ability to issue additional obligations in order to complete infrastructure within the Taxing Area and otherwise carry out the operations of the District. It is possible that additional special districts may be created in the Development in the future, and that the creation of such additional special districts could limit the ability of the District to generate revenues needed to sustain its operations and development within the Taxing Area. See “THE DISTRICT.” The revenue forecasts with respect to the District set forth in the Consultant’s Tax Study are based on the development plan projections of the Developer, which assume the completion of Infrastructure in the District as of certain dates. It is possible

that funding for such Infrastructure will not be available at all or as of such dates, and as a result, the development plan projections of the Developer will be adversely impacted.

Additional Debt of the District; Outstanding Debt

Additional Senior Bonds payable from Pledged Revenues may be issued in accordance with the terms of the Senior Indenture, and Senior Subordinate Bonds may be issued in the future as provided in the District's Senior Subordinate Trust Indenture. Additional Subordinate Bonds payable from Subordinate Tax Revenues may be issued in the future in accordance with the terms of the Subordinate Indenture. The Indenture permits the District to issue additional Second Lien Subordinate Bonds payable from Second Lien Subordinate Revenues upon meeting the requirements of the Second Lien Subordinate Indenture. The Subordinate Indenture and Second Lien Subordinate Indenture each include covenants restricting the future issuance of Senior Bonds, Senior Subordinate Bonds and Subordinate Bonds in certain circumstances. Issuance of additional debt by the District is also subject to certain restrictions contained in the Service Plan and the Special District Act, and may be subject to consent from DURA (for Trunk Infrastructure debt), the City and the Developer.

In the November 7, 2000 election, voters of the District approved a total of \$5,436,320,000 of District debt for In-Tract Infrastructure improvements (with a total repayment cost of \$19,766,999,200). However, at this time, the District's Service Plan provides that the District may issue a total of \$679,415,000 of District debt for In-Tract Infrastructure improvements. The District has previously issued various series of Senior Bonds (together, the "Prior Senior Bonds"). The Prior Senior Bonds were refunded by the District by the issuance of the District's \$231,290,000 Senior Limited Property Tax Supported Revenue Bonds, Series 2015A (the "Series 2015A Senior Bonds") in 2015 and are no longer outstanding. The District has also issued its \$28,000,000 Senior Limited Property Tax Supported Revenue Bonds, Series 2016A (the "Series 2016 Senior Bonds" and together with the Series 2015A Senior Bonds and the Series 2017 Senior Bonds, the "Senior Bonds"). In addition, the District has issued the following obligations that are currently outstanding: (i) \$50,000,000 Subordinate Limited Property Tax Supported Revenue Bonds, Series 2013 (the "Series 2013 Subordinate Bonds"), which are Subordinate Obligations as defined in the Senior Indenture, payable solely from those Pledged Revenues that are transferred to the Subordinate Obligations Fund pursuant to the Senior Indenture, together with any discretionary amounts paid to the Trustee by the District or the Developer for deposit in the Subordinate Bond Fund and any other legally available amounts that the District may designate, by resolution of its Board, to be paid to the Trustee or otherwise held under the Subordinate Indenture; and (ii) \$50,000,000 Second Lien Subordinate Limited Property Tax Supported Revenue Bonds, Series 2014 (the "Series 2014 Second Lien Subordinate Bonds"), which are Subordinate Obligations as defined in the Senior Indenture, payable solely from those Pledged Revenues that are transferred to the Subordinate Obligations Fund pursuant to the Senior Indenture, together with any discretionary amounts paid to the Trustee by the District or the Developer for deposit in the Second Lien Subordinate Revenue Fund and any other legally available amounts that the District may designate, by resolution of its Board, to be paid to the Trustee or otherwise held under the Second Lien Subordinate Indenture. The amount of the District's Developer Advances and Reimbursement Notes evidenced under the Reimbursement Agreement for In-Tract Infrastructure outstanding as of November 1, 2017 was \$179,801,439, but such amount together with accrued interest will be reduced by the application of the proceeds of Bonds. See "PLAN OF FINANCE-Repayment of Developer Advances and/or Reimbursement Notes." See also "Dependence on Other Sources of Funding" under this caption. Also, as of November 1, 2017, there were outstanding advances by the Developer in the amount of \$16,399,213 under reimbursement agreements between the District and the Developer that call for the District to reimburse the Developer from Pledged Revenues on a basis subordinate to the Series 2013 Subordinate Bonds and the Series 2014 Second Lien Subordinate Bonds for advances the Developer makes from time to time to pay debt service on the District's Outstanding Senior Bonds, Senior Subordinate Bonds, Subordinate Bonds, Second Lien

Subordinate Bonds and Junior Subordinate Bonds. See “THE DISTRICT – Material Contracts - Subordinate Bond Reimbursement Agreement.”

Competition

The Development competes with other developments in the area, including but not limited to the Stapleton Business Center, the development at the former Lowry Air Force Base, the development at the former Fitzsimons Army Medical Center, and the Gateway development near Denver International Airport. In addition, as development in the Taxing Area progresses, sales of new residential and commercial property within the Taxing Area will compete with sales of then-developed property in the Taxing Area. There can be no assurance that there will be sufficient future demand for development in the Taxing Area or that development within the Taxing Area will be able to compete successfully with other developments in the metropolitan Denver and Stapleton areas. See Appendices A and C hereto.

Present Concentration of Taxpayers in the Taxing Area

As of October 31, 2017, Forest City owned, through affiliates, 386 of the 2,538 acres within the Taxing Area. Approximately 2,152 acres have been transferred to other parties, including homeowners, builders, various companies, the District, the City and Denver Public Schools. The District, the City and the Denver Public Schools are not required to pay property taxes with respect to such property that has been transferred to them. The largest property taxpayers in the Taxing Area in 2017 are described in “AD VALOREM PROPERTY TAXES – Largest Property Taxpayers.” There is no assurance that (i) property within the Taxing Area will continue to be developed and sold to other owners and/or (ii) the number of taxpayers within the Taxing Area will be increased. See “THE DISTRICT – Service Plans of the District and the Westerly Creek District,” and Appendices A and C hereto. Property taxes on land acquired by the Developer or any other property owner will not be the personal obligations of the Developer or any other property owner. The Developer will not guarantee the payment of principal of, premium, if any, or interest on the Series 2017 Senior Bonds.

Legal Restrictions Applicable to the District

The District’s Service Plan includes a number of restrictions on the District’s activities. These include requirements that the District (i) construct infrastructure in accordance with the Master Facilities Development Agreement and applicable Individual Facilities Development Agreements; (ii) abide by the limitations in the Service Plan for the issuance of District obligations, including under certain circumstances submitting related documents to the City for review and approval; (iii) obtain City approval prior to amending the Service Plan, including certain additional property uses in the District’s boundaries, or consolidating with another special district; and (iv) file with the City the District’s annual budgets and financial statements, annual construction schedules, summaries of District obligations, and copies of District rules, regulations, agreements and disclosure documents. See “THE DISTRICT – Service Plans of the District and the Westerly Creek District.”

The District is restricted in its activities under certain other agreements it has with other parties. For example, key management services and decisions regarding the infrastructure to be completed by the District are to be provided by the Developer under the Management Agreement. In addition, infrastructure improvements must be approved (a) by the City under the Master Facilities Development Agreement and (b) for Trunk Infrastructure, by DURA under the Amended and Restated Master Redevelopment Agreement dated as of May 1, 2004, as supplemented and amended to date between DURA and the District (the “Master Redevelopment Agreement”). Additional bonds, as well as certain other types of debt necessary for financing the costs of infrastructure, may also require the consent or approval of the City, the Developer, DURA (for Trunk Infrastructure) or the owners of the Senior Bonds, the Subordinate Bonds or Second Lien Subordinate Bonds. See “THE DISTRICT – Material Contracts”

and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS.” There is no assurance that the District will receive the necessary consents to incur additional debt to finance its costs of infrastructure. See “Dependence on Other Sources of Funding” under this caption.

Under the Master Facilities Development Agreement, completed infrastructure is required to be dedicated to the City or certain other public entities. However, such dedication depends on the acceptability of such improvements, and, if certain conditions are not met, such infrastructure may be retained by the District, thereby increasing operating and maintenance costs. Operating and maintenance expenses for certain improvements will remain a District responsibility.

Possible Conflicts of Interest

Two current members of the District’s Board of Directors (the “Board”) are either officers or employees of the Developer, and two current members of the Board are either officers or directors of SDC. Therefore, those current members of the Board may have conflicts of interest with respect to certain transactions which come before the Board. Pursuant to Section 32-1-902(3)(b), Colorado Revised Statutes, a director must disqualify himself or herself from voting on any issue in which he or she has a conflict of interest unless he or she has disclosed such conflict of interest in a certificate filed with the Secretary of State and the Board at least 72 hours in advance of any meeting in which such conflict may arise. See “THE DISTRICT – Principal Officials.”

Pursuant to Section 24-18-109(3), Colorado Revised Statutes, a director may not vote or attempt to influence a vote on any proposed or pending matter in which the director has a personal or private interest unless the director’s vote is necessary to obtain a quorum or otherwise act and the director has made a voluntary disclosure of interest which conforms to certain statutory requirements. A director is also prohibited by Section 24-18-201, Colorado Revised Statutes, from voting on a contract in which the director has a personal interest unless similar disclosure is made.

In addition to being represented on the Board, the Developer, by virtue of its position under the Management Agreement, and its rights under the Stapleton Purchase Agreement, and its general role as the master developer of the Stapleton site, exercises substantial influence over the actions of the District. Certain law firms and investment bankers involved in the transactions relating to the Series 2017 Senior Bonds serve in other capacities in other transactions involving some of the same parties. See “RELATIONSHIPS OF PARTIES.”

The Senior Trustee also serves as the Subordinate Trustee under the Subordinate Indenture, and the Trustee under the Second Lien Subordinate Indenture.

Enforceability of Bondholders’ Remedies Upon Default

The Senior Indenture does not provide for any acceleration of maturity of the Series 2017 Senior Bonds upon any event of default, and therefore any enforcement of remedies on the Series 2017 Senior Bonds may have to be undertaken from year to year. The enforcement of remedies granted under the Senior Indenture upon any default with respect to the Series 2017 Senior Bonds is subject to various federal and State laws and regulations. There is no assurance that there will not be any change in, addition to, or changed or additional interpretation of, such laws and regulations which could directly or indirectly have a material adverse effect on the availability of or enforcement of such remedies, and thus there is no assurance that remedies purported to be granted by the Senior Indenture will be enforceable under State or other law under all circumstances or at all. Furthermore, the remedies available to owners of the Series 2017 Senior Bonds upon an event of default may be subject to judicial discretion, and limited by bankruptcy, reorganization, insolvency, fraudulent conveyance, or other similar laws affecting the rights of creditors generally, and the opinions of Bond Counsel delivered in connection

with the issuance of the Series 2017 Senior Bonds will include statements to that effect. See “THE SENIOR INDENTURE” and the form of opinion of Bond Counsel attached as Appendix F hereto.

Special, Limited Obligations

The Series 2017 Senior Bonds are special, limited obligations of the District, payable solely from Pledged Revenues of the District. There is no assurance that the Pledged Revenues payable to the District in respect of the Westerly Creek Limited Mill Levy imposed by the Westerly Creek District payable to the District by the Westerly Creek District pursuant to the Intergovernmental Agreement will be sufficient to pay the Series 2017 Senior Bonds. Of the limited ad valorem mill levy of 50 mills (as adjusted) that may be levied under the Westerly Creek Limited Mill Levy, 1.5 mills (as adjusted) are dedicated to paying operating expenses of the District and the Westerly Creek District, leaving a maximum of 48.5 mills (as adjusted) to generate Pledged Revenues to the District for payment of the Series 2017 Senior Bonds and other parity and subordinate obligations of the District. See “AD VALOREM PROPERTY TAXES – Assessment of Property.” None of the properties of the District, the Westerly Creek District, DURA, the City, SDC, the Developer, or any owner of land in the District is pledged as security for the Series 2017 Senior Bonds; and the Series 2017 Senior Bonds are not secured by any payment of any entity other than the Pledged Revenues. The Series 2017 Senior Bonds are not secured directly by the Westerly Creek Limited Mill Levy or SO Taxes, except to the extent paid to and received by the District, and although the Westerly Creek District has covenanted in the Intergovernmental Agreement to levy the Westerly Creek Limited Mill Levy, the District has not made any covenant to levy any taxes for the payment of the Series 2017 Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS” and “THE DISTRICT.”

Tax Collections

Security for the punctual payment of the principal of, premium, if any, and interest on the Series 2017 Senior Bonds is dependent on the receipt by the District of sufficient Pledged Revenues, which in turn is dependent upon the generation of property tax revenues from the Westerly Creek Limited Mill Levy imposed by the Westerly Creek District. The Westerly Creek Limited Mill Levy is subject to a collection fee of 1% of tax revenues actually collected by the Treasurer of the City and County of Denver. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Special, Limited Obligations.” The ultimate payment of Pledged Revenues to the District in time to make payment of principal of, premium, if any, and interest on the Series 2017 Senior Bonds when due is dependent on timely payment of such tax revenues by and between various entities under various laws and agreements, including but not limited to property taxes by property owners.

Although the current year’s property taxes constitute a lien upon property assessed (providing recourse against the property only), and the City has the authority to sell the tax lien for the year(s) in which taxes are in default, this remedy is generally recognized as costly to taxpayers and time consuming for the City. Furthermore, any such tax lien sale would only be for the amount of taxes due and unpaid for the particular tax year(s) in question. In addition, when a tax lien is to be sold for taxes, there is always the possibility that no bids will be received. If no bids are received on property at tax sale, the City acquires title to the property, and the property is removed from the tax rolls. In the event property is removed from the tax rolls, there will be no taxes generated with respect to that property.

Certain aspects of the imposition of property taxes are subject to legislative control. For example, changes in State law may increase exemptions from property taxes, and, therefore, may adversely affect the level of revenues received by the District, which are attributable to Westerly Creek’s current and future ad valorem taxes on real and personal property within the area encompassed by the Taxing Area, which amounts are payable to the District under the terms of the District Cooperation Agreement and the Intergovernmental Agreement and included in the Pledged Revenues. See “AD VALOREM PROPERTY

TAXES.” The imposition of SO Taxes is also subject to legislative control. Changes in State law may adversely affect the level of future SO Tax revenues received by the District.

Dependence on Developer

The District’s plan of finance for the Development includes significant dependence upon the Developer’s construction schedule. While the District believes that all construction phases for the Development will be completed in a timely manner, no assurance can be given that the construction phases for the Development will be concluded in the time and in the manner currently contemplated. Any schedule delays or cost increases could result in a need to issue Additional Parity Bonds or other obligations of the District, including, in particular, Developer Advances. For a description of the Developer and the Development, see Appendix A – “THE DEVELOPER AND THE DEVELOPMENT.”

Future Changes in Law

Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Series 2017 Senior Bonds, the exclusion from gross income of the interest thereon, the Pledged Revenues, and various agreements described herein. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions that would have a material effect, directly or indirectly, on the Series 2017 Senior Bonds, the exclusion from gross income of the interest on the Series 2017 Senior Bonds, the Pledged Revenues (including the Maximum SO Tax Amount), or the affairs of the District or the Developer.

THE SERIES 2017 SENIOR BONDS

General

The Series 2017 Senior Bonds are to be dated their date of delivery and bear interest from that date. The Series 2017 Senior Bonds are issuable only as fully registered bonds without coupons in minimum denominations of \$5,000 and integral multiples thereof.

Interest on the Series 2017 Senior Bonds is payable on each June 1 and December 1 (each, an “Interest Payment Date”), commencing June 1, 2018. Interest on the Series 2017 Senior Bonds is to be computed on the basis of a 360-day year of twelve 30-day months.

Senior Trustee, Bond Registrar and Senior Paying Agent

U.S. Bank National Association will serve as Senior Trustee and Registrar (together, the “Bond Registrar”) and as Senior Paying Agent for the Series 2017 Senior Bonds under the Senior Indenture. See “RELATIONSHIPS OF PARTIES.”

The Senior Trustee is to carry out those duties assignable to it under the Senior Indenture. Except for the contents of this section, the Senior Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Senior Indenture for the Series 2017 Senior Bonds or for the validity, sufficiency, or legal effect of any of such documents. Furthermore, the Senior Trustee has no oversight responsibility, and is not accountable for the use or application by the District of any of the Series 2017 Senior Bonds authenticated or delivered pursuant to the Senior Indenture or for the use or application of the proceeds of such Bonds by the District. The Senior Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2017 Senior Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2017 Senior Bonds, the

technical or financial feasibility of the Development, or the investment quality of the Series 2017 Senior Bonds, about all of which the Senior Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Senior Trustee may be found at its website at <http://www.usbank.com/corporatetrust>. The U.S. Bank website is not incorporated into this Official Statement by such reference and is not a part hereof.

Book-Entry System

DTC will act as securities depository for the Series 2017 Senior Bonds. The Series 2017 Senior Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017 Senior Bond certificate will be issued for each maturity of the Series 2017 Senior Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2017 Senior Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Senior Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 Senior Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2017 Senior Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017 Senior Bonds, except in the event that use of the book-entry system for the Series 2017 Senior Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Senior Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as

may be requested by an authorized representative of DTC. The deposit of Series 2017 Senior Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Senior Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Senior Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Senior Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. nor any other DTC nominee will consent or vote with respect to Series 2017 Senior Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Senior Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on Series 2017 Senior Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Series Bond Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the District or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Senior Bonds at any time by giving reasonable notice to the District or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 Senior Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2017 Senior Bond certificates will be printed and delivered to DTC.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2017 Senior Bonds, payment of principal of, interest, and other payments on the Series 2017 Senior Bonds to Direct Participants, Indirect Participants, or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Series 2017 Senior Bonds, and other related transactions by and between DTC, the Direct Participants, the Indirect Participants, and

the Beneficial Owners is based solely on information provided by DTC. Such information has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants, nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be.

Payment and Registration

Interest payable on any Interest Payment Date will be payable by check mailed to the addresses appearing on the Bond Register of the persons in whose names the Series 2017 Senior Bonds are registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date. Any interest not punctually paid or provided for shall cease to be payable to the registered owner and may be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Senior Trustee. Principal and interest are payable at the principal corporate trust office of the Senior Trustee or a duly appointed alternate or successor paying agent.

The Series 2017 Senior Bonds may be exchanged or transferred at the principal corporate trust office of the Senior Trustee, currently located in St. Paul, Minnesota. No charge is to be imposed upon registered owners in connection with the transfer or exchange except for reasonable fees, taxes and governmental charges related thereto.

Redemption Prior to Maturity

Optional Redemption The Series 2017A Senior Bonds maturing on and after December 1, 2032 are subject to redemption prior to maturity at the option of the District, on and after December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date.

The Taxable Series 2017B Senior Bonds maturing on and after December 1, 2026 are subject to redemption prior to maturity at the option of the District, on and after December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2017A Senior Bonds maturing on December 1, 2041, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

Redemption Date (December 1)	Principal to be Redeemed
2038	\$ 4,105,000
2039	4,320,000
2040	4,545,000
2041 ⁽¹⁾	4,780,000

⁽¹⁾ Final Maturity

The Series 2017A Senior Bonds maturing on December 1, 2046, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

Redemption Date (December 1)	Principal to be Redeemed
2042	\$ 100,000
2043	100,000
2044	100,000
2045	545,000
2046 ⁽¹⁾	16,285,000

⁽¹⁾ Final Maturity

The Series 2017A Senior Bonds maturing on December 1, 2051, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

Redemption Date (December 1)	Principal to be Redeemed
2047	\$ 500,000
2048	500,000
2049	500,000
2050	500,000
2051 ⁽¹⁾	500,000

⁽¹⁾ Final Maturity

On or before the 30th day prior to each sinking fund payment date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) from all Outstanding Series 2017A Senior Bonds maturing on the applicable date a principal amount of such Series 2017A Senior Bonds equal to the aggregate principal amount of such Series 2017A Senior Bonds redeemable with the required sinking fund payment, and shall call such Series 2017A Senior Bonds or portions thereof (in Authorized Denominations) for redemption from the sinking fund on the next December 1, and give notice of such call. At the option of the District to be exercised by delivery of a written certificate to the Trustee on or before the 45th day next preceding any sinking fund redemption date, it may (i) deliver to the Trustee for cancellation Series 2017A Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, in an aggregate principal amount desired by the District or (ii) specify a principal amount of Series 2017A Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Trustee at the request of the District and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Series 2017A Senior Bonds or portion thereof so delivered or previously redeemed shall be credited by the Trustee, at 100% of the principal amount thereof, on a pro rata basis against all subsequent sinking fund redemption obligations. In the event the District shall avail itself of the provisions of the Senior Indenture described in clause (i) of the second sentence of this paragraph, the written certificate required to be delivered to the Trustee shall be accompanied by the Series 2017A Senior Bonds or portions thereof to be canceled (except with respect to Series 2017A Senior Bonds registered to DTC or its nominee or to any substitute securities depository).

The Taxable Series 2017B Senior Bonds maturing on December 1, 2032, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

Redemption Date (December 1)	Principal to be Redeemed
2028	\$ 1,255,000
2029	1,305,000
2030	1,360,000
2031	1,415,000
2032 ⁽¹⁾	770,000

⁽¹⁾ Final Maturity

The Taxable Series 2017B Senior Bonds maturing on December 1, 2051, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

Redemption Date (December 1)	Principal to be Redeemed
2047	\$ 100,000
2048	100,000
2049	100,000
2050	100,000
2051 ⁽¹⁾	100,000

⁽¹⁾ Final Maturity

On or before the 30th day prior to each sinking fund payment date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) from all Outstanding Taxable Series 2017B Senior Bonds maturing on the applicable date a principal amount of such Taxable Series 2017B Senior Bonds equal to the aggregate principal amount of such Taxable Series 2017B Senior Bonds redeemable with the required sinking fund payment, and shall call such Taxable Series 2017B Senior Bonds or portions thereof (in Authorized Denominations) for redemption from the sinking fund on the next December 1, and give notice of such call. At the option of the District to be exercised by delivery of a written certificate to the Trustee on or before the 45th day next preceding any sinking fund redemption date, it may (i) deliver to the Trustee for cancellation Taxable Series 2017B Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, in an aggregate principal amount desired by the District or (ii) specify a principal amount of Taxable Series 2017B Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Trustee at the request of the District and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Taxable Series 2017B Senior Bonds or portion thereof so delivered or previously redeemed shall be credited by the Trustee, at 100% of the principal amount thereof, on a pro rata basis against all subsequent sinking fund redemption obligations. In the event the District shall avail itself of the provisions of the Senior Indenture described in clause (i) of the second sentence of this paragraph, the written certificate required to be delivered to the Trustee shall be accompanied by the Taxable Series 2017B Senior Bonds or portions thereof to be canceled (except with respect to Taxable Series 2017B Senior Bonds registered to DTC or its nominee or to any substitute securities depository).

Selection of Bonds for Redemption

Except as otherwise provided in the Senior Indenture or in the Series 2017 Senior Bonds, if less than all the Series 2017 Senior Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected by any method determined by the Senior Trustee to be fair and reasonable. The Senior Trustee shall treat any Bond of a denomination greater than the minimum authorized denomination as representing that number of separate Bonds each of that minimum authorized denomination (and, if any Bond is not in a denomination that is an integral multiple of the minimum authorized denomination, one separate Bond of the remaining principal amount of the Bond) as can be obtained by dividing the actual principal amount of such Bond by that minimum authorized denomination; provided that no Bond shall be redeemed in part if it results in the unredeemed portion of the Bond being in a principal amount other than an authorized denomination.

Notice of Redemption

The notice of the call for redemption of the Bonds shall identify (i) the complete official name of the issue, (ii) the Series 2017 Senior Bonds or portions thereof to be redeemed by designation, letters, CUSIP numbers, numbers or other distinguishing marks, interest rate, maturity date and principal amount, (iii) the redemption price to be paid, (iv) the date fixed for redemption, (v) the place or places, by name and address, where the amounts due upon redemption are payable and (vi) the name and telephone number of the person to whom inquiries regarding the redemption may be directed; provided, however, that the failure to identify a CUSIP number for said Bonds in the redemption notice, or the inclusion of an incorrect CUSIP number, shall not affect the validity of such redemption notice. The notice shall be given by the Senior Trustee on behalf of the District by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 20 days but no more than 60 days prior to the date fixed for redemption, to the owner of each Bond subject to redemption in whole or in part at the owner's address shown on the Bond Register on the 15th day preceding that mailing. Failure to receive notice as described herein, or any defect in that notice, as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. Notices of redemption shall also be mailed to the Senior Paying Agent. The Senior Indenture also provides that the Senior Trustee is to give notice to all registered securities depositories then in the business of holding substantial amounts of obligations similar to the Series 2017 Senior Bonds (such depositories now being The Depository Trust Company of New York, New York, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania), to one or more national information services that disseminate notices of redemption of obligations such as the Series 2017 Senior Bonds, and to *The Bond Buyer*; provided that such additional notice is given as a courtesy to such institutions and the Senior Trustee shall not incur any liability as a result of the failure to provide such notice to any such institution or as a result of any defect therein.

If at the time of mailing of notice of any optional redemption the District shall not have deposited with the Senior Trustee moneys sufficient to redeem all the Series 2017 Senior Bonds called for redemption, if the District shall so direct, such notice may state that it is conditional in that it is subject to the deposit of sufficient moneys with the Senior Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Transfer and Exchange

At the option of the holder, Bonds may be exchanged for other Bonds of any other authorized denomination, of a like aggregate principal amount, upon surrender of the Series 2017 Senior Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the District shall execute, and the Senior Trustee shall authenticate and deliver, the Series 2017 Senior Bonds which the Bondholder making the exchange is entitled to receive. All Bonds presented for transfer or exchange, redemption or payment (if so required by the District, the Bond Registrar or the Senior

Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the holder or by his attorney duly authorized in writing. The Bond Registrar may require payment of a sum sufficient to cover any reasonable fees, taxes or other governmental charges that may be imposed in relation thereto.

Neither the District nor the Bond Registrar on behalf of the District shall be required (i) to register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange of any Bond so selected for redemption in whole or in part.

Additional Parity Bonds

The District may issue additional bonds payable on a parity with the Senior Bonds (the "Additional Parity Bonds") in such principal amounts as the District may determine upon satisfaction of the following requirements, provided that such Additional Parity Bonds shall be designated by separate Series:

(a) Absence of Default. The District shall not have defaulted in making any payments of Pledged Revenues required by the Senior Indenture during the 12 calendar months immediately preceding the issuance of such Additional Parity Bonds, or, if none of the Bonds have been issued and Outstanding for a period of at least 12 calendar months, for the longest period any of the Bonds have been issued and Outstanding; and

(b) Revenues Test. The District shall have provided to the Trustee a written report, which report shall be prepared by an Independent Consultant, concluding that:

(i) the Pledged Revenues received by the District for each of the two full Fiscal Years immediately prior to the issuance of the Additional Parity Bonds equals not less than 1.35 times the Average Annual Debt Service with respect to all Bonds that will remain outstanding following the issuance of such Additional Parity Bonds, including the Additional Parity Bonds to be issued; provided however that, for purposes of the calculation in this subparagraph (i) only, if prior to the issuance of the Additional Parity Bonds the District has by District resolution authorized and irrevocably pledged to deposit to the Revenue Fund, through the final maturity date of all Bonds to be Outstanding hereunder, legally available moneys of the District in addition to those authorized and pledged during the two full Fiscal Years immediately prior to the issuance of the Additional Parity Bonds, the actual Pledged Revenues for each such Fiscal Year may be adjusted by adding thereto an amount, as determined by the Independent Consultant, equal to the estimated increase in revenues which would have been realized during each such Fiscal Year had such additional legally available moneys of the District been pledged during each such Fiscal Year; or

(ii) (A) the Pledged Revenues expected to be received by the District for each of the three full Fiscal Years immediately subsequent to the issuance of the Additional Parity Bonds shall equal not less than 1.35 times the Average Annual Debt Service with respect to all Bonds that will remain outstanding following the issuance of such Additional Parity Bonds, including the Additional Parity Bonds to be issued, and (B) the assumptions utilized in determining the Pledged Revenues expected to be received during such period are reasonable; provided, however, that for purposes of the calculation in this subparagraph (ii), to the extent that additional security, in the form of a Credit Facility, is provided with respect to the Additional Parity Bonds, the

Pledged Revenues for each year may be increased by the amount available to be drawn under such Credit Facility.

The provisions described in subparagraphs (b)(i) and (ii) above are referred to herein as the “Revenues Test.”

(c) The District shall have provided to the Trustee a District resolution authorizing the issuance of such Additional Parity Bonds;

(d) The District and the Trustee shall have entered into a Supplemental Indenture authorizing the issuance of the Additional Parity Bonds, which Supplemental Indenture specifies certain matters as set forth in the Senior Indenture;

(e) The District shall have provided to the Trustee, among other matters, a written opinion of Bond Counsel to the effect that (A) the Additional Parity Bonds have been duly authorized, executed and delivered by the District and are valid and binding special limited obligations of the District entitled to the benefit of the Senior Indenture; and (B) the issuance of the Additional Parity Bonds will not adversely affect the exclusion from gross income for federal tax purposes of interest on any Outstanding Bonds (to the extent such Outstanding Bonds are tax-exempt); and

(f) There shall have been delivered to the Trustee any additional certificates or opinions that may be required by Bond Counsel or the Trustee, including, if the Bonds are rated by one or more Rating Agencies, confirmation from such Rating Agencies that the issuance of additional Bonds shall not cause a modification of the ratings of the Bonds.

Under the terms of the District’s Service Plan, the approval of the City may also be required for the issuance of Additional Parity Bonds. See “RISK FACTORS – Legal Restrictions Applicable to the District.”

Under the Senior Indenture, Additional Parity Bonds may be issued to refund outstanding Senior Bonds in such principal amount as may be necessary to effect such refunding without the District satisfying the Revenues Test, subject to certain other conditions as described in the Senior Indenture, including the delivery to the Trustee of the documents described in paragraphs (a), (c), (d), (e) and (f) above.

The District expects to issue Additional Parity Bonds, on an as needed basis, and to issue certain other obligations payable from other sources for certain additional In-Tract Infrastructure. See “PLAN OF FINANCE” and “RISK FACTORS – Dependence on Other Sources of Funding.”

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS

The following is a summary of certain provisions related to the security and sources of payments for the Series 2017 Senior Bonds, including, but not limited to, summaries of sections of the Senior Indenture detailing Pledged Revenues and debt service deposits for the Series 2017 Senior Bonds. See also “THE SENIOR INDENTURE” and Appendix E hereto.

Special, Limited Obligations

The Series 2017 Senior Bonds are special, limited obligations of the District issued as Senior Bonds and payable solely from the Pledged Revenues. The Senior Indenture defines the Pledged Revenues to mean (a) all amounts payable to the District as Tax Increment Revenues attributable to the District’s or the Westerly Creek District’s current and future ad valorem taxes on taxable real and

personal property under the District Cooperation Agreement, the Intergovernmental Agreement or the City Redevelopment Agreement or otherwise representing the Westerly Creek Limited Mill Levy (as such levy may be adjusted in accordance with the Service Plan); (b) any profit (including interest earnings) from the investment of moneys in certain Funds established under the Senior Indenture; (c) the Maximum SO Tax Amount; and (d) any other legally available amounts that the District may designate, by resolution of the Board of Directors, to be deposited into the Revenue Fund. As of the date of issuance of the Series 2017 Senior Bonds, the District has not designated any additional revenues as described in subsection (d) of the previous sentence to be included in the Pledged Revenues.

THE SERIES 2017 SENIOR BONDS ARE PAYABLE SOLELY FROM THE PLEDGED REVENUES OF THE DISTRICT RECEIVED BY THE DISTRICT EACH YEAR. THE SERIES 2017 SENIOR BONDS DO NOT CONSTITUTE A DEBT OR FINANCIAL OBLIGATION OF THE CITY, DURA, THE WESTERLY CREEK DISTRICT, SDC, THE DEVELOPER, OR THE UNDERWRITERS AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY, THE WESTERLY CREEK DISTRICT, SDC, THE DEVELOPER, THE UNDERWRITERS, OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE DISTRICT FROM THE PLEDGED REVENUES) OR A CHARGE AGAINST THE GENERAL CREDIT OF DURA OR THE GENERAL CREDIT AND TAXING POWERS OF THE CITY OR THE WESTERLY CREEK DISTRICT (OTHER THAN WITH RESPECT TO THE REQUIRED MILL LEVY OF THE WESTERLY CREEK DISTRICT UNDER THE INTERGOVERNMENTAL AGREEMENT). THE SERIES 2017 SENIOR BONDS ARE NOT SECURED BY ANY LIEN OR MORTGAGE ON OR SECURITY INTEREST IN ANY PROPERTY OF THE CITY, DURA, THE DISTRICT, THE WESTERLY CREEK DISTRICT, SDC OR THE DEVELOPER OTHER THAN THE PLEDGED REVENUES. NO SUCH ENTITY HAS GUARANTEED THE OBLIGATIONS OF THE DISTRICT WITH RESPECT TO THE SERIES 2017 SENIOR BONDS.

Payment of Pledged Revenues to the District

Generally

Security for the punctual payment of the principal and interest on the Series 2017 Senior Bonds is dependent on the receipt by the District of sufficient Pledged Revenues, which in turn is dependent, in part, upon the ability of the City to collect revenues generated by the Westerly Creek Limited Mill Levy. See “Special, Limited Obligations” under this caption. Although the current year’s taxes constitute a lien upon property assessed (providing recourse against the property only), and the City has the authority to sell the tax lien for the year(s) in which taxes are in default, this remedy is generally recognized as costly to taxpayers and time consuming for the City. Furthermore, any such tax lien sale would only be for the amount of taxes due and unpaid for the particular tax year(s) in question. In addition, when a tax lien is to be sold for taxes, there is always the possibility that no bids will be received. If no bids are received on property at tax sale, the City acquires title to the property, and the property is removed from the tax rolls. In the event property is removed from the tax rolls, there will be no taxes generated with respect to that property. See “RISK FACTORS – Tax Collections” and “AD VALOREM PROPERTY TAXES.” See also the coverage table included in Appendix B hereto.

Intergovernmental Agreement

The District and the Westerly Creek District have entered into an Intergovernmental Financing and Construction Agreement dated as of April 30, 2001 (the “Intergovernmental Agreement”). Under the Intergovernmental Agreement, the District will finance the construction costs for the In-Tract and Trunk Infrastructure in accordance with the Service Plan and will be responsible for the completion of the In-Tract and Trunk Infrastructure. Upon completion of the construction of the In-Tract and Trunk

Infrastructure, the District will turn over to the City or another public entity certain In-Tract and Trunk Infrastructure and operate all other Infrastructure.

Pursuant to the Intergovernmental Agreement, the Westerly Creek District agrees to certify to the City a mill levy on all taxable property within the Westerly Creek District of (i) at least 48.5 mills (as adjusted) to repay all obligations and construction costs, and (ii) not more than 1.5 mills (as adjusted) to fund administrative and operating expenses of the District and the Westerly Creek District, or (iii) such other rates as may be authorized by the District pursuant to the Service Plan. The Westerly Creek District also agrees to pay to the District any tax revenue it receives, including, but not limited to, revenues derived from the required mill levy. The Board of the Westerly Creek District is obligated to ratify and carry out the Intergovernmental Agreement with respect to the establishment, levy, and collection of the required mill levy. Upon the dissolution of the District, the Westerly Creek District shall accept responsibility for the operation and maintenance of any In-Tract or Trunk Infrastructure located within the Westerly Creek District which has not been transferred to the City or another public agency.

City Cooperation Agreement

DURA and the City have entered into a Stapleton Urban Redevelopment Area Cooperation Agreement dated as of July 15, 2000, as amended and supplemented to date (together, the “City Cooperation Agreement”). The City Cooperation Agreement sets out a structure for tax increment financing whereby the City agrees to divide the total sales tax and property tax revenues derived from levies within the Stapleton Urban Redevelopment Area and pay amounts to specified entities. Under the City Cooperation Agreement, the City retains such sales tax revenues equal to the actual amount of sales tax revenues collected with respect to the Stapleton Urban Redevelopment Area in the 12 month period prior to the creation of the Stapleton Urban Redevelopment Area, as adjusted by law (the “Sales Tax Base Amount”) and property tax revenues equal to the total valuation for assessment of all taxable property within the Stapleton Urban Redevelopment Area as last certified by the county assessor for the City prior to the creation of the Stapleton Urban Redevelopment Area (the “Property Tax Base Amount”) to be distributed to the taxing bodies entitled thereto in accordance with the Colorado Urban Renewal Law. Pursuant to the City Cooperation Agreement, sales tax revenues and property tax revenues derived from levies within the Stapleton Urban Redevelopment Area and in excess of the Sales Tax Base Amount and the Property Tax Base Amount constitute the “Tax Increment Revenues,” provided that: (i) the SBC property taxes (for both debt service and administration) are excluded from the Tax Increment Revenues and are to be paid by the City directly to the SBC Metropolitan District or DURA; and (ii) the property tax revenues attributable to the Westerly Creek Limited Mill Levy and any mill levy of the District (the “District Tax Revenues”) are excluded from Tax Increment Revenues. The City agrees to pay (less a specified percentage retained by the City) to DURA all Tax Increment Revenues and District Tax Revenues. Certain of the Tax Increment Revenues payable to the District in accordance with the Master Redevelopment Agreement constitute “Pledged Tax Increment Revenues” and are available for payment of the tax increment supported revenue bonds. The Pledged Tax Increment Revenues are not available for payment of the Series 2017 Senior Bonds, Subordinate Bonds or the Second Lien Subordinate Bonds. District Tax Revenues paid to DURA are payable by DURA to the District in accordance with the District Cooperation Agreement described below.

District Cooperation Agreement

The District, DURA, and the Westerly Creek District have entered into a Cooperation Agreement dated as of March 1, 2001 (the “District Cooperation Agreement”). Under the District Cooperation Agreement, the parties agree to provide interconnection of Trunk Infrastructure and In-Tract Infrastructure to serve the property in the Service Area and the property in the DURA Urban Redevelopment Plan. In consideration for the District and the Westerly Creek District providing

improvements and services within these areas, DURA agrees to segregate the District Tax Revenues from Tax Increment Revenues received by DURA under the City Cooperation Agreement and pay such District Tax Revenues directly to the District. DURA covenants that it will not pledge or encumber the District Tax Revenues due the District and will maintain the District Tax Revenues for the use and benefit of the District and the Westerly Creek District.

City Redevelopment Agreement

The District and the City have entered into a Redevelopment Services Agreement dated as of April 15, 2001 (the “City Redevelopment Agreement”). Under the City Redevelopment Agreement, the City agrees, subject to annual appropriation, to pay revenues (including the District Tax Revenues) resulting from tax levies by other entities (including the Westerly Creek Limited Mill Levy), to those entities if payments are not made to the District by DURA for any reason other than (i) DURA failing to appropriate such payments, or (ii) an Event of Default by the District under the DURA Redevelopment Agreement. The City is only required to make such payments for so long as and to the extent that the reason for nonpayment by DURA is continuing. The City is not required to make any payment if the District is in breach of the City Redevelopment Agreement, the Service Plan, the Master Facilities Development Agreement, or any Individual Facilities Development Agreement, and all payments made by the City will constitute currently appropriated expenditures subject to appropriation by the City Council. Pursuant to the Intergovernmental Agreement described above, the Westerly Creek District has agreed to pay any tax revenues received by it to the District.

Maximum SO Tax Amount

The State Constitution requires the Colorado General Assembly to enact laws classifying motor vehicles and requiring payment of a graduated annual SO Tax thereon, which tax is imposed in lieu of ad valorem property taxes on motor vehicles. Accordingly, the State imposes a SO Tax on motor vehicles, which is payable at a graduated rate ranging from 2.1% of taxable value in the first year of ownership to \$3 per year in the tenth year of ownership and thereafter for most classes of motor vehicles. The SO Tax is collected by each county clerk and recorded at the time of motor vehicle registration and annually thereafter. Most SO Tax revenues (including revenues received from owners of passenger cars and trucks, which generally constitute the majority of SO Tax revenues) are paid directly to the county treasurer of the county in which the revenues are collected. SO Tax revenues on certain types of vehicles are paid by the counties to the State and are then distributed back to the counties in the proportion that the mileage of the State highway system located within the boundaries of each county bears to the total mileage of the State highway system.

Each county apportions its SO Tax revenues to each political subdivision in the county in the proportion that the amount of ad valorem property taxes levied by the political subdivision in the preceding calendar year bears to the total amount of ad valorem property taxes levied by all political subdivisions in the county in the preceding calendar year. Accordingly, under current law, the amount of SO Tax which is received by the Westerly Creek District in any year depends on the amount of ad valorem property taxes levied by the Westerly Creek District and the amount of taxes levied by other entities in the City and County of Denver, Colorado, among other factors. Based upon these percentages, each county then distributes SO Tax revenue to each political subdivision on the tenth day of each month. In Fiscal Year 2016, the District received \$1,523,743 in SO Taxes from the Westerly Creek District pursuant to the Intergovernmental Agreement. The Maximum SO Tax Amount received by the District pursuant to the Intergovernmental Agreement from Westerly Creek District will be remitted by the District to the Senior Trustee for deposit into the Revenue Fund. As described herein, the Maximum SO Tax Amount constitutes part of the Pledged Revenues.

Other Obligations of the District Secured by Pledged Revenues

Upon the issuance of the Series 2017 Senior Bonds, the Series 2015A Senior Bonds, the 2016 Senior Bonds and the Series 2017 Senior Bonds will be the only Senior Bonds outstanding. Additional Senior Bonds may be issued by the District in the future. See “THE SERIES 2017 SENIOR BONDS – Additional Parity Bonds.” For a description of the outstanding obligations of the District, see “RISK FACTORS – Additional Debt of the District; Outstanding Debt.”

THE SENIOR INDENTURE

The following, in addition to certain information provided under the heading “INTRODUCTION” and the “THE SERIES 2017 SENIOR BONDS,” is a summary of certain provisions of the Senior Indenture. This summary does not purport to be complete or definitive and reference is made to the forms of the Senior Indenture attached hereto as Appendix E for a complete recital of the terms of such document. The Senior Indenture should be reviewed in its entirety by any purchaser of the Series 2017 Senior Bonds.

General

The Senior Indenture constitutes an assignment by the District to the Senior Trustee, in trust, to secure payment of the Senior Bonds, the District’s interest in the Pledged Revenues, the rights to enforce payments under the District Cooperation Agreement and the Intergovernmental Agreement when due, all rights to enforce payments and certain related covenants by the City under the City Cooperation Agreement, all right, title, and interest of the District in the Funds created under the Senior Indenture (except the Rebate Fund, the Senior Subordinate Obligations Fund, the Subordinate Obligations Fund, the Junior Subordinate Obligations Fund, and the Junior Lien Obligations Fund), and all other property that may be subject to the lien of the Senior Indenture and which the Senior Trustee is authorized to receive. The Senior Indenture also provides for the issuance of the Senior Bonds, defines the terms thereof, and determines the duties of the Senior Trustee and the rights of the Bondholders of the Senior Bonds.

Flow of Funds

The District is required to pay all Pledged Revenues directly to the Senior Trustee, which the Senior Trustee will deposit into the Revenue Fund. The Senior Trustee will make transfers from the Revenue Fund in the following amounts and order of priority:

(a) To the District Account of the Bond Fund, until the amount in the District Account of the Bond Fund equals the Annual Debt Service for the current fiscal year and any amounts due to reimburse a Credit Facility Provider for any payments made under a Credit Facility with respect to the Senior Bonds, except for a Credit Facility delivered to satisfy the Revenues Test in connection with the issuance of Additional Parity Bonds or to satisfy the Reserve Requirement (there is no Reserve Requirement for the Series 2017 Senior Bonds);

(b) To the Reserve Fund if the moneys on deposit in the accounts of the Reserve Fund are less than their respective Reserve Requirement, until the Reserve Requirement is met, and to a Credit Facility Provider, if any, for amounts due to reimburse such Credit Facility Provider for any payments made in connection with satisfying the Reserve Requirement;

(c) To the Administrative Costs Fund, until the amount in that fund equals the fees due to the Senior Trustee or any Credit Facility Provider, except for a Credit Facility Provider’s fees in connection with providing a Credit Facility delivered to satisfy the Revenues Test in connection with the issuance of Additional Parity Bonds or to satisfy the Reserve Requirement;

(d) To the Rebate Fund, until the amount therein equals the requisite rebate amount calculated by the District as provided in the Senior Indenture;

(e) To the Senior Subordinate Obligations Fund, until the amount in that fund equals the amounts due or becoming due on any Senior Subordinate Obligations;

(f) To the Subordinate Obligations Fund, until the amount in that fund equals the amounts due or becoming due on any Subordinate Obligations (which includes any outstanding Subordinate Bonds and Second Lien Subordinate Bonds);

(g) To the Junior Subordinate Obligations Fund, until the amount in that fund equals the amounts due or becoming due on any Junior Subordinate Obligations;

(h) To the Junior Lien Obligations Fund, until the amount in that fund equals the amounts due or becoming due on any Junior Lien Obligations; and

(i) To the Surplus Fund, the balance of the Revenue Fund.

Amounts in the District Account of the Senior Bond Fund will be used to pay the principal or redemption price of the Senior Bonds, the interest on the Senior Bonds, and amounts due to reimburse a Credit Facility Provider for any payments of principal or interest with respect to the Senior Bonds. Neither the District nor the owners of the Senior Bonds have any interest in the Credit Facility Account of the Bond Fund, except as may be provided in a Supplemental Indenture. The moneys on deposit in the Reserve Fund will be used to pay the principal of and interest on the Senior Bonds if the amount on deposit in the Bond Fund is insufficient for a particular Series of Senior Bonds. There is no Reserve Requirement for the Series 2017 Senior Bonds. The moneys in the Administrative Costs Fund will be used to pay fees of the Trustee and any Credit Facility Provider (except for a Credit Facility Provider's fees in connection with providing a Credit Facility delivered to satisfy the Revenues Test in connection with the issuance of Additional Parity Bonds or to satisfy the Reserve Requirement) at the direction of a District Representative. The moneys on deposit in the Rebate Fund with respect to the Senior Bonds will be invested according to the Series 2017 Senior Bond Tax Certificate, and other moneys in the Rebate Fund relating to any Series of Senior Bonds will be disbursed in accordance with the provisions of the Senior Indenture and the Tax Certificate relating to such Series of Senior Bonds. The moneys on deposit in the Senior Subordinate Obligations Fund will be used to pay the principal or redemption price of the Senior Subordinate Obligations, the interest on the Senior Subordinate Obligations, and amounts due to reimburse a Credit Facility Provider for any payments of principal or interest with respect to the Senior Subordinate Obligations. The moneys on deposit in the Subordinate Obligations Fund will be used to pay the principal or redemption price of the Subordinate Obligations, the interest on the Subordinate Obligations, and amounts due to reimburse a Credit Facility Provider for any payments of principal or interest with respect to the Subordinate Obligations. The moneys on deposit in the Junior Subordinate Obligations Fund will be used to pay the principal or redemption price of the Junior Subordinate Obligations, the interest on the Junior Subordinate Obligations, and amounts due to reimburse a Credit Facility Provider for any payments of principal or interest with respect to the Junior Subordinate Obligations. The moneys on deposit in the Junior Lien Obligations Fund will be used to pay the principal or redemption price of the Junior Lien Obligations and the interest on the Junior Lien Obligations. The moneys on deposit in the Surplus Fund will be used by the Senior Trustee, without the necessity of District direction, to pay the principal or redemption price of, or interest on the Senior Bonds necessary to prevent an Event of Default under the Senior Indenture. The moneys on deposit in the Surplus Fund may be used for any lawful purpose as contemplated by the District's Service Plan upon written direction of the District Representative; the District may also assign or pledge all future balances in the Surplus Fund.

Events of Default and Remedies

“Events of Default” under the Senior Indenture and related remedies are contained in the Senior Indenture attached as Appendix E under “Events of Default and Remedies.” Each of the following is an “Event of Default” under the Senior Indenture:

(a) If payment of the principal or redemption price of any Senior Bond or Additional Parity Bond is not made when it becomes due and payable at maturity or upon call for redemption; or

(b) If payment of any interest on any Senior Bond or Additional Parity Bond is not made, when it becomes due and payable; or

(c) If the District shall fail to observe or perform any covenant or agreement on its part under the Senior Indenture for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the District by the Senior Trustee, or to the District and the Senior Trustee by the Holders of at least 25% in aggregate principal amount of Senior Bonds or Additional Parity Bonds of a series then outstanding; provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such series as long as the District has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy; or

(d) If the District shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the federal Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the District or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(e) Such other events of default as are provided for any Series of Senior Bonds in any Supplemental Indenture.

The occurrence of an Event of Default does not grant any right to accelerate payment of the Senior Bonds. Following the occurrence of an Event of Default, the Senior Trustee may take certain actions and enforce the rights granted to the District or the Senior Trustee under the Senior Indenture, including enforcing the rights of the Bondholders upon the written request of the holders of 25% in aggregate principal amount of all outstanding Senior Bonds. See Appendix E hereto.

General Covenants of the District Under the Senior Indenture

The covenants set forth below apply to the Series 2017 Senior Bonds and to any other series of Senior Bonds issued under the Senior Indenture. The Senior Indenture contains other covenants of the District. See Appendix E hereto.

The District covenants to perform or cause to be performed all its duties required under the Senior Indenture, including the collection and application of the Pledged Revenues. To the extent that amounts constituting Tax Increment Revenues attributable to the District’s or Westerly Creek’s current and future ad valorem taxes on real and personal property under the District Cooperation Agreement are received by the District other than under the District Cooperation Agreement or the Intergovernmental Agreement, the District will take all actions necessary to include such amounts as Pledged Revenues under the Senior Indenture and to pledge and assign such amounts to the Senior Trustee for payment of the Senior Bonds.

Under the Senior Indenture, the District does not have the authority to issue additional obligations payable from Pledged Revenues and having a lien superior to the Senior Bonds, but may issue additional obligations payable from Pledged Revenues and having a lien subordinate and junior to the lien of the Senior Bonds. Other than with respect to the Senior Bonds and as provided in the Senior Indenture and with respect to the Subordinate Obligations, Junior Subordinate Obligations, and the Junior Lien Obligations, the District covenants that there are no liens or encumbrances on or against the Pledged Revenues.

The District covenants to comply with all material provisions of the District Cooperation Agreement, the Intergovernmental Agreement, the Master Facilities Development Agreement, each Individual Facilities Development Agreement, and the Service Plan, and to take no action which may result in, nor fail to take any action necessary to prevent, any noncompliance with or default by the District under any material provision of such documents.

The District or any officers, directors, agents or employees of the District will not take any action that might materially prejudice the security for the payment of the Senior Bonds and the interest thereon according to the terms of the Senior Bonds, including giving consents to actions by others to amend the District Cooperation Agreement, the Intergovernmental Agreement, and the Service Plan.

Tax Covenant

The District covenants that it will not (i) make any use of the proceeds of any Series 2017A Senior Bonds, any fund reasonably expected to be used to pay the principal of or interest on any Series 2017A Senior Bonds, or any other funds of the District; (ii) make any use of the facilities financed or refinanced by the Developer Advances and/or Reimbursement Notes that are being refunded by the Series 2017A Senior Bonds; or (iii) take (or omit to take) any other action with respect to any Series 2017A Senior Bonds, the proceeds thereof, or otherwise, if such use, action or omission would under the Code, cause the interest on any Series 2017A Senior Bonds to be included in gross income for federal income tax purposes. See Appendix E – “FORMS OF THE SENIOR INDENTURE.”

In particular, the District covenants that it will not take (or omit to take) any action if the result would cause the Series 2017A Senior Bonds to be (i) “arbitrage bonds” within the meaning of Section 148 of the Code, including for such purposes, to the extent applicable, the rebate requirements of Section 148(f) of the Code; or (ii) “private activity bonds” within the meaning of Section 141 of the Code. Such covenants of the District will survive the payment of the Series 2017A Senior Bonds until all rebate requirements related to the Series 2017A Senior Bonds have been satisfied.

PLAN OF FINANCE

Use of Proceeds

The proceeds of the Series 2017 Senior Bonds are being used to, (i) repay certain Developer Advances and/or Reimbursement Notes as further described below, and (ii) pay costs of issuance relating to the Series 2017 Senior Bonds.

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds:

SOURCES OF FUNDS		<u>Total</u>
Principal Amount of Series 2017A Senior Bonds	\$	48,610,000.00
Principal Amount of the Taxable Series 2017B Senior Bonds.....		18,000,000.00
Net Original Issue Premium		<u>6,766,866.95</u>
TOTAL SOURCES	\$	73,376,866.95
USES OF FUNDS		
To repay certain Developer Advances and/or		
Reimbursement Notes ⁽¹⁾	\$	72,338,000.00
Financing Costs ⁽²⁾		<u>1,038,866.95</u>
TOTAL USES.....	\$	73,376,866.95

⁽¹⁾ See "Repayment of Developer Advances and/or Reimbursement Notes" under this caption.

⁽²⁾ Includes financing and legal fees, Underwriters' discount, Senior Trustee fees and other costs associated with the issuance of the Series 2017 Senior Bonds. See "UNDERWRITING."

Repayment of Developer Advances and/or Reimbursement Notes

The District will use a portion of the proceeds of the Series 2017 Senior Bonds to repay certain Developer Advances and/or Reimbursement Notes made under the Developer Reimbursement Agreements. See "RISK FACTORS – Dependence on Other Sources of Funding."

Debt Service Requirements

The following table sets forth for each fiscal year the estimated debt service payments due on the Series 2017A Senior Bonds, the Taxable Series 2017B Senior Bonds, Series 2016 Senior Bonds and Series 2015A Senior Bonds.

Debt Service Requirements⁽¹⁾

Date (December 1)	Series 2017A Senior Bonds Principal and Interest	Taxable Series 2017B Senior Bonds Principal and Interest	2017 Senior Bonds Total	Total Debt Service for Series 2016A Senior Bonds	Total Debt Service for Series 2015A Senior Bonds	Total Debt Service for Outstanding Senior Bonds
2017				\$ 1,297,430.56	\$ 12,821,250.00	\$ 14,118,680.56
2018	\$ 2,302,223.61	\$ 584,457.42	\$ 2,886,681.03	1,623,750.00	12,820,450.00	17,330,881.03
2019	2,430,500.00	2,662,022.50	5,092,522.50	1,611,250.00	12,822,450.00	19,526,222.50
2020	2,430,500.00	2,227,942.50	4,658,442.50	1,648,750.00	15,722,050.00	22,029,242.50
2021	2,430,500.00	1,524,367.50	3,954,867.50	2,358,750.00	15,713,250.00	22,026,867.50
2022	2,430,500.00	1,520,867.50	3,951,367.50	2,357,500.00	15,716,250.00	22,025,117.50
2023	2,430,500.00	1,524,605.00	3,955,105.00	2,353,750.00	15,717,500.00	22,026,355.00
2024	2,430,500.00	1,526,215.00	3,956,715.00	2,347,500.00	15,721,500.00	22,025,715.00
2025	2,430,500.00	1,525,080.00	3,955,580.00	2,363,750.00	15,707,500.00	22,026,830.00
2026	2,430,500.00	1,521,095.00	3,951,595.00	2,351,250.00	15,720,750.00	22,023,595.00
2027	2,430,500.00	1,529,155.00	3,959,655.00	2,356,250.00	15,714,250.00	22,030,155.00
2028	2,430,500.00	1,524,200.00	3,954,700.00	2,352,750.00	15,718,250.00	22,025,700.00
2029	2,430,500.00	1,524,000.00	3,954,500.00	2,356,000.00	15,716,500.00	22,027,000.00
2030	2,430,500.00	1,526,800.00	3,957,300.00	2,360,500.00	15,708,500.00	22,026,300.00
2031	2,430,500.00	1,527,400.00	3,957,900.00	2,351,000.00	15,718,750.00	22,027,650.00
2032	3,130,500.00	825,800.00	3,956,300.00	2,363,000.00	15,710,500.00	22,029,800.00
2033	3,930,500.00	25,000.00	3,955,500.00	2,360,250.00	15,708,750.00	22,024,500.00
2034	3,933,750.00	25,000.00	3,958,750.00	2,358,250.00	15,712,250.00	22,029,250.00
2035	3,933,000.00	25,000.00	3,958,000.00	2,361,750.00	15,709,750.00	22,029,500.00
2036	3,933,250.00	25,000.00	3,958,250.00	2,360,250.00	15,710,500.00	22,029,000.00
2037	5,969,250.00	25,000.00	5,994,250.00	323,750.00	15,708,250.00	22,026,250.00
2038	5,974,000.00	25,000.00	5,999,000.00	315,500.00	15,712,000.00	22,026,500.00
2039	5,983,750.00	25,000.00	6,008,750.00	307,250.00	15,710,250.00	22,026,250.00
2040	5,992,750.00	25,000.00	6,017,750.00	299,000.00	15,712,000.00	22,028,750.00
2041	6,000,500.00	25,000.00	6,025,500.00	290,750.00	15,710,750.00	22,027,000.00
2042	1,081,500.00	25,000.00	1,106,500.00	282,500.00	15,710,250.00	17,099,250.00
2043	1,076,500.00	25,000.00	1,101,500.00	274,250.00	15,714,000.00	17,089,750.00
2044	1,071,500.00	25,000.00	1,096,500.00	266,000.00	15,710,250.00	17,072,750.00
2045	1,511,500.00	25,000.00	1,536,500.00	257,750.00	15,702,750.00	17,497,000.00
2046	17,224,250.00	25,000.00	17,249,250.00	249,500.00	0.00	17,498,750.00
2047	625,000.00	125,000.00	750,000.00	241,250.00	0.00	991,250.00
2048	600,000.00	120,000.00	720,000.00	233,000.00	0.00	953,000.00
2049	575,000.00	115,000.00	690,000.00	224,750.00	0.00	914,750.00
2050	550,000.00	110,000.00	660,000.00	216,500.00	0.00	876,500.00
2051	525,000.00	105,000.00	630,000.00	208,250.00	0.00	838,250.00
Total	\$ 107,520,223.61	\$ 23,999,007.42	\$ 131,519,231.03	\$ 47,883,680.56	\$ 447,001,450.00	\$ 626,404,361.59

⁽¹⁾ Does not include debt service associated with the District's Subordinate Bonds, Second Lien Subordinate Bonds or other obligations of the District.

Source: The Underwriters.

THE DISTRICT

Generally

The District is a quasi-municipal corporation and a political subdivision of the State of Colorado with all of the powers of a metropolitan district as provided by laws of the State. The District was formed in July 2000 by order and decree of the District Court for the Second Judicial District, Denver, Colorado, pursuant to the Special District Act and after approval by a vote of the qualified electors of the District. The Service Plan for the District was approved by the Denver City Council on April 24, 2000. See

“Service Plans of the District and the Westerly Creek District - The District’s Service Plan” under this caption. The District was initially formed under the name Stapleton Metropolitan District, and changed its name to the Park Creek Metropolitan District by order of the District Court, Second Judicial District, Denver, Colorado on October 25, 2000.

The area comprising the District encompasses approximately 17 acres within the Development. See Appendix D for a map of the ultimate expected boundaries of the Service Area and Taxing Area.

District Powers

District operations and administration are controlled by the District’s Board. The rights, powers, privileges, authorities, functions, and duties of the District are established by the Constitution and laws of the State, including the Special District Act. The District’s powers are further restricted by the terms of the Service Plan, as described in this section and under “Service Plans of the District and the Westerly Creek District - The District’s Service Plan” under this caption. Under the authority granted by the Special District Act and other State law, and subject to the limitations of the Service Plan, the District has the power to enter into contracts and agreements; to sue and be sued; to incur indebtedness and issue bonds; to refund any bonds of the District without an election; to fix rates, tolls, fees, penalties, or charges for services, programs or facilities furnished by the District, and to pledge such revenue for the payment of any indebtedness of the District; to adopt and enforce regulations promulgated by the Board; to levy and collect ad valorem property taxes; to acquire, dispose of and encumber real and personal property, and any interest therein, including leases and easements; to have the management, control and supervision of all the business and affairs of the District, and the construction, installation, operation, and maintenance of District improvements; and to exercise the power of eminent domain for the condemnation of private property for public use. The Board may also, subject to compliance with statutory procedures and the limitations of the Service Plan, order the inclusion or exclusion of real property, thereby modifying the boundaries of the District. In addition to the above powers, the District is authorized by the Special District Act to file for federal bankruptcy protection should it become insolvent. Insolvency is generally defined as the inability to discharge obligations as they become due by means of a mill levy of not less than 100 mills.

Principal Officials

The District is governed by the Board, whose current members (except Rus Heise) were originally elected at the July 11, 2000 special election at which the eligible electors of the District approved the establishment of the District. The current Directors of the District, their positions, current occupations, and terms are as set forth in the following table.

Name	Position	Occupation	Term Expires (May)
King H. Harris	Chair/President	Retired Business Executive	2020
Rus Heise	Vice Chair/First Vice President	Retired Investment Banker	2020
James D. Chrisman	Secretary/Treasurer	Real Estate Developer	2018
John S. Lehigh, Jr.	Assistant Secretary	Real Estate Developer	2018
John E. Moyer	Assistant Secretary	Attorney	2020

The members of the Board are elected in nonpartisan elections by the registered electors of the District. Under the present election laws of the State, a person may be an elector of the District by registering to vote in the State and by either owning taxable real or personal property or otherwise obligated to pay taxes under a contract for the purchase of taxable property within the District, being the spouse of such a property owner, or residing within the boundaries of the District. Board members who have held office for at least six months are subject to recall, and a recall election may be held upon the

petition of 300 electors or 40% of the qualified electors of the District, whichever is less. The Special District Act also governs length of terms, duties, frequency of meetings, directors' fees and conflicts of interest. At the July 11, 2000 special election of the District, the registered electors of the District approved the elimination of term limitations for members of the District's Board.

Two of the Directors, Mr. Lehigh and Mr. Chrisman, are also employees of an affiliate of the Developer. Mr. Lehigh is the President and Chief Operating Officer for Forest City Stapleton. Mr. Chrisman is the Senior Vice President of Development for Forest City Stapleton. Mr. Harris and Mr. Moyer are also members of the board of directors of SDC. Four of the members of the Board may have conflicts of interest with respect to certain transactions which come before the Board. Under State law, a Director must disqualify himself from voting on any issue in which he has a conflict of interest unless he has disclosed such conflict of interest in a written notice filed with the Secretary of State and the Board of the District at least 72 hours in advance of any meeting in which such conflict may arise. Such disclosure certificates have been filed by all Directors. Even though the Directors have complied with the disclosure requirements, it is possible that, to the extent that Directors do have conflicting interests, contracts or transactions in which they participated may be subject to challenge. It is the Board's current practice to disclose potential conflicts of interest of each Director prior to each meeting. See "RELATIONSHIPS OF PARTIES."

Administration

The principal district office of the District is located at 7350 East 29th Avenue, Suite 200, Denver, Colorado 80238. The District currently has no employees. Secretarial and other administrative services are being provided under agreement with SDC Services Corp. Construction services are provided by the Developer under the Management Agreement referred to below. The District retains independent general counsel, accountants, and auditors.

As described in further detail in "Material Contracts - The Management Agreement" under this caption, the District has retained the Developer as an independent contractor to perform certain management services pursuant to a Management Services Agreement dated as of April 30, 2001 (the "Management Agreement"). Under the Management Agreement, the Developer is to provide all management services relating to the coordination, implementation, and completion of the In-Tract Infrastructure Project and the Trunk Infrastructure improvements in the Service Area, including design, engineering, procurement, construction, post-construction, contract compliance, and finance services. As compensation for the Developer's services under the Management Agreement, the District is to pay the Developer monthly an amount equal to 4.5% of the actual cost of activities relating to providing and/or acquiring the infrastructure (excluding any park and recreation improvements that are not funded, constructed, installed, or acquired pursuant to the Management Agreement), including planning, designing, engineering, testing, permitting, inspecting, construction management, construction, installation, or completion of such infrastructure. See "Material Contracts - The Management Agreement" under this caption. The Management Agreement contemplates that the District may make such payments from bond proceeds or from advances from the Developer.

Service Plans of the District and the Westerly Creek District

Generally

The petitioners who proposed the organization of the District (consisting of persons affiliated with SDC and the Developer) were required to file with the City a service plan for the District pursuant to the Special District Act. The District's Service Plan and the service plan for the Westerly Creek District (the "Westerly Creek Service Plan," and together with the District's Service Plan, the "Service Plans") were prepared pursuant to the Special District Act to complement each other in providing for the

provision and financing of infrastructure in the Service Area. The Service Plans were approved by the Denver City Council in April 2000.

Although the Service Plans grant the District and the Westerly Creek District similar powers to finance and provide infrastructure within the Service Area, it is anticipated that the District will have primary responsibility for issuing bonds and other obligations, overseeing the construction of infrastructure, and operating the infrastructure within the Service Area, while the Westerly Creek District (and any other special district formed within the boundaries of the Service Area for such purpose) will have primary responsibility for providing property tax and other revenue to the District to finance the infrastructure. Under the Service Plans, the District is expected to remain at about its current size of approximately 17 acres, zoned primarily as open space with a negligible peak population and a negligible actual valuation, although inclusions and exclusions are permitted. However, the Service Plans contemplate that the Westerly Creek District will undergo inclusions and exclusions until it ultimately includes the approximately 4,000 acres in the future Taxing Area identified in the Service Plans, approximately 1,650 acres of which are expected to be taxable. Alternatively, new service districts could be formed to cover the future Taxing Area. See Appendix D for a map of the Service Area.

The Special District Act provides that material departures from the Service Plan as originally approved or as modified by the City may be enjoined at any time, except for certain departures of which advance notice is given pursuant to the Special District Act. To this extent, the terms of the Service Plan may be considered a limitation upon certain powers of the District.

The District's Service Plan

Under the District's Service Plan, the District is to provide for the financing and construction of certain infrastructure and services to benefit the Service Area. The District's Service Plan divides the infrastructure improvements serving the Service Area into two categories: (1) "trunk" infrastructure improvements, and (2) "In-Tract" infrastructure improvements.

The "In-Tract" infrastructure ("In-Tract Infrastructure") improvements generally consist of improvements in the sanitation, water, street, safety protection, and park and recreation categories which are considered to extend key collection or distribution facilities within or along larger individual parcels or to be local in nature and part of the local distribution, collection, and service facilities to support development of individual parcels in the Service Area.

"Trunk" infrastructure ("Trunk Infrastructure") improvements consist generally of regional key collector or distribution facilities and improvements in the sanitation, street, safety protection, park and recreation, and fire protection categories which are considered to be essential to provide primary service to the Service Area. DURA may issue additional DURA bonds in the future to finance certain additional Trunk Infrastructure. There is no assurance, however, that DURA will agree or be able to issue additional DURA bonds to finance additional Trunk Infrastructure.

The District's Service Plan requires that the infrastructure benefiting the Service Area be constructed in accordance with the Master Facilities Development Agreement and that the City approve the construction of the infrastructure covered by the Service Plan pursuant to an Individual Facilities Development Agreement. The Service Plan specifies that the infrastructure must be constructed in accordance with the standards and specifications of the Master Facilities Development Agreement and applicable Individual Facilities Development Agreements and of various governmental entities. The Service Plan specifies that the Individual Facilities Development Agreements are to establish the District's ability to fund the construction of applicable proposed infrastructure. See "Material Contracts" under this caption for a further description of the Master Facilities Development Agreement and Individual Facilities Development Agreements.

The District's Service Plan includes a Baseline Financial Plan for financing the costs of the In-Tract Infrastructure and Trunk Infrastructure. As of 2000, the District's Service Plan estimated that the total cost of the Trunk Infrastructure would be \$293,967,397, but allows a maximum debt for Trunk Infrastructure of \$706,905,000 due to the length of the estimated period of construction through 2017. Similarly, the Service Plan estimated that the total cost of the In-Tract Infrastructure would be \$310,167,089, but allows a maximum debt for In-Tract Infrastructure of \$679,415,000 due to the length of the estimated period of construction through 2019. See Appendix A – "THE DEVELOPER AND THE DEVELOPMENT" for a description of the costs of Trunk Infrastructure and In-Tract Infrastructure through September 30, 2017. The Service Plan contemplates that the costs of construction of In-Tract Infrastructure may be paid in part by the District from advances made by the Developer, and specifies that such Developer Advances are to be repaid to the Developer plus interest at a rate not in excess of 10% per annum, as more specifically set forth in the Developer Reimbursement Agreements. See "THE DISTRICT – Material Contracts - The Developer Reimbursement Agreements."

The District's Service Plan places a number of restrictions on the District's ability to issue debt obligations to finance the costs of construction of infrastructure. Although the District may incur such obligations without the consent of the City, the District is required by the District's Service Plan to certify at least 15 days prior to the issuance that such obligations meet the minimum criteria set forth in the District's Service Plan, including conformity with the Baseline Financial Plan and the other terms of the District's Service Plan. The City's Manager of Finance may approve deviations from the Service Plan's minimum criteria. The Series 2017 Senior Bonds are being issued with the consent of the City's Manager of Finance. The District's Service Plan also provides that the District's debt obligations are subject to the following limitations: (a) the aggregate principal amount of unlimited tax obligations (excluding those that are investment grade) may not exceed 25% of the then current valuation for assessment of the taxable property in the District, the Westerly Creek District, and any other service district established in the Service Area; (b) the mill levy received by the District from DURA pursuant to the Intergovernmental Agreement and pledged to pay limited tax bonds, as of the date of their issuance, may not exceed 50 mills (as adjusted) (of which at least 48.5 mills (as adjusted) must be certified for debt service, leaving the remainder, 1.5 mills (as adjusted), available to pay operation and maintenance expenses), less any mill levy required to pay the maximum annual debt service requirements of all outstanding unlimited tax obligations and the mill levy pledged to pay all outstanding limited tax obligations, provided, however, that in the event that the method of calculating assessed valuation is changed after the date of approval of the Service Plan, such mill levy limitation may be increased or decreased by the District so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither enhanced nor diminished as a result of such change; (c) any obligation that is not investment grade may be offered, delivered, and transferred only to "accredited investors" (as defined in Rule 501(a) promulgated under Section 3(b) of the Securities Act of 1933, as amended) or issued in minimum denominations of \$500,000; (d) the City must receive, 15 days prior to the date of the proposed issuance of District debt obligations, either (1) notification and a draft opinion of Bond Counsel that the final documents relating to the obligations conform with the District Service Plan, or (2) notification and near final documents regarding the obligations; (e) no funds or assets of the City or any asset of the District to be conveyed to the City may be pledged as security for any obligations; (f) the term of any debt obligations issued to the Developer or incurred pursuant to an intergovernmental agreement with Westerly Creek may not exceed 40 years, and the term of all debt obligations placed by the District with third parties may not exceed 20 years (with deviations subject to approval of the City's Manager of Finance); and (g) underwriters, financial advisors, and Bond Counsel involved in the issuance of such obligations are to be selected through a competitive process that includes firms with a Denver presence. The maximum net effective interest rate on such obligations is limited to 18%, and the maximum discount on such obligations is limited to 5%. See also "DISTRICT FINANCIAL MATTERS – Colorado Statutory and Other Restrictions." The adjusted Westerly Creek Limited Mill Levy for the 2018 fiscal tax collection year is

equal to 60.003* mills as of the date hereof, of which at least 58.203* mills must be certified for debt service and 1.800* mills are left to pay operation and maintenance expenses. The Westerly Creek's Limited Mill Levy is subject to a collection fee of 1% of tax revenues actually collected by the Treasurer of the City and County of Denver.

The Baseline Financial Plan relies on a number of assumptions, including, with respect to the In-Tract Infrastructure, (i) the pace of development and the actual valuation of property within the future Taxing Area, (ii) the amounts of property tax revenue to be derived through the Westerly Creek Limited Mill Levy, (iii) the amount of operating expenses paid from Developer Advances in the early years and from 1.5 mills (as adjusted) of the total 50 mills (as adjusted) of the Westerly Creek Limited Mill Levy, (iv) the amount of operating revenues equaling operating expenses; (v) construction costs being funded initially from Developer Advances that are repaid from the proceeds of bonds or other obligations over time; (vi) Developer Advances bearing interest at a rate not to exceed 10%, and bonds and other obligations bearing interest at a rate of 6.75%; and (vii) construction costs inflating over time at a 3% compounding escalator rate. With respect to the Trunk Infrastructure, the Baseline Financial Plan assumes: (x) the pace of development and the level of certain revenues other than the Pledged Revenues; (y) construction costs being funded from Developer Advances that are repaid over time and that bear interest at a rate not to exceed 10%; and (z) construction costs inflating over time at a 3% compounding escalator rate.

The District's Service Plan identifies a number of events that will, if they occur, constitute a material departure from the Service Plan. These include the failure of the District to obtain the City's prior written consent before taking any of the following actions: (a) including in the District's boundaries certain parcels for residential uses; (b) consolidating the District with another special district within the future Taxing Area; (c) failing to provide to the City certain information specified in the Service Plan; (d) applying for certain State or federal funds; (e) assuming responsibility for the construction, operation, or maintenance of infrastructure beyond the Trunk Infrastructure and In-Tract Infrastructure identified in the Service Plan; or (f) incurrence of debt obligations without certifying to the City that the issuance of such obligations conformed with the minimum criteria specified in the Service Plan without prior consent of the City. In addition to the foregoing events requiring the prior written approval of the City, a material departure from the Service Plan would occur if the District constructed infrastructure or spent money for such construction without City approval under an Individual Facilities Development Agreement. If the District were to engage in acts constituting a material departure from the Service Plan, the City could seek to enforce the requirements of the Service Plan through litigation against the District.

The District Service Plan contemplates that the District will be dissolved at such time as (i) the District has issued debt obligations in the maximum principal amounts authorized by the Service Plan (\$679,415,000 with respect to In-Tract Infrastructure improvements and \$706,905,000 with respect to Trunk Infrastructure improvements) and has expended the proceeds of such obligations; (ii) the District is not dependent upon any Developer support for the repayment of such obligations; (iii) the District has repaid any and all Developer Advances; and (iv) adequate provisions have been made for retiring and paying all outstanding obligations.

The Westerly Creek District's Service Plan

The Westerly Creek Service Plan is substantially similar to the District's Service Plan, with the Westerly Creek District given many of the same powers and being subject to many of the same restrictions as the District. As under the District's Service Plan, the Baseline Financial Plan included in

* The Westerly Creek Limited Mill Levy is subject to adjustment due to the fact that the preliminary assessed valuations of the property within the District are subject to change until the Assessor certifies the final assessed valuation in December 2017.

the Westerly Creek Service Plan contemplates that the District and the Westerly Creek District will enter into an intergovernmental agreement pursuant to which the Westerly Creek District will impose the Westerly Creek Limited Mill Levy in each year until the District's obligations incurred to finance infrastructure are repaid. The Westerly Creek Service Plan anticipates that the Westerly Creek District's operating expenses will be funded primarily from revenues generated by 1.5 mills (as adjusted) of the Westerly Creek Limited Mill Levy, minus funds retained for administrative expenses. However, the Westerly Creek Service Plan allows the District (and after dissolution of the District, the Westerly Creek District), to impose and collect fees to supplement the revenues generated from the portion of the Westerly Creek Limited Mill Levy devoted to payment of operating expenses. The Westerly Creek District is prohibited from imposing any system development fee or other capital improvement fees. The Westerly Creek Service Plan requires that all debt obligations of the Westerly Creek District be offered, delivered, and transferred only to the District.

The Westerly Creek Service Plan states that the City and the District intend that the Westerly Creek District will remain in existence and assume the responsibility for the operation and maintenance of the District's assets upon dissolution of the District. The Westerly Creek Service Plan states that it will be a material departure therefrom if, prior to the dissolution of the District, the Westerly Creek District incurs debt obligations for, or assumes responsibility for the financing or operation and maintenance of, any of the Trunk Infrastructure or In-Tract Infrastructure other than through an intergovernmental agreement with the District.

Inclusions, Exclusions, Consolidations and Dissolutions

Inclusions

The Special District Act provides that the boundaries of a special district may be altered by the inclusion of additional real property if owners of one hundred percent of the property petition the Board for inclusion, or if authorized by the eligible electors of such property at an election. Inclusions are not allowed if the property is in another special district which is capable of providing the same services as are provided by the proposed special district without the consent of the existing special district. While it is not contemplated that the District's boundaries would change, it is expected that additional property will be added to the Westerly Creek District as the area of the Development grows. See Appendix D hereto. Pursuant to its Service Plan, the Westerly Creek District is required to commit, and pursuant to the Intergovernmental Agreement has committed, to include within the District's Taxing Area any property within the Development upon petition of the owner thereof.

Exclusions

The boundaries of a special district also may be altered by the exclusion of real property. Upon its exclusion, the excluded property is no longer subject to the special district's operating mill levy, but remains subject to the special district's debt service mill levy for general obligation debt issued prior to exclusion, and remains obligated to the extent of the property's proportionate share of any outstanding indebtedness. The excluded property is not subject, however, to new debt issued by the special district. At the present time, no exclusions are pending or expected from either the District or the Westerly Creek District.

Consolidation

Two or more special districts may consolidate into a single district upon the approval of the district court and of the electors of each of the consolidating special districts. The court order approving the consolidation can provide that the consolidated district assumes the debt of the districts being consolidated. If so, separate voter authorization of the debt assumption is required. If such authorization

is not obtained, then the territory of the prior district will continue to be solely obligated for the debt after the consolidation. At the present time, no consolidations with other districts are pending or expected.

Dissolutions

The Special District Act allows a special district board of directors to file a dissolution petition with the district court. The court must approve the petition if the special district's plan for dissolution meets certain requirements, generally regarding the continued provision of services to residents and the payment of outstanding debt. Dissolution must also be approved by the special district's voters. If the special district has debt outstanding, the special district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness. The Service Plan further restricts the District's authority to dissolve (see "Service Plans of the District and the Westerly Creek District - The District's Service Plan" under this caption).

The Urban Redevelopment Plan

The present Stapleton Urban Redevelopment Plan became effective in July 2000 following adoption by DURA and approval by the Denver City Council through Ordinance No. 543, Series of 2000. The general objective of the Stapleton Urban Redevelopment Plan is to reduce or eliminate blighted conditions within the Stapleton Redevelopment Area (the "Stapleton Urban Redevelopment Area") and to stimulate the continued growth and development of the City. The Stapleton Urban Redevelopment Plan terminates on July 20, 2025.

The Stapleton Urban Redevelopment Plan is being undertaken to reduce and eliminate blight by promoting appropriate land uses and activities including: site demolition, clearance, and preparation; design, installation, construction, reconstruction and installation of public improvements including trunk roadways, sewer, drainage, park and recreation and Infrastructure, all with the assistance of DURA pursuant to provisions of the Stapleton Urban Redevelopment Plan. See Appendix D hereto for a description of the area covered by the Stapleton Urban Redevelopment Plan.

District Facilities and Services

Pursuant to the laws of the State and the petition for organization, but as limited by the Service Plan as amended from time to time, the District is vested with the power to provide the services listed below all within and without the boundaries of the District.

(a) Sanitation. Sanitary sewage collection and transmission system which may include, but shall not be limited to, collection mains and laterals, lift stations, transmission lines, and/or storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds and associated irrigation facilities and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said system;

(b) Water. A complete potable and nonpotable water, transmission and distribution system, which may include, but shall not be limited to, transmission lines, distribution mains and laterals, pressure reducing stations, irrigation facilities, storage facilities, land and easements, and all necessary, incidental and appurtenant facilities, together with extensions of and improvements to said system;

(c) Streets. Street improvements, including curbs, alleys, gutters, culverts, and other drainage facilities necessary for streets, realignment of railroad tracks, sidewalks, parking facilities, bike paths and pedestrian ways, median islands, paving, underground conduit, street lighting, pedestrian lighting, grading, streetscaping, landscaping and irrigation and all necessary, incidental, and appurtenant facilities, land and easements, together with the extension of and improvements to said facilities. In

addition, the District may undertake storm drainage improvements and a complete storm drainage system. The storm drainage system may include, but shall not be limited to, flood and surface drainage facilities and systems, including detention/retention ponds, wetlands and water quality facilities and associated irrigation facilities and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to the system;

(d) Safety Protection. A system of traffic and safety controls and devices on streets and highways, including signalization, street lights, signing and striping, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities;

(e) Park and Recreation. Parks and recreational facilities and programs including, but not limited to, parks, bike paths and pedestrian ways, open space, landscaping, cultural activities, water bodies, irrigation facilities, and other active and passive recreational facilities and programs, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities;

(f) Fire Protection. The power to provide for the financing of and design, acquisition, construction, completion, relocation, remodeling and installation of (but not operation or maintenance of) facilities and equipment for fire protection, including fire stations, ambulances and ambulance stations, emergency medical response and rescue, and diving and grappling stations and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said systems;

(g) Transportation. Transportation system improvements, including transportation equipment, park and ride facilities and public parking lots, structures, roofs, covers and facilities, all the necessary incidental and appurtenant facilities, land and easements together with extensions of and improvements to said facilities;

(h) Mosquito Control. The eradication and control of mosquitoes, including, but not limited to, elimination or treatment of breeding grounds, and purchase, lease, contracting or other use of equipment or supplies for mosquito control; and

(i) Television Relay and Translation. The establishment of television relay and translation facilities, including communication facilities and including the acquisition of land and easements, together with extensions of and improvements to said facilities.

Material Contracts

Agreements Relating to the Pledged Revenues

The District is a party to the Intergovernmental Agreement and the District Cooperation Agreement, which relate to the payment of the Pledged Revenues to the District, and are described in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District.”

The Developer Reimbursement Agreements

The following description applies to Developer Reimbursement Agreements for Infrastructure advances and not to certain reimbursement agreements between the Developer and the District relating to advances made by the Developer to pay debt service on certain of the District’s obligations.

The District is a party to several contracts and agreements governing, controlling, and otherwise outlining the process and manner in which development of the site is to be accomplished. Pursuant to the Developer Reimbursement Agreements between the District and the Developer, the Developer has agreed to advance funds to the District for certain costs and expenses. *Capitalized terms in this description have the meanings attached to them in the Reimbursement Agreement for In-Tract Infrastructure.*

Under the Reimbursement Agreement for In-Tract Infrastructure, the Developer has agreed to advance funds to the District for the payment of: (i) costs incurred by the District for the administration of the District related to the Process of Construction, including without limitation Administrative Management Fees, which are included in the fiscal year budget (“Administrative Operations Costs”); (ii) costs incurred by the District for the operation of Infrastructure related to the Process of Construction following any warranty, which costs are not funded by the City or other agencies, and which are included in the District’s fiscal year budget (“Infrastructure Operations Costs”); (iii) costs incurred by the District (a) in the Process of Construction, or (b) during the Process of Construction for the operation, maintenance or repair of the Infrastructure prior to the expiration of any warranty period, which are included in the District’s fiscal year budget (“Process of Construction Costs”); (iv) costs incurred for Construction which have been included in the budget for the District at the request of the Developer and in the City Construction Funding Notice pursuant to the Master Facilities Development Agreement (“Construction Costs”); (v) fees paid by the District to the Developer, or any successors or assigns, for providing management services pursuant to the Management Agreement or other agreements authorized at an Election; provided that all Management Fees shall not exceed the debt amount set forth in the ballot question for management agreements authorized at an Election (“Management Fees”); (vi) the charge for funding Developer Advances calculated as described below (“Interest”); and (vii) any other costs which the District and the Developer have mutually agreed in writing should be funded by Developer Advances. The District’s obligation to repay certain Developer Advances under the Reimbursement Agreement for In-Tract Infrastructure may be evidenced, at the request of the Developer, by subordinate reimbursement revenue notes or Subordinate Bonds (collectively referred to herein as “Reimbursement Obligations”) payable from Pledged Revenues under the trust indenture for the Subordinate Bonds (the “Subordinate Indenture”).

All Developer Advances under the Reimbursement Agreement for In-Tract Infrastructure, together with interest from the date on which the funds were advanced shall be repaid to the Developer, with respect to Interest, (i) from Pledged Revenues available for repayment of Developer Advances under the Subordinate Indenture, subject to the terms of the Senior Indenture; (ii) if not pledged for repayment of Bonds (other than Junior Subordinate Bonds) pursuant to the Bond Indentures (other than the Junior Subordinate Indenture), from funds available in accordance with the provisions of the District Cooperation Agreement or Intergovernmental Agreement; (iii) if not pledged for repayment of the Bonds (other than Junior Subordinate Bonds) pursuant to the Bond Indentures (other than the Junior Subordinate Indenture), from funds available in accordance with the provisions of an agreement between the Parties; or (iv) from available funds of the District not otherwise appropriated or obligated for any current or future purpose in any fiscal year, including revenue legally available for such purposes from DURA, in the District’s discretion, or if such funds are not available, from Developer Advances, semiannually on June 15, and December 15, of each year, until all of the accounts due and owing to the Developer for Interest have been repaid.

Under the Reimbursement Agreement for In-Tract Infrastructure, certain funds of the District are not available for the repayment of Developer Advances or Interest, including, (1) proceeds of Obligations issued for purposes other than repayment of Developer Advances or Interest; (2) District revenue pledged or needed to pay Obligations, including Pledged Revenues, except for Pledged Revenues available for repayment of Developer Advances or Interest under the Subordinate Indenture; and (3) Operating Revenues. The Series 2017 Senior Bonds are Obligations for purposes of the Reimbursement Agreement

for In-Tract Infrastructure. The repayment of Developer Advances under the Reimbursement Agreement for In-Tract Infrastructure (including Reimbursement Obligations) and Interest will be subject to any indenture with respect to the deposit, allocation, or distribution of District funds pursuant to the issuance of bonds or other Obligations of the District.

The District also agrees to issue sufficient obligations to repay Developer Advances (including Reimbursement Obligations) provided that such issuance is financially feasible, the issuance complies with the terms of the Senior Indenture and the indentures for other outstanding bonds of the District, and that the financial criteria set forth in the District's Service Plan ("Minimum Criteria") have been complied with and all necessary approvals have been received from the City in accordance with the Service Plan. The District, in its discretion may repay any outstanding Developer Advances (including Reimbursement Obligations), in whole or part, at any time without penalty.

The term of the Reimbursement Agreement for In-Tract Infrastructure is the later of (i) April 30, 2041 or (ii) the date of repayment of all amounts due and owing to the Developer. Either party may terminate the Reimbursement Agreement for In-Tract Infrastructure upon certain conditions.

If either party fails to perform any of its responsibilities, obligations or agreements in accordance with the provisions of the Reimbursement Agreement for In-Tract Infrastructure, and if such failure of performance continues for a period thirty (30) days following written notice of default from the other party or for such additional period of time as may be reasonably required to cure the default, provided that the curative action is commenced within the thirty (30) day period and is diligently and continuously pursued to completion, then the non-defaulting party, at its option, may elect to terminate the Reimbursement Agreement for In-Tract Infrastructure as of any specified date or treat the Developer Reimbursement Agreement for In-Tract Infrastructure as remaining in full force and effect.

In addition to the other remedies set forth in the Reimbursement Agreement for In-Tract Infrastructure, a non-defaulting party is entitled to recover damages, including an award of reasonable attorney fees, and to seek any other remedy available at law or in equity, including an action for specific enforcement for any uncured breach; provided that absent bad faith or fraud by the District, no penalty shall be imposed upon the District if it is unable to repay the Developer because it has not received sufficient funds. In the event of any default, no acceleration in the repayment of outstanding Developer Advances (including Reimbursement Obligations) is permitted. However, the District's obligation to repay Developer Advances continues.

With respect to Trunk Infrastructure, the Reimbursement Agreement for Trunk Infrastructure operates similarly to the Reimbursement Agreement for In-Tract Infrastructure, but with some differences. Most importantly, Developer Advances under the Reimbursement Agreement for Trunk Infrastructure are subject to the approval of DURA and are generally repayable only from Pledged Tax Incremental Revenues, although, subject to appropriation, the District may use other funds available to the District, including Trunk Open Space Development Fees, to repay Developer Advances under the Reimbursement Agreement for Trunk Infrastructure provided that such funds are used to pay trunk open space expenses and are not pledged to the payment of Obligations.

Subordinate Bond Reimbursement Agreement

Although not anticipated, Subordinate Tax Revenues may not be sufficient to provide for full payment of the principal of and interest on the Subordinate Bonds or Second Lien Subordinate Bonds. As a result, the District and the Developer have entered into an Amended and Restated Reimbursement Agreement for Subordinate Bonds (In-Tract Infrastructure), dated as of May 1, 2013, as amended by a First Amendment dated as of July 15, 2014 (the "Subordinate Bond Reimbursement Agreement"), pursuant to which the Developer may, but shall not be required to, advance to the District amounts

(referred to herein as “Debt Service Advances”) sufficient to pay the principal of and interest when due on the Subordinate Bonds and the Second Lien Subordinate Bonds, other than any optional redemption amount set forth therein, to the extent that Subordinate Tax Revenues are not sufficient to pay such amounts.

Pursuant to the Subordinate Indenture, in the event that the Subordinate Tax Revenues are not sufficient to pay the full amount of principal and interest becoming due with respect to the Subordinate Bonds on any scheduled debt service payment date, the District must provide notice to the Developer of the amount of the deficiency no later than 30 days prior to the scheduled debt service payment date. On or before 20 days prior to the scheduled debt service payment date, the Developer may, but is not required, to deposit with the Subordinate Trustee a Debt Service Advance in the amount of such deficiency.

The obligation of the District to reimburse the Developer for Debt Service Advances under the Subordinate Bond Reimbursement Agreement together with interest accrued thereon, including any reimbursement notes issued by the District to the Developer to memorialize the Debt Service Advances, are Junior Lien Obligations payable from Pledged Revenues on a basis subordinate to the Series 2017 Senior Bonds.

The Subordinate Bond Reimbursement Agreement will terminate upon the latter of (i) 40 years after the date of such Subordinate Bond Reimbursement Agreement; or (ii) the date of repayment of all amounts due and owing to the Developer for Debt Service Advances made thereunder. In the event of any default, the Subordinate Bond Reimbursement Agreement may not be terminated and no acceleration in the repayment of outstanding Debt Service Advances (including any Junior Lien Obligations) is permitted. However, the District’s obligation to repay Debt Service Advances continues. A non-defaulting party is entitled to recover damages, including an award of reasonable attorney fees, and to seek any other remedy available at law or in equity, including an action for specific enforcement for any uncured breach.

Pursuant to the Subordinate Indenture, the District may amend or consent to any amendment or supplement to the Subordinate Bond Reimbursement Agreement without the consent of Subordinate Bondholders.

The District and the Developer have entered into reimbursement agreements substantially similar to the Subordinate Bond Reimbursement Agreement with respect to the District’s Senior Bonds, the Senior Subordinate Bonds and Junior Subordinate Bonds.

The Management Agreement

Simultaneously with execution of the original Developer Reimbursement Agreements, the District and the Developer executed a Management Services Agreement dated April 30, 2001 (the “Management Agreement”). The Management Agreement is available from the District upon request. ***Capitalized terms in this description have the meanings assigned to them in the Management Agreement.***

Under the Management Agreement, the District has retained the Developer as an independent contractor for the purpose of performing the management services described therein. Either on its own, or through its employees, agents, consultants, or subcontractors, the Developer will provide all management services related to the coordination, implementation, and completion of the Infrastructure within the Service Area.

The Developer is solely and exclusively responsible for initiating, presenting to the District for any required approval, and coordinating and implementing all work related to the Process of Construction for the Infrastructure; provided that the District may, in its discretion, complete or cause to be performed independent studies, analyses, or evaluations of any specified work. The management services to be provided by the Developer include, but are not limited to, the responsibility to do, or cause to be done, the initiation, presentation, coordination, implementation, and completion of:

(a) Design and engineering of Infrastructure, including without limitation defining the scope of improvements;

(b) Procurement services, including without limitation preparation of bidding packages; publication of bid notices; pre-qualification of contractors; stimulating bidding interest; conducting pre-bid conferences; review of bids and recommendation of awards to the District; negotiations with bidders and Construction contractors; and finalization of all Construction contracts, insurance, bonds, certificates, and related documentation;

(c) Construction phase services, including without limitation coordinating the design, engineering, planning and construction of the Infrastructure;

(d) Post-Construction phase services, including without limitation punch list inspections; claims assistance; supervision of remedial and corrective work of contractors; submission of as-built documentation and coordination; and administration of contractor bonds and warranties;

(e) Contract compliance services in cooperation with the District, including without limitation preparation and processing of an Individual Facilities Development Agreement and, if applicable, Supplemental Redevelopment Agreement for each phase of Infrastructure in accordance with the Master Facilities Development Agreement and Master Redevelopment Agreement;

(f) Finance services under the direction of the District, including without limitation presenting recommendations for accountants and other consultants necessary for the preparation of current financial forecasts for the District; and

(g) Additional management services that may be added with the approval of the Parties.

The Developer is required to perform the management services so that the Process of Construction for the Infrastructure is financed, initiated, and completed in a timely manner and in accordance with the requirements and provisions of the Governing Documents and the Funding Plan for each Individual Facilities Development Agreement. The District is required to make its staff available to the Developer and to work cooperatively to assist in the performance of the management services. The Developer will report any material breach of contract committed by a contractor, engineer, or consultant, or any significant breach or violation of the Management Agreement or the Governing Documents within ten days after the Developer first has knowledge of such breach or violation except that the Developer's failure to report its own breach or violation of the Management Agreement does not constitute a default under the Management Agreement. The District or its representatives are entitled to inspect, investigate, examine, and audit any Infrastructure project activity at any time without prior notice to the Developer and the adequacy of performance of management services provided.

The Management Agreement provides that as the District develops its budget each fiscal year, the Developer will provide an estimate of the cost, proposed general method of funding, and anticipated critical path for the Process of Construction of Infrastructure to be accomplished within that fiscal year. The District is to provide reasonable and expeditious consideration of any contract for the Process of Construction or Construction presented by the Developer for which sufficient funds do not exist under the

current fiscal year budget, if such funding is otherwise available. Once the contract submitted by the Developer is approved by the District, the Developer will proceed with the management of the contract. The Developer is required to periodically advise the District as to the status of completion of all contracts, including the comparison of actual to estimated costs and actual to estimated schedules. Any deviations in the critical path or approved costs for the contract will be provided by the Developer to the District in a monthly report.

Certain developments defined as Trunk Open Space Infrastructure and In-Tract park and recreation Infrastructure will be scheduled by the Developer only after consultation with the District and in conformance with the Governing Documents. With respect to park and recreation improvements other than Trunk Open Space Infrastructure designated in the Service Plan and In-Tract park and recreation Infrastructure which is initiated and prioritized by the Developer, the District may, with the approval of the Developer (which approval shall not be unreasonably withheld), fund, construct, acquire, or install such park and recreation improvements provided that funding for such improvements has not been pledged for the repayment of Obligations incurred or anticipated to be incurred for the Infrastructure to serve the Service Area.

The Board has reserved the right to review the adequacy of performance of the Developer under the Management Agreement and may conduct its own studies and analyses related to financing, Infrastructure, and operational matters. The Board may also request that Forest City submit reports to the District detailing the performance of services under the Management Agreement.

The Developer has the authority, in consultation with the District, to negotiate on behalf of the District with the City and all of its agencies and representatives, consultants, contractors, engineers, and other individuals and entities necessary to effectuate the Process of Construction, financing of the Process of Construction, and the review and approval of the Individual Facilities Development Agreements, Supplemental Redevelopment Agreements, and all ancillary and related activities. The Developer and the District each will provide the other with copies of claims and legal notices related to the District or the Infrastructure within ten days after receipt of such notice and will notify the other of any lawsuit, proceeding, or action that is initiated or threatened within ten days after first having knowledge of such action.

As compensation for the management services provided, the District has agreed to pay the Developer an amount equal to 4.5% of the Actual Cost of the Process of Construction of the Infrastructure, including Actual Costs incurred prior to the execution of the Management Agreement, as approved by the District. If at any time the Developer has failed to perform a service specified under the Management Agreement, and has been provided written notice of the same, the District will continue to make all payments due to the Developer if it is in the process of curing such default, except that the District may deduct all reasonable costs and expenses incurred in connection with the continued operation of the District. The Developer has agreed to perform all services during the cure period until the cure of default is satisfactorily completed and normal operations are resumed.

The term of the Management Agreement is 40 years, commencing as of its date and renewing annually thereafter for a period of ten years, unless either party gives written notice of termination at least 90 days in advance of the end of the current term. The Management Agreement may be terminated by either party in the event there has been a default resulting in the termination of the Amended Purchase Agreement; the Developer becomes insolvent or files for bankruptcy, makes a general assignment for the benefit of creditors, or has a receiver appointed to administer its business; or a breach or default by one party has occurred that is not cured within any applicable cure period. In the event of a termination of the Management Agreement for any reason, the District will pay all fees due to the Developer to the date of termination.

In the event of a dispute, the Developer and the District have agreed to provide written notice to one another, and, within 10 business days after delivery of the notice, to have appropriate officers (as determined by each party) meet in an attempt to resolve the dispute. However, either party in its discretion may elect, after written notice to the other, to escalate any dispute arising out of or relating to the determination of fees that is otherwise unresolved to the appropriate financial and accounting officers of the parties. Once those officers have met, if the matter remains unresolved for a period of 30 days after notice, either party may escalate the dispute to the appropriate officers of each entity in the process described above. If the dispute continues to remain unresolved for a period of 60 days after initial notice, either party may continue to operate under the Management Agreement and sue for damages or seek other remedies. However, if, and only if, a dispute remains unresolved which relates to the early termination of the Management Agreement as a result of the Developer's insolvency, early termination as a result of an uncured breach by either party, or for the payment of fees, then either party may give written notice and request arbitration of the dispute. The Management Agreement establishes the terms and conditions by which the arbitration will take place.

If either party fails to perform any of its responsibilities, obligations, or agreements to be performed under the Management Agreement, and such failure continues for a period of 30 days after written notice of default, absent curative action, then the non-defaulting party may treat the Management Agreement as remaining in full force and effect, or may terminate it as of any specified date. Each party is entitled to the remedies established and set forth in the Management Agreement or otherwise available at law or in equity, including requesting an action for specific performance for any uncured breach and requesting an award of damages, including reasonable attorney fees.

Facilities Management Agreement

Pursuant to the Amended and Restated Management Agreement between the District and the Master Community Association, Inc. (the "Association") dated April 29, 2005, the District has agreed to complete construction of the public facilities in the District, and the Association has agreed to manage, operate, maintain, and repair certain facilities that have not been transferred to the City. The Association will pay most of the operational cost of such facilities. The District will pay the Association's costs for the balance of such services, subject to availability of funds and annual appropriation by the Board.

Master Facilities Development Agreement

The District has entered into the Master Facilities Development Agreement with the City and the Developer. Under such Agreement, the City reserves the right to approve the timing and nature of infrastructure projects for the Development, by entering into Individual Facilities Development Agreements from time to time. Such Agreements also govern environmental remediation responsibilities among the parties and the conditions under which certain real property conveyed to the District by the City will be reconveyed to the City. Currently, the City has approved Individual Facilities Development Agreements representing approximately \$915 million of infrastructure costs for all of Phase I, Phase II, and Phase V, and parts of Phase III, Phase IV, and Phase VI of the Development, of which (i) approximately \$522 million is to be used for In-Tract costs eligible to be financed using proceeds of bonds or other obligations issued by the District and payable from Pledged Revenues, and (ii) approximately \$393 million represents Trunk costs eligible to be financed using proceeds of DURA and/or District tax increment supported revenue bonds. As of the date of this Official Statement, approximately \$50 million of Phase VI costs have yet to be approved by the City pursuant to the terms of the Master Facilities Development Agreement. See "RISK FACTORS – Possible Delays."

Construction Contracts

The District has entered into various contracts with multiple contractors for construction of infrastructure within the Development. As of October 31, 2017, the District had total committed funds under such contracts of \$372 million for In-Tract Infrastructure and \$379 million for Trunk Infrastructure, of which \$358 million and \$371 million, respectively, had been paid.

Other Contracts

The District has entered into an Intergovernmental Agreement dated April 4, 2006 with the City and the City of Aurora, Colorado relating to (i) the inclusion of those areas of the Development within the City of Aurora into the Westerly Creek District and (ii) the District's responsibility for the financing, construction, operation, maintenance and repair of various Trunk and In-Tract Infrastructure required for the development of such property. The District has also entered into an Intergovernmental Agreement dated July 1, 2010, as amended to address the allocation of costs, with the Regional Transportation District and the Developer concerning the sharing of costs of constructing the proposed Smith Road Transit Facility to serve Regional Transportation District's light-rail and bus transportation systems in the vicinity. The District has also entered into a Redevelopment Agreement dated October 13, 2016, with the Developer and the Aurora Urban Renewal Authority concerning the payment of certain expenses incurred in the redevelopment of a portion of the District located in the City of Aurora, Colorado.

Governmental Immunity and District Liability

Insurance

The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool") which is sponsored by the Special District Association of Colorado. The Pool provides general liability, public officials' liability, automobile physical damage and crime coverage to its members. Members of the Pool are required to make additional surplus contributions. Any excess funds, which the Pool determines are not needed for purposes of the Pool, may be returned to the members following a distribution formula. During the year ended December 31, 2016, the Pool made no distributions to the District.

Governmental Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Colorado Revised Statutes, as amended (the "Immunity Act"), establishes, with certain exceptions, immunity from liability for political subdivisions of the State of Colorado, such as the District, and for public employees, for all claims for injury which lie in tort or could lie in tort. The Immunity Act waives sovereign immunity for injuries resulting from the operation of a motor vehicle owned or leased by the District, except for emergency vehicles; the operation of any public hospital, correctional facility or jail or a dangerous condition of any public hospital or jail; a dangerous condition of any public building of the District; a dangerous condition which interferes with the movement of traffic on any public highway, road, street or sidewalk; a dangerous condition caused by failure to realign a turned stop or yield sign or to repair a traffic signal displaying conflicting directions; a dangerous condition caused by known accumulation of snow and ice that physically interferes with public access on walks leading to a public building; a dangerous condition of a public facility in a park or recreation area maintained by the District; and the operation and maintenance of a dangerous condition of public water, gas, sanitation, electrical, power or swimming facilities. The Immunity Act limits the amount that may be recovered for injuries arising from any single occurrence in connection with the above-described activities to \$350,000 per person and \$990,000 total per occurrence, with these amounts adjusted every four years based on consumer price index for Denver, Boulder and Greeley. The Immunity Act also provides that in the event the District is unable to pay a

settlement or judgment due to a lack of available funds, the District shall levy a tax sufficient to discharge such settlement or judgment in the next fiscal year or, if the budget for the next fiscal year has been adopted before the judgment becomes final, in the succeeding fiscal year. In no case shall such tax exceed a total of ten mills, exclusive of existing mill levies, per year of assessment for all outstanding settlements or judgments. The District may, by resolution, increase any maximum amount that may be recovered from the District for the type of injury described in the resolution. The District has not adopted a resolution to increase such maximum amounts. The District may not be held liable either directly or by indemnification for punitive or exemplary damages. The Immunity Act provides that the District may be liable for the costs of defending a District employee in connection with tort claims against such an employee arising out of injuries sustained from an act or omission of such employee during the performance of his or her duties and within the scope of his or her employment, provided that the employee's act or omission was not willful and wanton. The District also may be liable for payment of judgments or settlements of such claims not barred as against the District by the Immunity Act, if the employee does not compromise or settle the claim without the District's consent.

The District may not be able to claim immunity under the Immunity Act and, therefore, may be subject to certain civil liabilities premised upon certain other state and federal causes of action. This could occur, for example, in suits claiming breach of contract, suits filed in federal court pursuant to 42 U.S.C. Section 1983 alleging the deprivation of the civil rights of an individual, or suits alleging anti-competitive practices and violation of the antitrust laws by the District in the exercise of its delegated powers.

State Constitutional Limitation

At a general election held in November 1992, the electors of the State of Colorado approved a voter initiated amendment (the "TABOR Amendment") to the Colorado Constitution. In general, the TABOR Amendment restricts the ability of any "district" to increase revenues, taxes, debt, and spending. "Districts" include the State of Colorado and any local government, including special districts, but excluding "enterprises," which are defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined. Some provisions of the TABOR Amendment are unclear and will require further judicial interpretation.

Among other things, the TABOR Amendment provides that any district must obtain voter approval prior to (i) the imposition of any new tax, tax rate increase, mill levy increase, valuation for assessment ratio increase, tax extension or change in tax policy which results in a net gain of tax revenues to a district, or (ii) the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever, subject to certain exceptions.

The TABOR Amendment also limits the total amount of expenditures and reserve increases which may be made by any district for all purposes to the total amount thereof made in its preceding fiscal year, adjusted for inflation and local growth, unless the voters approve additional spending. As defined in the TABOR Amendment, "inflation" means the percentage change in the United States Bureau of Labor Statistics Consumer Price Index for Denver-Boulder, all items, all urban consumers, or its successor index and "local growth" means the net percentage change in actual value of all real property (apparently, both taxable and tax-exempt) "in a district from construction of taxable property improvements, minus destruction of similar improvements, and additions to, minus deletions from taxable real property." The initial bases for local government spending and revenue limits were 1992 fiscal year spending and 1991 property taxes collected in 1992. For each year after 1992, the bases for future spending and revenue limits are the previous year's fiscal year spending and property taxes for the year prior to the previous year which are collected in the previous year. Revenues received in excess of such

limitations must be refunded unless additional spending is approved by the voters. As discussed below, assuming revenues are available, debt service can be paid without regard to any spending limits. Debt service changes, reductions and voter-approved revenue changes are excluded from the calculation bases.

Elections to obtain voter approval may be held only in November of each year and May of even-numbered years.

As described above, the TABOR Amendment generally requires the District to obtain voter approval for the creation of multi-year debt. Voter approval was obtained for the Series 2017 Senior Bonds and other obligations of the District at an election held on November 7, 2000. In addition, at that election, the voters authorized the District to collect, retain and spend all taxes, fees and other revenues and all income and payments received by the District in all future years without limitation by the revenue and spending limits set forth in the TABOR Amendment.

Debt service on the Series 2017 Senior Bonds can be paid without regard to the TABOR Amendment's spending limits. However, it is not possible to predict the effect of the TABOR Amendment on future activities of the District or the Westerly Creek District, including their ability to generate sufficient revenues for their general operations, to undertake additional programs, or to engage in any subsequent financing activities.

DISTRICT FINANCIAL MATTERS

Debt Structure

The Series 2017 Senior Bonds, when issued, will represent special, limited obligations of the District, payable solely from the Pledged Revenues. The District has previously issued the Prior Senior Bonds (all of which are no longer outstanding), the Series 2015A Senior Bonds (the Series 2015A Senior Bonds are currently outstanding in the aggregate principal amount of \$231,290,000 and the Series 2016 Senior Bonds are currently outstanding in the aggregate principal amount of \$28,000,000 both are payable on a parity basis with the Series 2017 Senior Bonds), the Series 2013 Subordinate Bonds and the Series 2014 Second Lien Subordinate Bonds, payable from the Pledged Revenues and from amounts payable to the District under the District Cooperation Agreement and the Intergovernmental Agreement. The District has also issued certain Junior Lien Obligations payable solely from the Pledged Revenues on a subordinate basis to the Outstanding Senior Bonds, and other bonds secured under the Senior Indenture, Senior Subordinate Obligations, Subordinate Obligations, Second Lien Subordinate Obligations, Junior Subordinate Obligations and Developer Advance Reimbursement Obligations.

The District expects to issue Additional Parity Bonds for the purpose of funding additional In-Tract Infrastructure and to reimburse Developer Advances and to refund subordinate debt. In addition, as of the date of this Official Statement, DURA has previously issued \$286 million principal amount of tax increment supported revenue bonds payable from certain incremental tax revenue of the District pledged thereto for the purpose of funding Trunk Infrastructure and may issue additional tax increment supported revenue bonds for the purpose of funding additional Trunk Infrastructure. There is no assurance, however, that DURA will agree or be able to issue additional DURA bonds to finance additional Trunk Infrastructure.

Budgetary Process

The District is subject to the Local Government Budget Law of Colorado, Title 29, Article 1, Part 1, Colorado Revised Statutes, as amended. Under this statute, the District is required to adopt an annual budget for each forthcoming calendar year. The budget is required to set forth all proposed expenditures for the administration, operations, maintenance and debt service of the District including all

expenditures for capital projects to be undertaken or executed in the fiscal year. The budget must also show anticipated revenues for the budget year and estimated fund balances as well as the corresponding figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year. The budget must also set forth a written budget message and explanatory schedules or statements and must include certain details regarding any lease-purchase agreements. After the proposed budget is prepared, a notice must be published indicating that the budget is open for public inspection and that a hearing will be held on the budget. Within 30 days following the beginning of the fiscal year, the Board must file certified copies of the adopted budget with the Division of Local Government in the Colorado Department of Local Affairs.

Financial Statements

The District's audited financial statements for the year ended December 31, 2016, are included in Appendix B to this Official Statement. The District's audited financial statements have been audited by Hiratsuka & Associates L.L.P., independent auditors, as stated in their report herein. Consent of the auditors to the inclusion of their report as an appendix hereto has not been obtained. Under Colorado statutes, the Board is required to have the financial statements of the District audited at least annually. The audited financial statements must be filed with the Board by June 30 of each year, and with the State Auditor within 30 days thereafter or within any extension period granted according to law. If such audit is not filed within three months of the initial deadline required by law, the State Auditor may authorize the City official holding moneys of the District generated pursuant to the District's taxing authority to prohibit the release of such moneys until the District submits an audit report.

Other District Revenues

Although not pledged to the payment of debt service on the Series 2017 Senior Bonds, the District may collect or receive other funds and revenues from time to time.

Trunk Open Space Development Fees

The District imposes Trunk Open Space Infrastructure System Development Fees ("Trunk Open Space Development Fees") as another source of revenue. The District approved Trunk Open Space Development Fees, effective February 21, 2001, of \$15,000 per acre purchased within the Service Area by the Developer under the Stapleton Purchase Agreement, payable to the District on or before the date of property transfer to the Developer by the City. These fees are payable by the Developer.

The collection of these fees is dependent upon the ability of the Developer to develop and sell or lease property within the Service Area. District revenue from the Trunk Open Space Development Fee is to be used to provide and finance Trunk Open Space Infrastructure within the Service Area and is not pledged to secure payment of the Series 2017 Senior Bonds.

The District has no present intention to impose tap fees in addition to those charged by other utilities.

Other Revenue Sources

The District also expects to receive revenue from interest income on investments and a proportionate share of specific ownership taxes imposed by the State on motor vehicles. The Maximum SO Tax Amount received by the District each year constitutes part of the Pledged Revenues. Only interest income resulting from investment of funds held by the Senior Trustee under the Senior Indenture is pledged to secure the Series 2017 Senior Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District."

The District may also impose fees to provide funds for the improvement, operation and maintenance of certain facilities pursuant to the Facility Fee Agreements between the District and the Developer for certain Stapleton filings. However, such fee amounts are not pledged to secure the Series 2017 Senior Bonds.

Colorado Statutory and Other Restrictions

In addition to the restrictions in the District's Service Plan and in its agreements with DURA and the City, the District's ability to issue additional bonds and other obligations may be limited by certain provisions of the Special District Act. While the District has no current plans to issue general obligation debt, the Special District Act provides that the District may not issue such debt whose total principal amount at the time of issuance, together with the aggregate principal amount of the District's other outstanding general obligation debt, exceeds the greater of \$2,000,000 or 50% of the valuation for assessment of the taxable property in the District except such debt which is (i) rated in one of the four highest investment grade rating categories by one or more nationally recognized rating organizations; (ii) determined by the Board to be necessary to construct or otherwise provide additional improvements specifically ordered by a federal or State regulatory agency to bring the District into compliance with applicable federal or State laws or regulations for the protection of the public health or environment; (iii) secured as to payment of principal and interest by a letter of credit or other credit enhancement meeting certain criteria; or (iv) issued solely to financial institutions or institutional investors. Nothing in the Act restricts the power of the District to issue general obligation debt or other obligations which are either payable from a limited debt service mill levy, which mill levy may not exceed 50 mills, or to issue debt for refundings or other restrictions. In certain cases bonds of the District may be subject to registration with the Colorado Commissioner of Securities under the Colorado Municipal Bond Supervision Act, Title 11, Article 59, Colorado Revised Statutes. See also "THE DISTRICT – Service Plans of the District and the Westerly Creek District." There is no assurance that there will not be any change in, interpretation of, or addition to such laws. See "RISK FACTORS – Future Changes in Law."

AD VALOREM PROPERTY TAXES

Property Subject to Taxation

Property taxes are uniformly levied against the assessed valuation of all taxable property within the Taxing Area. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. These include, but are not limited to, property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; non-profit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise, materials, and supplies which are held for consumption by a business or are held primarily for sale; livestock, agricultural, and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery, or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property

The City assessor (the "Assessor") annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the City as of January 1st. The statutory actual value of a property is not intended to represent current market value, but, with certain exceptions, is determined by the Assessor utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State property

tax administrator for the statutorily-defined period preceding the assessment date. The statutory actual value is based on the “level of value” for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, for property tax levy years 2015 and 2016, the level of value was determined based upon the period one and one-half years immediately prior to July 1, 2014. The following table sets forth the State Property Appraisal System for property tax levy years 2012 through 2017:

Collection Year	Levy Year	Value Calculated As of	Based on the Market Period
2012	2011	July 1, 2010	January 1, 2009 to June 30, 2010
2013	2012	July 1, 2010	January 1, 2009 to June 30, 2010
2014	2013	July 1, 2012	January 1, 2011 to June 30, 2012
2015	2014	July 1, 2012	January 1, 2011 to June 30, 2012
2016	2015	July 1, 2014	January 1, 2013 to June 30, 2014
2017	2016	July 1, 2014	January 1, 2013 to June 30, 2014

Oil and gas leaseholds and lands, producing mines, and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State property tax administrator based upon the value of the utility’s tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues, and the average market value of its outstanding securities during the prior calendar year.

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the Assessor as a percentage of statutory actual value. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the Colorado General Assembly is required by law to adjust the ratio of valuation for assessment of such residential property for each year in which a change in the base year level of value occurs based on an estimated target percentage. Such adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year. Notwithstanding the foregoing, pursuant to Westerly Creek’s Service Plan and the Intergovernmental Agreement, the Westerly Creek Limited Mill Levy will be increased or decreased to reflect the changes in the residential assessment ratio described above, so that to the extent possible, the actual tax revenues generated by the Westerly Creek Limited Mill Levy, as adjusted, are neither diminished nor enhanced as a result of such changes. Starting with the levy year 2017, the residential assessment rate will be 7.20%. The residential assessment rate may decline further in future years. The residential assessment rate cannot increase without the approval of Colorado voters. See “THE DISTRICT – State Constitutional Limitation.”

All other taxable property, with certain specified exceptions, is assessed at 29% of statutory actual value. Vacant land (other than agricultural land), which includes land upon which no buildings, structures, or fixtures are located, but may include land with site improvements, is also assessed at 29% of statutory actual value.

Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with certain statutory deadlines. Property owners are given the opportunity to object to increases in the actual value of such property, and may petition for a hearing thereon before the board of assessment appeals. Upon the conclusion of such hearings, the Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax

Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the board of assessment appeals, the State courts, or by arbitrators appointed by the City. On the report of an erroneous assessment, an abatement or refund must be authorized by the City; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. The assessed valuation of property within the Stapleton Urban Redevelopment Area, including the District and the Westerly Creek District, may be subject to modification following any such annual assessment study.

Taxation Procedure

The Assessor is required to certify the assessed valuation of property no later than August 25 of each year, subject to the limitations of the TABOR Amendment. Based upon the valuation certified by the Assessor, local governments compute rates of levy which, when levied upon every dollar of the valuation for assessment of taxable property within the local government unit, and together with other legally available revenues, will raise the amount required for the upcoming fiscal year. Local governments subsequently certify to the City the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15 of the property tax levy year for collection of taxes in the ensuing year.

The City levies the ad valorem tax on all taxable property of the local governments within its boundaries. By December 22 of each year, the City must certify to the Assessor the levy for all taxing entities within the City. If the City fails to make certification, it is the duty of the Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the Assessor of the tax list and warrant to the City treasurer.

Adjustment of Taxes to Comply with Certain Limitations

Section 29-1-301, of the Colorado Revised Statutes, includes a statutory restriction limiting the property tax revenues which may be levied for operational purposes to an amount not to exceed the amount of such revenue levied in the prior year plus 5.5% (subject to certain statutorily authorized adjustments). Accordingly, tax levies may be adjusted again to ensure compliance with the 5.5% revenue increase limitation before the City treasurer sends tax bills to property owners for collection of taxes. This statutory restriction on property tax revenues was waived by the eligible electors of the District and the Westerly Creek District at their respective elections of November 7, 2000. There is no assurance that there will not be any change in, interpretation of, or addition to such laws. See “RISK FACTORS – Future Changes in Law.”

Urban Renewal

The Colorado Urban Renewal Law allows the formation of urban renewal authorities in certain areas which have been designated by the governing bodies of municipalities as blighted areas. The District is located within the Stapleton Urban Redevelopment Area.

The Stapleton Urban Redevelopment Plan provides that the urban renewal activities within the Stapleton Urban Redevelopment Area will be financed with incremental property tax revenues. A “base” is established which is equal to the assessed value of the property within the Stapleton Urban Redevelopment Area for the calendar year 1999. The existing taxing jurisdictions receive the taxes attributable to the assessed valuation base, and DURA receives the revenues attributable to taxes generated by the incremental increase in assessed valuation. The net effect upon the existing taxing jurisdictions is that the assessed valuation of property within such jurisdictions can never increase above the “base” level (other than by means of the biennial reassessment of the property comprising the “base” level) so long as the Stapleton Urban Redevelopment Plan is in effect. After the Stapleton Urban Renewal Plan is no longer in effect (i.e., after July 20, 2025), DURA will not receive the revenues attributable to the Westerly Creek Limited Mill Levy taxes generated by the incremental increase in assessed valuation, and such revenues will instead be paid directly to the Westerly Creek District and remitted to the District.

Under the District Cooperation Agreement, DURA agrees to segregate the revenues derived from Tax Increment Revenues from the Westerly Creek Limited Mill Levy and any District mill levy, and pay those revenues to the District. DURA also covenants that it will not pledge or encumber the revenues due to the District and shall maintain the revenues for the use and benefit of the District and the Westerly Creek District. See also “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 SENIOR BONDS – Payment of Pledged Revenues to the District - District Cooperation Agreement.”

Property Tax Collections

Taxes levied in one year are collected in the succeeding year. Thus, tax levies certified in 2016 are collected in 2017. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The City treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the local taxing entities on a monthly basis. Such payments must be made by the tenth of each month, and shall include all taxes collected through the end of the preceding month. Actual collections for collection years 2014, 2015 and 2016 were 96.62%, 99.95% and 98.49% respectively, of the total taxes levied for collection in such years.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the county treasurer’s duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer’s personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum

of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There is no assurance, however, that the proceeds of tax liens sold, in the event of foreclosure and sale by the City treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the Westerly Creek District and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there is no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the City treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the City and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the City after that time.

Property Tax Reduction for Senior Citizens and Disabled Veterans

On November 7, 2000 and November 7, 2006, respectively, the electors of the State of Colorado approved Referendum A and Referendum E, constitutional amendments granting a property tax reduction to qualified senior citizens and qualified disabled veterans. Generally, the reduction (a) reduces the property taxes for qualified senior citizens and qualified disabled veterans by exempting 50% of the first \$200,000 of actual value of residential property from property taxation (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution. The homestead exemption for qualified senior citizens (but not qualified disabled veterans) was suspended by the State legislature for property tax collection years 2011 and 2012 as part of the State budget balancing package, but has been reinstated for the 2013 tax collection year and thereafter.

Largest Property Taxpayers

Set forth in the following table are the persons or entities which represent the largest property taxpayers within the Taxing Area for the 2017 levy year (2018 collection year) based upon the August 2017 preliminary assessed valuation, as provided by the Assessor. The August 2017 assessed valuation is subject to change until the Assessor provides a final assessed valuation in December 2017. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major property taxpayers in the Taxing Area.

2017 Largest Property Taxpayers Within the Taxing Area as of August 2017*

Taxpayer	Assessed Value	Percentage of Total Assessed Valuation
FC Stapleton II LLC	\$31,084,910	6.1%
Stapleton North Town LLC	21,225,710	4.1
ASP Denver LLC	11,347,530	2.2
United Properties of Colorado	11,115,470	2.2
EBC Phase III LLC	10,976,440	2.1
Town Center Rental LLC	10,031,310	2.0
EJ Stapleton Business Park LLC	8,208,000	1.6
IA Denver Quebec Square LLC	7,727,700	1.5
FFP Stapleton Apartments LLC	5,292,600	1.0
CRP/ZCD Grove LLC	2,270,260	0.9
CPI Grep AA I Stapleton I	1,890,080	0.4
Total	\$121,620,010	24.1%

* Preliminary, subject to change. The August 2017 assessed valuation is subject to change until the Assessor provides a final assessed valuation in December 2017.

Sources: City of Denver Assessor Records, King & Associates, Inc.

DENVER URBAN RENEWAL AUTHORITY

The following information concerning DURA has been obtained from DURA. No other party has independently verified or assumes any responsibility for such information, and the District makes no representation as to the accuracy or completeness of such information.

Generally

On March 17, 1958, the Denver City Council (the “City Council”) adopted Resolution No. 6 creating DURA pursuant to the Colorado Urban Renewal Law.

Governing Board

The administration of DURA and the implementation of the Urban Renewal Plan is under the direction of the Board of Commissioners of DURA (the “Board”) which is comprised of eleven commissioners (the “Commissioners”) appointed by the Mayor and confirmed by the City Council. Not more than one of the Commissioners may be an official of the City. Commissioners hold meetings as necessary. Each Commissioner is entitled to one vote on all questions before the Board when a quorum (a majority of Commissioners) is present. Commissioners receive no compensation for services, but are entitled to reimbursement of necessary expenses incurred in the performance of their duties. Each Commissioner’s term of office is five years. A Commissioner holds office until a successor has been appointed and has qualified. Vacancies on the Board other than by reason of expiration of terms are filled by appointment by the City’s Mayor for the unexpired term. In accordance with House Bill No. 15-1348 (“HB 1348”), which was signed by the Colorado Governor on May 29, 2015 and went into effect on August 5, 2015, two additional Commissioners are authorized to be appointed to the Board starting January 1, 2016. HB 1348 authorizes Denver Public Schools to appoint one Commissioner and authorizes, by agreement of all special districts levying a mill levy within the boundaries of DURA’s urban renewal area, the appointment of another Commissioner.

The present Commissioners, their principal occupations, and their terms of office are set forth below.

Name	Position	Occupation	Term Expires (May)
Phillip Caplan	Chair	Business Executive	2020
Anthony Albanese	Vice Chair	Business Executive	2020
Terri Jackson	Vice Chair	Business Executive	2022
Julie Lerudis	Vice Chair	Business Executive	2019
Joshua Widoff	Vice Chair	Business Executive	2022
Angela Bricmont	Commissioner	Business Executive	2019
Gene Commander	Commissioner	Business Executive	2020
Catherine Cox-Blair	Commissioner	Business Executive	2021
Patricia Gage	Commissioner	Bank Executive	2018
Lisa Flores	Commissioner	DPS Board	2019
Darryl Jones	Commissioner	Business Executive	2021
K.C. Veio	Commissioner	Attorney	2018

Conflicts of Interest

No Commissioner, other officer or employee of DURA, nor any immediate member of the family of any such person, may acquire any interest, direct or indirect, in any project or in any property included, or planned to be included in any project, nor may such person have any interest, direct or indirect, in any contract or proposed contract for material or services to be furnished or used in connection with any project. If any commissioner, officer or other employee of DURA owns or controls an interest, direct or indirect, in any property included or planned to be included in any project, such person must immediately disclose the same in writing to DURA, and such disclosure will be entered upon the minutes of DURA. Upon such disclosure, such Commissioner, officer or other employee is prohibited from participating in any action by DURA affecting the carrying out of the project planning or the undertaking of such project unless the Board determines that, in light of such personal interest, the participation of such member in any such act would not be contrary to the public interest.

Administration and Employees

The Board is responsible for the overall management and administration of the affairs of DURA. Day-to-day operations of DURA are conducted by the Executive Director. DURA's staff consists of 17 full-time employees.

The Executive Director, Ms. Tracy Huggins, has general supervision over the administration, affairs and business of DURA and is charged with the management of DURA projects. Ms. Huggins became the Executive Director of DURA in early 2000 and has worked for DURA in a variety of capacities since 1992. Ms. Huggins came to DURA from the public accounting field as a Certified Public Accountant. She is a member of the American Institute of Certified Public Accountants, the Colorado Society of Certified Public Accountants, the Counsel for Urban Economic Development and the Urban Land Institute. Ms. Huggins earned a Bachelor of Science Degree in Business Administration with an emphasis in Accounting from the University of Montana.

The Chief Financial Officer of DURA, Ms. Janet Colley, has general supervisory responsibility for the financial operations of DURA, and is charged with the management of DURA finances. Ms. Colley became the Chief Financial Officer in August 2000. Ms. Colley previously worked for the Colorado Housing and Finance Authority as the Manager of Financial Planning and Analysis, and has a Bachelor of Arts degree from Spelman College in Atlanta, Georgia and a Masters of Arts degree from the University of Florida in Gainesville, Florida.

Powers of DURA

Pursuant to the Act, DURA is a corporate body authorized to exercise statutory powers in planning and implementing redevelopment projects. Its powers include the authority to acquire, rehabilitate, administer and sell or lease property and issue obligations or obtain loans and grants for the purpose of financing the cost of its redevelopment activities and operations in urban renewal areas approved by the City Council in accordance with the Act. When specifically authorized by the City Council as part of an urban renewal plan, DURA may exercise the right of eminent domain to facilitate acquisition of property.

Any property acquired by DURA may be sold, leased or otherwise transferred for redevelopment and rehabilitation in accordance with the provisions of the Urban Renewal Plan and the Act. The Urban Renewal Plan provides that redevelopment and rehabilitation actions will include, without limitation: acquisition of a portion of the Urban Renewal Area; demolition and removal of buildings and provision of relocation assistance; installation and construction of public improvements; disposition of property within the Urban Renewal Area; carrying out plans for the repair, alteration and rehabilitation of buildings or other improvements; and acquisition of any other property where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise remove or prevent the spread of blight or deterioration or provide land for needed public facilities.

TAX MATTERS

Series 2017A Senior Bonds

The following discussion is a summary of the opinion of Bond Counsel to the District that is to be rendered on the tax-exempt status of interest on the Series 2017A Senior Bonds and of certain federal and state income tax considerations that may be relevant to prospective purchasers of the Series 2017A Senior Bonds. This discussion is based upon existing law, including current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), existing and proposed regulations under the Code, and current administrative rulings and court decisions, all of which are subject to change.

Upon issuance of the Series 2017A Senior Bonds, Hogan Lovells US LLP serving as Bond Counsel to the District, will provide an opinion to the effect that, under existing law, interest on the Series 2017A Senior Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, except as provided in the following paragraph, corporations.

For corporations only, the Code requires that alternative minimum taxable income be increased by 75% of the excess (if any) of the corporation’s adjusted current earnings over its other alternative minimum taxable income. Adjusted current earnings include interest on the Series 2017A Senior Bonds. An increase in a corporation’s alternative minimum taxable income could result in imposition of tax to the corporation under the corporate alternative minimum tax provisions of section 55 of the Code.

The foregoing opinion will assume compliance by the Board with requirements of the Code that must be met subsequent to the issuance of the Series 2017A Senior Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Board will certify, represent and covenant to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series 2017A Senior Bonds to be included in gross income, or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Series 2017A Senior Bonds.

The opinion of Bond Counsel to the District will also provide to the effect that, under the Special District Act, the Series 2017A Senior Bonds and the income therefrom are exempt from taxation, except inheritance, estate, and transfer taxes.

Other than the matters specifically referred to above, Bond Counsel to the District expresses and will express no opinion regarding the federal, state, local or other tax consequences of the purchase, ownership and disposition of the Series 2017A Senior Bonds. Prospective purchasers of the Series 2017 Senior Bonds should be aware, however, that the Code contains numerous provisions under which receipt of interest on the Series 2017A Senior Bonds may have adverse federal tax consequences for certain taxpayers. Such consequences include the following: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2017A Senior Bonds or, in the case of financial institutions, that portion of the holder's interest expense allocable to interest on the Series 2017A Senior Bonds; (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series 2017A Senior Bonds; (iii) interest on the Series 2017A Senior Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (iv) passive investment income, including interest on the Series 2017A Senior Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (v) Section 86 of the Code requires recipients of certain Social Security and certain railroad retirement benefits to take into account, in determining the inclusion of such benefits in gross income, receipts or accrual of interest on the Series 2017A Senior Bonds.

If a holder purchases a Series 2017A Senior Bond for an amount that is greater than its stated redemption price at maturity, such holder will be considered to have purchased the Series 2017A Senior Bond with "amortizable bond premium" equal in amount to such excess. A holder must amortize such premium using a constant yield method over the remaining term of the Series 2017A Senior Bond, based on the holder's yield to maturity. As bond premium is amortized, the holder's tax basis in such Series 2017A Senior Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of the Series 2017A Senior Bond prior to its maturity. No federal income tax deduction is allowed with respect to amortizable bond premium on a Series 2017A Senior Bond. Purchasers of the Series 2017A Senior Bonds with amortizable bond premium should consult with their own tax advisors regarding the proper computation of amortizable bond premium and the state and local tax consequences of owning such Series 2017A Senior Bonds.

The Internal Revenue Service (the "Service") has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2017A Senior Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2017A Senior Bonds may not be permitted to participate in the audit process. Moreover, public awareness of an audit of the Series 2017A Senior Bonds could adversely affect their value and liquidity.

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There is no assurance that any such future amendments or actions will not adversely affect the value of the Series 2017A Senior Bonds, the exclusion of interest on the Series 2017A Senior Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination

from the date of issuance of the Series 2017A Senior Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

Taxable Series 2017B Senior Bonds

The information in this section applies solely to the Taxable Series 2017B Bonds.

Colorado Income Taxation

Upon issuance of the Taxable Series 2017B Senior Bonds, Bond Counsel to the District will provide an opinion to the effect that, under the Special District Act, interest on the Taxable Series 2017B Senior Bonds is not subject to income taxation by the State.

Federal Income Taxation

As described in greater detail below, interest on the Taxable Series 2017B Bonds is not excluded from gross income for federal income tax purposes.

The following is a summary of material U.S. federal income tax considerations of the ownership and disposition of the Taxable Series 2017B Senior Bonds. This summary is based upon provisions of the Code, applicable regulations, administrative rulings and judicial decisions in effect as of the date hereof, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Service so as to result in U.S. federal income tax consequences different from those discussed below. Except where noted, this summary deals only with a Taxable Series 2017B Senior Bond held as a capital asset by a beneficial owner who is a U.S. holder (as defined below) who purchases the Taxable Series 2017B Senior Bond on original issuance at the first price at which a substantial portion of such Taxable Series 2017B Senior Bonds are sold for cash to persons other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, referred to herein as the “issue price.” This summary does not address all aspects of U.S. federal income taxes and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

- tax consequences to dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies and traders in securities that elect to use a mark-to-market method of accounting for their securities;
- tax consequences to persons holding Taxable Series 2017B Senior Bonds as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- tax consequences to persons whose “functional currency” is not the U.S. dollar;
- tax consequences to entities treated as partnerships for U.S. federal income tax purposes and investors therein;
- tax consequences to certain former citizens or residents of the United States;
- alternative minimum tax consequences, if any;
- any state, local or foreign tax consequences; and
- estate or gift taxes.

If an entity that is treated as a partnership for U.S. federal income tax purposes holds Taxable Series 2017B Senior Bonds, the tax treatment of a partner or member will generally depend upon the status of the partner or member and the activities of the Entity. If you are a partner or member in such an entity holding the Taxable Series 2017B Senior Bonds, you should consult your tax advisors.

If you are considering the purchase of Taxable Series 2017B Senior Bonds, you should consult your tax advisors concerning the U.S. federal income tax consequences to you of the purchase, ownership and disposition of Taxable Series 2017B Senior Bonds in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.

In this discussion, the term “U.S. holder” refers to a beneficial owner of Taxable Series 2017B senior Bonds that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Payment of Interest

Stated interest on a Taxable Series 2017B Senior Bond will generally be taxable to a U.S. holder as ordinary income at the time it is received or accrued in accordance with the U.S. holder’s usual method of accounting for tax purposes.

Sale, Redemption or Other Taxable Disposition of Taxable Series 2017B Senior Bonds

A U.S. holder will generally recognize gain or loss upon the sale, redemption or other taxable disposition of a Taxable Series 2017B Senior Bond equal to the difference between the amount realized (less accrued stated interest, which will be taxable as such) upon the sale, redemption or other taxable disposition and the U.S. holder’s adjusted tax basis in the Taxable Series 2017B Senior Bond. Legal defeasance of the Taxable Series 2017B Senior Bonds may result in a deemed exchange of such Taxable Series 2017B Senior Bonds, in which event the holder will recognize gain or loss as described in the preceding sentence. A U.S. holder’s adjusted tax basis in a Taxable Series 2017B Senior Bond will generally be equal to the amount that such U.S. holder paid for the Taxable Series 2017B Senior Bond. Any gain or loss recognized on a taxable disposition of the Taxable Series 2017B Senior Bond will be capital gain or loss. If, at any time of the sale, redemption or other taxable disposition of the Taxable Series 2017B Senior Bonds, a U.S. holder is treated as holding the Taxable Series 2017B Senior Bond for more than one year, this capital gain or loss will be long-term capital gain or loss. Otherwise, this capital gain or loss will be short-term capital gain or loss. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gain generally are subject to preferential tax rates. A U.S. holder’s ability to deduct capital losses may be limited.

Information Reporting and Backup Withholding

Information reporting requirements generally will apply to interest (including OID) on the Taxable Series 2017B Senior Bonds and the proceeds of a sale of a Taxable Series 2017B Senior Bond paid to a U.S. holder unless the U.S. holder is an exempt recipient (such as a corporation). Backup withholding will apply to those payments if the U.S. holder fails to provide its correct taxpayer identification number, or certification of exempt status, or if the U.S. holder is notified by the IRS that it has failed to report in full payments of interest and dividend income. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability if the required information is furnished in a timely manner to the IRS.

Foreign Account Tax Compliance Act (FATCA)

A 30% U.S. federal withholding tax may apply to interest income paid on Taxable Series 2017B Senior Bonds, and the gross proceeds for a disposition of Taxable Series 2017B Senior Bonds occurring after December 31, 2018, in each case paid to (i) a "foreign financial institution" (as specifically defined in the Code), whether such foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution agrees to verify, report and disclose its "United States account" holders (as specifically defined in the Code) and meets certain other specified requirements or (ii) a non-financial foreign entity, whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such entity provides a certification that the beneficial owner of the payment does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and certain other specified requirements are met. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. Holders should consult their own tax advisors regarding these rules and whether they may be relevant to their ownership and disposition of Taxable Series 2017B Senior Bonds.

In General

Bond Counsel will render its opinion as of the issue date, and will assume no obligation to update its opinion after the issue date to reflect any future acts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, Bond Counsel's opinion is not binding on the courts or the Service; rather, such opinion represents Bond Counsel's legal judgment based upon their review of existing law and upon the certifications, representations and covenants referenced above.

Prospective purchasers of Series 2017 Senior Bonds should consult their own tax advisors as to the applicability and extent of federal, state, local or other tax consequences of the purchase, ownership and disposition of Series 2017 Senior Bonds in light of their particular tax situation.

CONSULTANT'S TAX STUDY

King & Associates, Inc., previously defined as the Consultant, has prepared the "Park Creek Metropolitan District Market & Revenue Analysis" dated as of December 2017 which is attached as Appendix C hereto.

The Consultant's Tax Study presents certain forecasts of tax revenue for the years 2018 through 2032 and sets forth the assumptions upon which the forecasts are based. The forecasts are based in large part on certain information and assumptions that were provided by, or reviewed and agreed to by, the Developer. In the opinion of the Consultant, these assumptions provide a reasonable basis for the forecasts. The Consultant's Tax Study should be read in its entirety for an understanding of the forecasts and the underlying assumptions contained therein.

King & Associates, Inc. has served numerous Colorado special districts over the last 15 years, providing financial analysis and forecasting for financing, refinancing, financial restructuring and planning for more than two dozen district-related projects. This work concentrates on the assessment and forecasting of development and real property valuation in metropolitan districts (such as the District) in the Denver and Boulder-Longmont Primary Metropolitan Statistical Areas.

The Consultant's Tax Study has been included herein in reliance upon the knowledge and experience of King & Associates, Inc. and is not guaranteed by the District.

As noted in the Consultant's Tax Study, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstance may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. See "FORWARD-LOOKING STATEMENTS" and "RISK FACTORS."

LEGAL MATTERS

Legal matters incident to the validity of the Series 2017 Senior Bonds are subject to the receipt of the approving opinion of Hogan Lovells US LLP, Denver, Colorado as Bond Counsel to the District. The substantially final form of the opinion of Bond Counsel is attached as Appendix F hereto. Certain legal matters will be passed upon for the District by Collins Cockrel & Cole, a Professional Corporation, Denver, Colorado; for the Developer by Thompson Hine LLP, Kaplan Kirsch & Rockwell LLP, Denver, Colorado, and the Developer's In-House Counsel; and for the Underwriters by Butler Snow LLP, Denver, Colorado and The Holt Group LLC Denver, Colorado.

LITIGATION

As of the date hereof, there is no litigation pending or threatened affecting the validity of or security for the Series 2017 Senior Bonds or questioning the authority of the District to issue the Series 2017 Senior Bonds. See "THE DISTRICT – Governmental Immunity and District Liability" for information about the applicability of the Immunity Act to the District.

CONTINUING DISCLOSURE AGREEMENT

In connection with the issuance of the Series 2017 Senior Bonds, the District and the Dissemination Agent will undertake in a written agreement, a form of which is attached hereto as Appendix G, for the benefit of the Bondowners to provide to the MSRB an Annual Report relating to the District and the Pledged Revenues by not later than 240 days after the end of each Fiscal Year, and to provide notices of occurrence of certain enumerated events, if material. Failure by the District to comply with the provisions of the Continuing Disclosure Agreement will not constitute an event of default under the Senior Indenture.

Continuing disclosure undertakings entered by the District for past issuances required the District to provide audited financial statements and annual financial information of the type which will be required by the Continuing Disclosure Agreement in accordance with the Rule. The District failed to provide audited financial statements and annual financial information due in 2013 ("2013 Annual Report") in a timely manner as required by the Rule. The District's audited financial statements and annual financial information were due on July 30, 2013 (210 days after the completion of Fiscal Year 2012). The 2013 Annual Report was filed on August 6, 2013. While the information comprising the 2013 Annual Report was included in a limited offering memorandum posted by the District on July 12, 2013, the District failed to file a cross-reference indicating that the posting of the limited offering memorandum was intended to satisfy the District's obligation to file the 2013 Annual Report. The

District properly provided audited financial statements and annual financial information due in 2014 and 2015. In 2016, the holder of the District's Subordinate Limited Property Tax Supported Revenue Bonds, Series 2013 (the "Series 2013 Bonds") executed a waiver extending the date which the District's audited financial statements and annual financial information are due to be filed pursuant to the continuing disclosure agreement executed by the District in connection with the issuance of the Series 2013 Bonds from 210 days following the end of the District's fiscal year to 240 days following the end of the District's fiscal year. In connection with the execution of such waiver, the District was to file a description of the waiver and a reason for the waiver in its next annual report and the District failed to do so. The District filed a material event notice with the MSRB on November 29, 2016 describing the waiver and the failure to provide a description thereof in the District's 2016 annual report. In 2017, the District failed to include the Series 2015A Senior Bonds in its update of the Tax Revenues and Coverage Table included as an Exhibit to the District's Audited Financial Statements. The District filed a Remedial Notice of Failure to File with the MSRB on December 4, 2017, describing the failure and filed a revised version of the Coverage Table. In conjunction with the issuance of the Series 2016 Senior Bonds, the District engaged Digital Assurance Certification, L.L.C. to assist the District with its ongoing continuing disclosure obligations.

RATING

Fitch Ratings has assigned the Series 2017 Senior Bonds an underlying rating of "A" (stable outlook).

A rating reflects only the views of the rating agency assigning such rating, and explanations of the methodology used by each rating agency and the significance of each such rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2017 Senior Bonds. The District has undertaken no responsibility to oppose any such revision or withdrawal.

UNDERWRITING

The Series 2017 Senior Bonds are to be purchased from the District by the underwriters listed on the front cover of this Official Statement (previously defined as the "Underwriters") pursuant to a Bond Purchase Agreement. The Underwriters have agreed, subject to certain conditions, to purchase all but not less than all of the Series 2017A Senior Bonds at a price of \$55,020,336.95 (being an amount equal to 100% of the aggregate principal amount of the Series 2017A Senior Bonds plus an original issue premium of \$6,774,911.95 and less an Underwriters' discount of \$364,575.00) in connection with the underwriting of the Series 2017A Senior Bonds. The Underwriters have agreed, subject to certain conditions, to purchase all but not less than all of the Taxable Series 2017B Senior Bonds at a price of \$17,856,955.00 (being an amount equal to 100% of the aggregate principal amount of the Taxable Series 2017B Senior Bonds less an original issue discount of \$8,045.00 and less an Underwriters' discount of \$135,000.00) in connection with the underwriting of the Taxable Series 2017B Senior Bonds. The initial public offering price of the Series 2017 Senior Bonds may be changed from time to time by the Underwriters. The Bond Purchase Agreement provides that the obligations of the Underwriters to purchase the Series 2017 Senior Bonds are subject to certain conditions. The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The

Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

RELATIONSHIPS OF PARTIES

Two members of the Board of the District are either officers or employees of the Developer. Two members of the Board of the District are either officers or directors of SDC. One of the members of the Board of the District is a former employee of RBC Capital Markets, LLC, an Underwriter of the Series 2017 Senior Bonds. See “THE DISTRICT – Principal Officials.”

In addition to their current roles with respect to the issuance of the Series 2017 Senior Bonds, Hogan Lovells US LLP serves and/or has served in various other counsel roles involving the City, DURA and the Developer. Payment of all or a portion of the fees of Bond Counsel and other counsel is contingent on the issuance of the Series 2017 Senior Bonds. U.S. Bank National Association is serving as Senior Trustee for the Series 2017 Senior Bonds. U.S. Bank National Association also serves as trustee with respect to the Subordinate Bonds and the Second Lien Subordinate Bonds. In addition to serving as an Underwriter with respect to the Series 2017 Senior Bonds, RBC Capital Markets, LLC has served as an underwriter in certain transactions involving obligations of DURA.

MUNICIPAL ADVISOR

The District has retained Kipling Jones & Co., Ltd. as municipal advisor in connection with the issuance of the Series 2017 Senior Bonds.

ADDITIONAL INFORMATION

All statements of intent of the District contained in this Official Statement are subject to change at any time without notice and without the need for a change in circumstances from those in existence as of the date of this Official Statement. The summaries of certain provisions of any documents, the Series 2017 Senior Bonds, federal and Colorado laws, and other sources referred to in this Official Statement do not purport to be complete, and reference is made to such sources for a complete statement of their provisions. Copies of such documents and laws summarized herein as well as further information concerning the District or the Series 2017 Senior Bonds are available for review by making a request to the District at 7350 East 29th Avenue, Suite 200, Denver, Colorado 80238. Further information concerning the Developer and the Development may be obtained by making a request to the Developer at 7351 East 29th Avenue, Suite 300, Denver, Colorado 80238. Audited financial statements of the District for the years ended prior to December 31, 2016 are available through the MSRB’s Electronic Municipal Market Access System (EMMA) or upon request to the District. So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, plans, or estimates, whether or not expressly stated as such, are so intended and they are not to be construed as representations of fact. Certain information concerning the Developer, DURA and the City as set forth herein was obtained from such entities and is not to be construed as representations by the District.

MISCELLANEOUS

This Official Statement, and its distribution and use, have been duly authorized and approved by the Board. This Official Statement has been executed and delivered by an authorized representative of the Board.

Appendices A, B, C, D, E, F and G are an integral part of this Official Statement and must be read together with all parts of this Official Statement.

PARK CREEK METROPOLITAN DISTRICT

By: /s/ King H. Harris
District Representative

APPENDIX A

THE DEVELOPER AND THE DEVELOPMENT

The Developer and the Development

The following information concerning the Developer and the Development has been provided by the Developer. No other party has independently verified or assumes responsibility for such information, and the District makes no representation as to the accuracy or completeness thereof. Neither the Developer nor the District makes any representation regarding projected development plans within the Development, the financial soundness of property owners and developers or the managerial ability of such persons and entities to complete development as planned. The development of the property within the Development may be affected by factors such as economic conditions, governmental policies with respect to land development, the availability of utilities, the availability of energy, construction costs, interest rates, competition from other developments and other political, legal and economic conditions beyond the control of the Developer or the District, property owners and developers. See “RISK FACTORS.”

The Developer

In 1998, Forest City Enterprises, Inc., an Ohio corporation (“FCEI”), was selected as the master developer for the mixed-use redevelopment of the former Stapleton International Airport. FCEI and certain of its affiliates, including Stapleton Land, LLC, a Colorado limited liability company (“**Stapleton Land**”) and Forest City Stapleton, Inc., a Colorado corporation (“**Forest City Stapleton**”), conduct the development activities within the developable area of that site (which is referred to herein as the “Development Area”). Forest City Realty Trust, Inc., a Maryland corporation (the “Company”), is the successor to FCEI by reason of the conversion of FCEI to a real estate investment trust (see “REIT Conversion” below). The Company, Stapleton Land and Forest City Stapleton are collectively referred to herein as the “Developer.”

The Company

The Company and its subsidiaries principally engage in the operation, development, management and acquisition of office, apartment, and retail real estate and land throughout the United States. The Company has approximately \$8.1 billion of consolidated assets in 20 states and the District of Columbia at September 30, 2017. The Company’s core markets include Boston, Chicago, Dallas, Denver, Los Angeles, Philadelphia and the greater metropolitan areas of New York City, San Francisco and Washington, D.C. The Company’s corporate headquarters are in Cleveland, Ohio and it has regional offices in Boston, Dallas, Denver, Los Angeles, New York City, San Francisco and Washington, D.C.

REIT Conversion

On January 13, 2015, the board of directors of FCEI, the Company’s predecessor, approved a plan to pursue conversion to real estate investment trust (“REIT”) status. On May 29, 2015, FCEI formed the Company as a Maryland corporation and wholly-owned subsidiary of FCEI. On October 20, 2015, the shareholders of FCEI approved and adopted the merger agreement that implemented the restructuring of FCEI into a holding company so as to facilitate its conversion to a REIT.

Pursuant to the merger agreement, effective as of 11:59 pm, Eastern Time, on December 31, 2015 (the “Effective Time”), (i) a wholly-owned subsidiary of the company merged with and into FCEI, with FCEI as the surviving corporation, (ii) each outstanding share of FCEI Class A common stock, par value \$.33 1/3 per share, and Class B common stock, par value \$.33 1/3 per share, automatically converted into

one share of the Company's Class A common stock, \$.01 par value per share, and Class B common stock, \$.01 par value per share, respectively, (iii) FCEI became a wholly-owned subsidiary of the company, and (iv) the Company became the publicly-traded New York Stock Exchange-listed parent company that succeeded to and continued to operate substantially all of the existing businesses of FCEI and its subsidiaries. In addition, each share of Class A common stock of FCEI held in treasury at December 31, 2015 ceased to be outstanding at the Effective Time of the merger, and a corresponding adjustment was recorded to Class A common stock and additional paid-in capital. Immediately following the merger, FCEI converted into Forest City Enterprises, L.P., a Delaware limited partnership (the "Operating Partnership").

The Company holds substantially all of its assets, and conducts substantially all of its business, through the Operating Partnership. The Company is the sole general partner of the Operating Partnership and, as of December 31, 2016, following the conversion of FCEI into the Operating Partnership, the Company directly or indirectly owns all of the limited partnership interests in the Operating Partnership.

In connection with the Company's REIT conversion, the Company formed Forest City TRS, LLC ("FCTRS"), a taxable real estate investment trust subsidiary of the Operating Partnership, which holds the Company's non-real estate investment trust assets and operations.

The Company believes it is organized in a manner that enables it to qualify, and intends to operate in a manner that will allow it to continue to qualify, as a REIT for federal income tax purposes. As such, upon filing the 2016 Form 1120-REIT with the Internal Revenue Service on October 13, 2017, the Company elected REIT status for its taxable year ending December 31, 2016.

Retail Portfolio

On September 20, 2017, the Company announced the signing of definitive agreements with Madison International Realty ("Madison") for the acquisition by Madison of Forest City's 51% interest in a 2.1 million square-foot, 12 asset, specialty retail portfolio located throughout Manhattan, Brooklyn, Queens, the Bronx, Staten Island and Northern New Jersey, for a gross value to the Company of approximately \$1.0 billion. This transaction is expected to close by the end of 2017.

On October 2, 2017, the Company also announced the execution of definitive agreements under which Queensland Investment Corporation ("QIC") will acquire the Company's ownership interest in ten regional malls. The sale of the Company's interest in six of the ten malls is expected to close by the end of 2017 as third-party consents are obtained. The remaining four malls will be transferred to QIC under a fixed-price option and are expected to close as the Company secures replacement assets or other opportunities into which it will redeploy its ownership stake in those malls. The overall transaction values the ten regional malls at a gross value to the Company of approximately \$1.55 billion.

With the anticipated dispositions of the regional malls to QIC and the Company's New York specialty retail centers to Madison, the Company will have exited from substantially all of the shopping center-based retail in its portfolio.

Strategic Options

The Company further announced on September 12, 2017, that its Board of Directors, together with management and in consultation with financial and legal advisors, has commenced a process to consider a broad range of alternatives to enhance stockholder value, including, but not limited to, an accelerated and enhanced operating plan, structural alternatives for the Company's assets, and potential merger, acquisition or sale transactions. The Company has engaged Lazard and Goldman, Sachs & Co.,

LLC, to serve as its financial advisers and Sullivan & Cromwell to act as legal counsel in connection with this process.

Reporting Requirements

The Company is the successor issuer to FCEI pursuant to Rule 12g-3 under the Securities Exchange Act of 1934, as amended (“Exchange Act”) as a result of the REIT conversion. The Company is subject to the information reporting requirements of the Securities Exchange Act of 1934, and in accordance therewith files reports and other information with the Securities and Exchange Commission (the “**Commission**”). Certain information, including financial information, as of particular dates concerning the Company is disclosed in certain reports and statements filed with the Commission. All such reports and statements may be inspected in the Public Reference Room of the Commission at 100 F Street, NE, Washington, DC 20549 and are available at the website of the Commission at <http://www.sec.gov>.

The information contained herein is not intended to be a comprehensive description of the Company and its activities. For a more complete description of the Company, investors should consult the reports referenced below. Additional information may also be obtained from the Company’s website at www.forestcity.net.

The following documents heretofore filed by the Company with the Commission pursuant to the Exchange Act are incorporated and made a part of this Appendix A by reference, except as superseded or modified herein:

1. Forest City Realty Trust, Inc. Form 10-K for the year ended December 31, 2016.
2. Forest City Realty Trust, Inc. Form 10-Q for the quarter ended September 30, 2017.
3. Forest City Realty Trust, Inc. Supplemental Package, year ended December 31, 2016.
4. Forest City Realty Trust, Inc. Supplemental Package, quarter ended September 30, 2017.

Forest City Stapleton

Forest City Stapleton was formed by FCEI for the purpose of managing and coordinating, on behalf of the District, the redevelopment of the Development Area. In connection with the conversion of FCEI to a REIT, Forest City Stapleton became a wholly owned subsidiary of FCTRS. As of September 30, 2017, Forest City Stapleton has 20 full time employees working on the Development. Forest City Stapleton’s senior management and key personnel are primarily responsible for negotiating contracts, hiring key employees and directing the Developer’s activities at the Development Area, including managing the completion of the district Trunk and In-Tract Infrastructure Projects. Senior management and key personnel of Forest City Stapleton include:

John S. Lehigh, President and Chief Operating Officer. Mr. Lehigh joined Forest City Stapleton in early 1999 to manage the day-to-day operations of the Development. Prior to joining Forest City Stapleton, Mr. Lehigh served as the Executive Director of the Denver Metropolitan Major League Baseball Stadium District that designed, financed, constructed and leased Coors Field, home of the Colorado Rockies. Mr. Lehigh’s earlier development experience included the design and construction of major office and commercial projects in Atlanta, Dallas, Los Angeles and Cincinnati. Mr. Lehigh holds a B.A. degree in Civil Engineering from the University of Nebraska, and is also a registered engineer in Ohio, Texas and Colorado.

Jim Chrisman, Senior Vice President. Mr. Chrisman assumed his present position in 2002 and is involved in all aspects of the Development, including master planning, finance, entitlements, project design and phasing and construction. Prior to joining Forest City Stapleton, Mr. Chrisman worked as Vice President for the Stapleton Development Corp., a private non-profit firm established to manage the conveyance of the property from the City and County of Denver to the private sector, and the Stapleton Redevelopment Foundation, authority of the award-winning Stapleton Development Plan. Prior to working on the redevelopment of Stapleton, Mr. Chrisman worked for Disney Development Company, Watt Industries and Cadillac Fairview Corporation in southern California. He holds a B.S. in Applied Mathematics and Administration and Management Science from Carnegie-Mellon University, and an M.B.A. from the University of California, Berkeley.

Charles C. Nicola, Jr., Senior Vice President of Construction. Since joining Forest City Stapleton in July 2000, Mr. Nicola has assumed responsibility for overseeing the design and construction activities for the commercial, residential and infrastructure development at Stapleton. Prior to joining Forest City Stapleton, Mr. Nicola served as the Construction Director for the Metropolitan Football Stadium District, which developed the new stadium for the Denver Broncos of the National Football League. Mr. Nicola held a similar position for the Denver Metropolitan Major League Baseball Stadium District during its design and construction of Coors Field. Mr. Nicola has also worked for a real estate developer and completed numerous office developments in the mainland United States and in Honolulu.

Brian Fennelly, Vice President and Chief Financial Officer. Mr. Fennelly assumed his position in 2004. He has over 20 years of experience in finance and banking, during which he managed debt portfolios exceeding \$1 billion and investment loan portfolios up to \$100 million. He joined the Company from the Greenwood Village offices of Adelphia Communications where he was the Assistant Treasurer. Prior to that time, he was Vice President of Finance for Chateau Communities, a real estate investment trust. Mr. Fennelly also worked for various banking companies in Colorado, including KeyCorp and Bank One, Colorado. He is a graduate from the University of Denver with a B.S. degree in Accounting as well as an M.B.A.

Stapleton Land

Stapleton Land was formed by FCEI to develop, operate, manage, mortgage, lease and sell parcels of land within the Development Area as necessary for the development of the Development Area. Forest City Stapleton Land, LLC, a Colorado limited liability company ("FCSL"), is the administrative member and holder of a controlling interest in Stapleton Land. In connection with the conversion of FCEI to a REIT, FCSL became a wholly owned subsidiary of FCTRS.

The Development

General

In late 1998, the Company was selected as the master developer of the site of Stapleton International Airport and charged with the responsibility for the implementation of the Stapleton Development Plan (the "**Stapleton Plan**"). Proposed in March 1995 and reprinted by the Developer in November 1999, the Stapleton Plan is a non-binding, narrative community vision for the development of the Development Area (described below) calling for a network of urban villages, employment centers and significant open space, all backed by a commitment to the protection of natural resources and the development of human resources.

In February 2000, the Company and the Stapleton Development Corporation ("**SDC**") entered into a purchase agreement giving the Company the right to purchase 2,935 developable acres of Stapleton at a cost of approximately \$123.4 million, including Trunk Open Space Development Fees payable by the

Company of \$44 million. The Company has the right to purchase the property over a 15-year period, which the Company may extend under certain specified circumstances.

The Development Area comprises approximately 4,051 acres of land (consisting of approximately 2,935 acres of developable land and approximately 1,116 acres of open space). The Development Area is centrally located, ten minutes east of downtown Denver and 20 minutes from Denver International Airport, representing the last significant developable parcel of land within the boundaries of the City and County of Denver. The Development is one of the largest infill projects in the United States, bounded on the north by the 27 square mile Rocky Mountain National Wildlife Area and featuring natural amenities such as Westerly Creek, Sand Creek and Bluff Lake. The Development Area is adjacent to several of Denver's historic neighborhoods and has been carefully designed as an urban mixed-use project now anticipated to consist of over 10,000 for sale homes, over 4,000 rental units, over 10 million square feet of commercial space, and more than 1,100 acres of parks and open space. At completion, the Development is expected to include over 30,000 residents and a workforce population of over 35,000.

Planning for the future use of the Development Area began in 1989, culminating in the adoption by the Denver City Council of the Stapleton Tomorrow Concept Plan in 1991. The Stapleton Tomorrow Concept Plan became the basis upon which the Stapleton Development Plan (the "**Green Book**") was developed. The vision for the Development is described in detail in the Green Book, a comprehensive master plan for the property. The entire Development Area has been zoned to allow for the mixed-use development previously described.

Development plans to date cover approximately 2,538 acres of the Development Area, currently broken down to six phases. As of September 30, 2017, the Developer had purchased all 2,538 acres.

Phase I

The first phase of the Development encompasses approximately 320 acres of land in two separate locations. The first location, which is approximately 83 acres, has been developed as Quebec Square, a regional retail center of approximately 754,000 square feet, anchored by WalMart Super Center, Sam's Club and Home Depot, totaling approximately 471,000 square feet.

The second location, which comprises approximately 237 acres, is located adjacent to Quebec Street (a regional arterial roadway), immediately south of Martin Luther King Boulevard (also a regional arterial roadway). This area has been developed for a variety of uses, including single-family residential, multi-family residential, retail, commercial, parks and an elementary school facility. The development plans 1,319 single-family lots for sale to several home builders. The residential products include manor, village, cottage, garden courts, row townhouses, mansion condominiums and lofts. Currently, single-family housing units have been built on all 1,319 of these single-family lots, including 158 homes which are "affordable low-income housing units." In addition to the single-family housing, approximately 398 multi-family housing units have been built. Together with the planned single-family housing units, the multi-family housing units result in 1,717 total units of housing in the first phase. Seventeen builders participated in the construction of these residential products.

A grocery store retail neighborhood center (referred to as the "Town Center") was completed in 2004 and provides day-to-day services to the residents occupying the new homes, as well as to residents in the surrounding areas. This approximately 140,000 square foot center includes: a grocery store, banking facility, drug store and restaurants and approximately 53,000 square feet of shop space for small users such as service providers, barbers, florists and boutique operators.

The Development Infrastructure costs for Phase I were \$67 million for In-Tract Infrastructure and \$61 million for the Trunk Infrastructure.

Phase II

The second phase of the Development encompasses approximately 778 acres in three separate locations. The northwest location is the 165-acre Northfield Mall. The Northfield mall, built in phases starting in 2005, is a 1.1 million square foot mall anchored by Bass Pro, Super Target, Macy's, JC Penny's and Harkins Theaters. There is another approximately 100,000 square feet of the mall which may open in the future.

The northeast location, comprises of approximately 119 acres, is expected to provide 1,055,000 square feet of industrial/warehouse space and over 50,000 square feet of retail space. Currently, over 590,000 square feet of industrial/warehouse space is or has been built, including a 500,000 square-foot distribution facility for Nobel Sysco, a bus maintenance facility for Denver Public Schools and 1.5 acres have been sold to the City of Denver for a future fire station.

The third location, comprised of approximately 493 acres, is located adjacent to the Phase I residential area. This area is programmed primarily for single-family and multifamily for-sale residential use. The development plan currently includes 3,662 units, of which approximately 300 of which will be "affordable low-income housing units." The remaining units include a variety of residential products such as estate, manor, village, cottage, garden courts, green courts, row townhouses, mansion condominiums, lofts and rental multi-family housing units. Of the 3,662 units planned for Phase II, as of September 30, 2017, 3,113 were built and 399 were under construction. Of the 399 under construction, all are part of a 399 multi-family housing project currently under construction, set to open in fall of 2017. The third location also includes a second neighborhood retail center of approximately 50,000 square feet of retail space, and approximately 20 acres of commercial and other retail space. Construction on the second neighborhood retail center started in early 2016 and the center opened in the spring of 2017.

The Development Infrastructure costs necessary to complete the Phase II development are estimated to be approximately \$81 million for In-Tract Infrastructure, of which, as of September 30, 2017, \$81 million, or 100% had been spent, and \$136 million for Trunk Infrastructure, of which, as of September 30, 2017, \$136 million, or approximately 100% had been spent.

Phase III

The third phase of the Development encompasses approximately 588 acres in two separate locations. The northeast location, will be comprised of approximately 182 acres, is expected to provide 2.1 million square feet of industrial/warehouse space, with approximately 450,000 square feet that began leasing in 2008, and 500,000 square feet of space that began leasing in 2014. Another 400 thousand square feet of industrial/warehouse space leased up in 2015 with another 800 thousand square feet coming on line in 2016.

The southern location in Phase III is comprised of approximately 405 acres, located adjacent to a section of Phase II, and is planned primarily for single-family, for-sale residential use. These units are planned to include a variety of residential products such as estate, manor, village, cottage, garden courts, green courts, row townhouses, mansion condominiums and lofts. Currently there are approximately 2,526 units planned for this phase, of which 390 will be "affordable low-income housing units." As of September 30, 2017, 1,644 units have been built and 89 were under construction. This area also includes a DPS elementary school that opened in the fall of 2014.

Immediately east of the Quebec Square retail center described under “Phase I” above, a nine-acre parcel has been sold to develop an approximately 206,000 square foot office facility. This office building, privately owned and being leased to the General Services Administration, opened in the first quarter 2010.

The Development Infrastructure costs necessary to complete Phase III development are estimated to be approximately \$117 million for In-Tract Infrastructure, of which, as of September 30, 2017, \$114 million, or 98% had been spent, and \$21 million for Trunk Infrastructure, of which, as of September 30, 2017, \$21 million, or 100% has been spent.

Phase IV

Phase IV of the Development includes an approximately \$69 million Interstate 70 interchange project, that was built as two distinct projects. The first phase of this project constructs an interchange allowing traffic to exit and enter Interstate 70 to and from Central Park Boulevard (the “**Interchange**”). The Interchange supports the entire Stapleton project and in particular will improve access to the Northfield mall (Phase II) as well as open up approximately 236 acres of commercial development surrounding the Interchange. The approximately \$50 million needed to complete the Interchange was funded by City of Denver bond dollars, federal stimulus dollars and federal transportation dollars. The Interchange was constructed by the City and County of Denver, with oversight by the Colorado Department of Transportation.

The second piece of the Phase IV project is the completion of the Central Park Boulevard connections to the Interchange mentioned above. These connections will complete two lands of Central Park Boulevard from 36th Ave (Phase III) north to Northfield Blvd/49th Ave (Phase II). This project costs approximately \$19 million and was funded from a \$12.1 million contribution from the Developer and an advance from the Developer to the District, of approximately \$6.9 million. The Interchange opened in Fall of 2011.

Phase IV opens up over 236 acres of commercial development surrounding the Interchange, as well as over 100 acres of residential development. The commercial piece of Phase IV is expected to include retail, hotels, flex industrial and office components.

Phase IV currently encompasses approximately 191 acres of the Development. Of these, 85 acres of the Development are north of I-70. Twenty-nine of these acres are adjacent to the Phase II mall, and 12 acres are expected to be developed for commercial uses. A 352 unit multi-family housing project was built in 2014 and is currently fully occupied and a 180 room hotel opened in the summer of 2014. Land for 38 single-family lots are currently being developed and another 256 unit multifamily project is expected to break ground the fall of 2017. A 70 unit multifamily affordable project is expected to break ground 2018-2019. In 2015, 2.04 acres were sold to another hotel developer for a 120-room hotel, which opened in 2017. Also, a 45,000 square feet office building is currently under construction and a 30,000 square feet office building is currently being planned for this phase.

The southern portion of Phase IV is located just east and southeast of Quebec Square (Phase I). Twenty-three acres are planned to be used as a regional transit facility for the Regional Transportation District (“**RTD**”) and approximately 31 acres are expected to be developed for a transit oriented development (TOD) or commercial uses. There are currently plans for a 300 unit multi-family housing project, a 190,000 square feet office building, 110 for sale condominium units, and approximately 30,000 square feet of retail space within 2 of the 5 blocks at the TOD. These projects are expected to break ground spring of 2018.

South of that facility, approximately 100 acres is planned to be used for residential uses. This area is programmed for primarily single-family for sale and multifamily residential units. The single-family units plan includes 439 single-family and approximately 750 multi-family units. The single-family units include a variety of residential products such as estate, manor, village, cottage, garden courts, green courts and row townhouses, of which 27 will be “affordable low-income housing units.” Also within these 100 acres of Phase IV is a 10 acre K-8 school that opened in 2011.

As of September 30, 2017, within Phase IV, 789 units had been built, out of the planned 1,903, with 17 units under construction. The Development Infrastructure costs necessary to complete Phase IV development are estimated to be approximately \$46 million for In-Tract Infrastructure, of which, as of September 30, 2017, \$46 million, or 100%, had been spent, and \$93 million for Trunk Infrastructure, of which, as of September 30, 2017, \$88 million, or 95%, had been spent.

Phase V

The fifth phase of the Development currently encompasses approximately 374 acres in three separate locations. The first location is a 344-acre residential area, north of I-70 and north of the Northfield mall. This area is being developed primarily for single-family for sale and multi-family residential use. The development plan includes 2,009 single-family and multi-family units. Of these 2,009 units, 1,756 have been built and 47 are under construction. Also included in this area is a fifth DPS K-8 school, which opened in the fall of 2014.

The second location in this phase is a 20 acre parcel, north of the residential area, adjacent to 56th Avenue and Central Park Boulevard and is the home of the Paul Sandoval Denver Public School High School Campus, including Northfield High School and adjacent athletic facilities.

On the south side of this phase (just north of the Northfield mall) is 10 acres that will be used for commercial development. There is currently a 108 room hotel in this area, an 84 unit affordable multi-family housing building, as well as 42,000 square feet of retail space.

The Development Infrastructure costs necessary to complete Phase V development are estimated to be approximately \$98 million for In-Tract Infrastructure, of which, as of September 30, 2017, \$90 million, or 91%, had been spent, and \$66 million for Trunk Infrastructure, of which, as of September 30, 2017, \$62 million, or 93%, had been spent.

Phase VI

The final and sixth phase of the Stapleton development began construction in 2015. The first area of development within Phase VI consists of approximately 158 acres and will include approximately 822 single-family units, 290 multi-family housing units, and approximately 50,000 square feet of retail space. As of September 30, 2017, 114 single-family housing units have been constructed and are occupied and another 217 homes are under construction. The multi-family housing units and retail space are expected to be developed from 2018 through 2020. A Denver Public School is also under construction as part of Phase VI. Two additional development areas in Phase VI are under design and are expected to include an additional 1,420 single-family housing units which are expected to be built from 2019 through 2021.

The Development Infrastructure costs necessary to complete the first development area within Phase VI are estimated to be approximately \$68 million for In-Tract Infrastructure, of which, as of September 30, 2017, \$45 million, or 67%, had been spent, and \$8 million for Trunk Infrastructure, of which, as of September 30, 2017, \$4 million, or 51%, had been spent.

The following table summarized Phase I, Phase II, Phase III, Phase IV, Phase V and Phase VI of the current Development Plan, which together, currently encompasses approximately 2,935 acres of the Development:

**Summary of Projected Development Plan
(Full Build Out of Each Phase)**

		Phase I Total Square Footage	Phase II Total Square Footage	Phase III Total Square Footage	Totals Phase I, II, III Square Footage	Phase IV Total Square Footage	Phase V Total Square Footage	Phase VI Total Square Footage	Totals Phases I-V Square Footage
Mall	Anchors-Big Box		586,000		586,000				586,000
	Theaters		85,921		85,921				85,921
	Small Stores		428,000		428,000				428,000
	Restaurant Pads		60,000		60,000				60,000
	Total		1,159,921		1,159,921				1,159,921
Regional Retail Center	Home Depot	117,900			117,900				117,900
	Super Wal Mart	206,910			206,910				206,910
	Sam's	129,779			129,779				129,779
	Small Stores	182,684			182,684				182,684
	Restaurant Pads	18,459			18,459				18,459
	Other Pads	89,405			89,405	20,000			109,405
	Total	745,137			745,137	20,000			765,137
Neighborhood Retail Center	Grocery	59,006	58,800		117,806				117,806
	Drug Store	14,654			14,654				14,654
	Other	3,970	207,409	53,000	264,379		3,000		267,379
	Shop Space	57,227	87,087		144,314		66,500	50,000	260,814
	Daycare/school		31,910		31,910		8,000		39,910
	Bank	13,400			13,400				13,400
	Total	148,257	385,206	53,000	586,463		77,500	50,000	713,963
Hotel	Hotel 1 (rooms)					185	104		289
	Hotel 2 (rooms)					112			112
	Total					297	104		401
Office	Building	33,586	38,645		72,231	400,000			472,231
	Building	12,232	47,715		59,947	400,000			459,947
	Building		3,140		3,140	400,000			403,140
	Building		40,590		40,590	400,000			440,590
	Building		13,899		13,899	250,000			263,899
	Building			185,206	185,206	250,000			435,206
	Building					212,100			212,100
	Total	45,818	143,989	185,206	375,013	2,312,100			2,687,113
Industrial	Building	89,884	594,444	21,285	705,613	500,000			1,205,613
	Building		44,736	456,552	501,288	500,000			1,001,288
	Building			256,587	256,587	500,000			756,587
	Building			231,060	231,060	500,000			731,060
	Building		46,400	653,569	699,969				699,969
	Building		78,375	800,000	878,375				878,375
	Building			225,000	225,000				225,000
	Building			309,000	309,000				309,000
	Total	89,884	763,955	2,953,053	3,806,892	2,000,000			5,806,892

		Phase I	Phase II	Phase III	Totals Phases I-III	Phase IV	Phase V	Phase VI	Totals Phases I-VI
For Sale Housing	Estate	30	47	20	97	0	0	0	97
	AA-Courtyard Patio	29	94	103	226	51	119	56	452
	AB-Arch	0	30	41	71	10	87	39	207
	Manor B	80	0	0	80	0	117	89	286
	Manor B/C	29	128	126	283	0	86	213	582
	Paseo/Pairs	20	90	332	442	56	218	53	769
	Village Cottage C/D 1	158	191	192	541	47	115	32	735
	Village Cottage C/D 2	96	181	170	447	50	112	241	850
	Village Cottage C/D 3	58	103	159	320	37	133	80	570
	Village Cottage C/D 4	144	117	158	419	60	93	116	688
	C/D 5	0	0	61	61	16	106	93	276
	Garden Court	94	152	89	335	18	109	112	574
	Green Court	134	155	84	373	0	154	143	670
	Eco Court	0	0	0	0	0	113	274	387
	Row House (Luxury)	0	13	5	18	21	73	205	317
	Row House	134	206	244	584	38	103	248	973
	Mansion Condominium	98	233	0	331	0	0	0	331
	Multi-Family (Luxury)	0	183	0	183	0	0	0	183
	Workplace Lofts	0	22	0	22	23	0	0	45
	Other	0	93	58	151	160	0	0	311
	Lofts	57	0	0	57	0	0	0	57
	K1/K2	0	169	44	213	0	0	0	213
	Affordable	158	152	210	520	68	139	248	975
	Total For Sale	1,319	2,359	2,096	5,774	655	1,877	2,242	10,548
Rental Multi-family Housing Units	Market – above Town Green	66	142	0	208	608	0	0	816
	Senior Market	0	150	0	150	0	0	0	150
	Senior Market	0	108	0	108	0	0	0	108
	Market Town Green Phase I	78	338	250	666	750	0	210	1,626
	Market Town Green Phase 2	154	0	0	154	0	0	0	154
	Mint wrap	0	399	0	399	300	0	0	699
	Affordable	100	166	180	446	70	132	80	728
	Total rental	398	1,303	430	2,131	1,728	132	290	4,281
Total For Sale and Rental		1,717	3,662	2,526	7,905	2,383	2,009	2,532	14,829

Utilities

Utility services consisting of water, sewer, electricity, gas, telephone and cable television are provided to the Development by several different entities. The Metro Wastewater Reclamation District (the “**Wastewater District**”) is the entity that is responsible for providing sanitary sewer service to the City and, through the City, to the Development.

Development Infrastructure

The above-described Development requires the completion of certain Trunk Infrastructure by the District as well as the completion of the Trunk Infrastructure described below by the City and Denver Public Schools.

City Projects

Under the terms of the Master Stapleton City Infrastructure Funding Agreement dated as of May 1, 2004 (the “**City Funding Agreement**”) entered into between the Denver Urban Renewal Authority (“**DURA**”) and the City, the City agreed to complete the following Trunk Infrastructure projects within the Redevelopment Plan Area (together with any other Trunk Infrastructure projects in the Redevelopment Plan area to be undertaken by the City pursuant to any future supplement to the City Funding Agreement) (the “**City Projects**”): demolition of Union Pacific Railroad bridge (\$9.0 million); I-70 interchange environmental impact study (\$500,000); construction of the South Fire Station (\$4.9 million); construction of a Police Academy (\$2.0 million); and land for the North Fire Station (\$50,679). DURA paid the actual development costs associated with the City Projects from proceeds of bonds.

Denver Public Schools Projects

Pursuant to the term of the Amended and Restated Stapleton School Funding Agreement dated as of May 1, 2004 (the “**Schools Funding Agreement**”) entered into between DURA and Denver Public Schools, Denver Public Schools agreed to undertake the acquisition, construction, furnishing and placement in service of four elementary schools and one middle school within the Redevelopment Plan Area; provided that, at the election of Denver Public Schools, a school to accommodate students in grades K-8 may be constructed in lieu of an elementary or middle school (collectively, together with any other schools in the Redevelopment Plan Area to be undertaken by Denver Public Schools pursuant to any future supplement to the Schools Funding Agreement, the “**Denver Public Schools Projects**”). The first elementary school within the Redevelopment Plan Area was opened in August 2003. DURA has agreed (i) with respect to the reimbursement of costs associated with the first elementary school, commencing in 2006, to pay \$1 million per year to Denver Public Schools until Denver Public Schools receives the lesser of (A) the actual development costs of the school, or (B) \$12,500,000 adjusted as provided therein (such amount being referred to as the “**DPS Priority Payments**”); and (ii) with respect to the second, third and fourth elementary schools, the middle school or any K-8 school to be constructed within the Redevelopment Plan Area, to pay the actual redevelopment costs of those schools. The DPS Priority Payments are payable from Pledged Tax Increment Revenues as defined in the Schools Funding Agreement, and the actual development costs of the other schools are to be paid from proceeds of bonds, to the extent proceeds are available for such purposes. The second school, a K-8 school funded with proceeds of the Series 2004 Bonds, was opened in August 2006.

To provide for the funding of a new, Third Stapleton DPS School, within Phase IV of the Development, (i) DURA and Denver Public Schools have entered into the 2010 Supplemental DPS Funding Agreement, which amended the Schools Funding Agreement and (ii) DURA and FCS have entered into the 2010 FCS School Funding Agreement. Pursuant to these agreements, the Developer has contributed 45,468,095 for the construction of the Third Stapleton DPS School. These agreements also

call for DPS and the Developer to make advances for the remaining costs. These advances are expected to be repaid from Pledged Tax Increment Revenues received from DURA (not funds from the District).

DPS made advances to DURA for the funding of the fourth and fifth elementary schools, in Phases II and V. These advances are expected to be repaid from Pledged Tax increment Revenues collected by DURA, not the District. The schools opened in the fall of 2014.

Currently, a sixth elementary school is under construction in Phase VI of the project and is expected to open fall of 2018. A second elementary school is also planned in this phase and is expected to be completed 2020-2021. These schools are expected to be funded through advances made by DPS and to be repaid through TIF revenue.

(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2016 AND COVERAGE TABLE**

(THIS PAGE INTENTIONALLY LEFT BLANK)

PARK CREEK METROPOLITAN DISTRICT
2016 ANNUAL REPORT

Section 4 (a)

Audited Financial Statements

PARK CREEK METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2016

with

Independent Auditor's Report

C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Management's Discussion and Analysis</u>	III
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	27
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	28



Hiratsuka & Associates, L.L.P.
Certified Public Accountants & Business Advisors

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Park Creek Metropolitan District
Denver, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Park Creek Metropolitan District (the District), Denver, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Park Creek Metropolitan District, Denver, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, the respective budgetary comparison for the General Fund for the year then ended in conformity with U.S. GAAP.

Required Supplemental Information

U.S. GAAP requires that management's discussion and analysis on pages III – VIII be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally

accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

U.S. GAAP require that the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund on page 27 and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who consider is to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hiratsuka & Associates, LLP

July 25, 2017
Wheat Ridge, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader of the District's financial issues and activities.

The Management's Discussion and Analysis (MD & A) should be read in conjunction with the District's financial statements.

Financial Highlights

- The net position (deficit) of the District increased by \$6,157,230 in 2016 to \$(185,895,247). A negative net position (deficit) is typical in a metropolitan district, which transfers its capital assets to the controlling government entity (city, town, etc.) after construction is complete but retains the related debt in the district until it is paid off.
- The District is obligated to fund, construct and in some instances maintain infrastructure within the Stapleton Service Area, as defined in the District's service plan.
- In 2016, approximately \$43.5 million was expended for construction of capital assets compared to \$47 million in 2015. Most of the current year's expenditures were concentrated in 4 residential filings; Filing 47, AB, MB, and MC.
- The District has four bond issues outstanding, including Series 2016A Tax Exempt Senior Limited Property Tax Supported Revenue Refunding Bonds which were issued in December 2016.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities, deferred inflows of resources and deferred outflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements identify functions of the District that are principally to be supported by ad valorem taxes (governmental activities). The governmental activities of the District include the financing of governmental infrastructure constructed or acquired by the District.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows, outflows and balances of spendable resources. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds: General Fund, Capital Projects Fund and Debt Service Fund, all of which are major funds. Information is presented separately in the governmental fund financial statements.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for this fund in the basic financial statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 1-3 of this report.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 4-25 of this report.

Government-wide Financial Analysis

The assets of the District are classified as current assets. Cash and investments, receivables, prepaid expenses and prepaid bond insurance are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are receivables, cash and investments, and prepaid insurance.

Current and noncurrent liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable and accrued interest. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2017.

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one type of item that qualifies for reporting in this category, the deferred loss on refunding.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item that qualifies for reporting in this category, system development fees which have been paid but not yet earned.

Current assets decreased by \$1,126,794 primarily as a result of a decrease in the receivable from the developer and Current liabilities decreased by \$1,400,843 mainly due to an decrease in amount due to vendors at the end of the year.

Noncurrent liabilities increased by \$34,719,315 due to funding received from the Developer.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's liabilities exceeded assets by \$185,895,247 at the close of the most recent fiscal year.

Review of Net Position

	December 31,	
	<u>2016</u>	<u>2015</u>
Assets:		
Current assets	\$ 11,118,371	\$ 12,245,165
Capital assets	312,708,644	270,931,620
Total assets	<u>323,827,015</u>	<u>283,176,785</u>
Deferred outflow of resources		
Deferred loss on refunding	28,931,200	30,223,747
Total deferred outflow of resources	<u>28,931,200</u>	<u>30,223,747</u>
Liabilities:		
Current liabilities	13,781,507	15,182,350
Long-term liabilities	524,871,955	490,152,640
Total liabilities	<u>538,653,462</u>	<u>505,334,990</u>
Deferred inflow of resources		
Advances not yet earned	-	118,019
Total deferred inflow of resources	<u>-</u>	<u>118,019</u>
Net position(assets):		
Net investment in capital assets	(184,627,111)	(190,115,292)
Restricted	(996,452)	(429,333)
Unrestricted net position	<u>(271,684)</u>	<u>(1,507,852)</u>
Total net position	<u>\$ (185,895,247)</u>	<u>\$ (192,052,477)</u>

Review of Change in Net Position

	Year Ended December 31,	
	<u>2016</u>	<u>2015</u>
Revenues:		
Program revenue:		
Development fees	\$ 520,455	\$ 4,250,352
Damage & facility fees	5,563,616	4,572,991
General revenue:		
DURA bond draws/TIF revenue	11,316,411	16,439,480
City of Denver/Aurora	94,802	2,347,736
RTD Contribution	227,518	2,358,347
DPS funding	332,852	1,056,369
DWD funding	-	503,213
Interest subsidy income	580,402	577,578
Other income	30,533	20,411
Payments from Westerly Creek	24,167,690	19,831,017
Total revenue	<u>42,834,279</u>	<u>51,957,494</u>
Expenses:		
Governmental activities:		
General government	1,333,577	1,318,349
Depreciation	1,699,534	1,594,994
Transfers to Westerly Creek	305,301	236,270
Interest and other fiscal charges	33,338,637	34,874,011
Total expenses	<u>36,677,049</u>	<u>38,023,624</u>
Excess deficiency before other financing sources (uses)	6,157,230	13,933,870
Other financing sources (uses):		
Infrastructure conveyed to CCD	-	198,098
Total other financing sources (uses)	<u>-</u>	<u>198,098</u>
Total change in net position	6,157,230	14,131,968
Net position - beginning of year	(192,052,477)	(206,184,445)
Net position - end of year	<u>\$ (185,895,247)</u>	<u>\$ (192,052,477)</u>

Total net position increased by \$6,157,230 mainly due to Transfers from Westerly Creek

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a total ending fund balance of \$7,846,334.

Restricted fund balance for the District at the end of the fiscal year was \$7,221,259, which is restricted for the payment of the general obligation bonds, capital improvements and emergencies.

General Fund Budgetary Highlights

The fund balance for the General Fund increased by \$335,546, resulting in an ending fund balance of \$437,734. Actual revenue were less than budgeted revenue by \$96,69, principally due to a decrease in payments from Westerly Creek Metropolitan District. Actual expenditures were \$522,925 less than budgeted expenditures, principally due to a decrease in maintenance costs.

The fund balance for the Debt Service Fund decreased by \$176,813, resulting in an ending fund balance of \$418,542. Actual revenue were less than budgeted revenue by \$330,943, principally due to a decrease in the payment from Westerly Creek Metropolitan District. Actual expenditures were \$840,304 less than budgeted expenditures, principally due to a decrease in the amount repaid to the Developer.

The fund balance for the Capital Projects Fund increased by \$1,897,166, resulting in an ending fund balance of \$6,990,058. Actual revenue were less than budgeted revenue by \$6,154,439, principally due to a decrease in funding from the various entities. Actual expenditures were \$9,617,422 less than budgeted expenditures, principally due to a decrease in capital expenditures.

Long-Term Debt

At the end of the current fiscal year, the District had total indebtedness of \$526,266,955.

On December 21, 2016 the District issued \$28,000,000 of Senior Limited Property Tax Supported Revenue Bonds Tax Exempt, Series 2016A (the "Series 2016 Bonds") to (i) repay Developer Advances and/or Reimbursement Notes, and (ii) pay cost of issuance relating to the Series 2016 Bonds. The Series 2016 Bonds mature on December 1, 2051 and bear interest at 5.0%, payable semiannually on each June 1 and December 1, commencing on June 1, 2017.

Additional information on the District's long-term debt can be found in Note 4 on pages 13-21 of this report.

Next Year's Budgets and Rates

The District has budgeted to spend approximately \$69,500,000 on infrastructure in 2017, the primarily source of revenue for these improvements is developer advances.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Park Creek Metropolitan District
SDC Services Corp.
Controller's Office
7350 E. 29th Avenue, Suite 200
Denver, CO 80238

PARK CREEK METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 286,198	\$ -	\$ -	\$ 286,198	\$ -	\$ 286,198
Cash and investments - restricted	51,443	450,431	8,858,460	9,360,334	-	9,360,334
Accounts receivable:						
Denver Urban Renewal Authority	-	-	72,612	72,612	-	72,612
Forest City	-	-	920,852	920,852	(920,852)	-
Westerly Creek	122,839	-	-	122,839	-	122,839
Denver Public Schools	-	-	835,436	835,436	-	835,436
RTD	-	-	10	10	-	10
Other	-	-	150,614	150,614	24,093	174,707
Prepaid expenses	27,451	-	238,784	266,235	-	266,235
Capital assets not being depreciated	-	-	-	-	290,913,530	290,913,530
Capital assets, net	-	-	-	-	21,795,114	21,795,114
Total Assets	<u>487,931</u>	<u>450,431</u>	<u>11,076,768</u>	<u>12,015,130</u>	<u>311,811,885</u>	<u>323,827,015</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	28,931,200	28,931,200
Total Deferred Outflows of Resources	-	-	-	-	28,931,200	28,931,200
Total Assets and Deferred Outflows of Resources	<u>\$ 487,931</u>	<u>\$ 450,431</u>	<u>\$ 11,076,768</u>	<u>\$ 12,015,130</u>		
LIABILITIES						
Accounts payable	\$ 50,197	\$ 31,889	\$ 4,086,710	\$ 4,168,796	-	4,168,796
Accrued interest	-	-	-	-	8,217,711	8,217,711
Long-term liabilities:						
Due within one year	-	-	-	-	1,395,000	1,395,000
Due in more than one year bonds	-	-	-	-	-	-
Due in more than one year	-	-	-	-	524,871,955	524,871,955
Total Liabilities	<u>50,197</u>	<u>31,889</u>	<u>4,086,710</u>	<u>4,168,796</u>	<u>534,484,666</u>	<u>538,653,462</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	27,451	-	238,784	266,235	(266,235)	-
Restricted:						
Emergencies	51,443	-	-	51,443	(51,443)	-
Debt service	-	418,542	-	418,542	(418,542)	-
Capital projects	-	-	6,751,274	6,751,274	(6,751,274)	-
Unassigned	<u>358,840</u>	<u>-</u>	<u>-</u>	<u>358,840</u>	<u>(358,840)</u>	<u>-</u>
Total Fund Balances	<u>437,734</u>	<u>418,542</u>	<u>6,990,058</u>	<u>7,846,334</u>	<u>(7,846,334)</u>	<u>-</u>
Total Liabilities, and Fund Balance	<u>\$ 487,931</u>	<u>\$ 450,431</u>	<u>\$ 11,076,768</u>	<u>\$ 12,015,130</u>		
Net Position:						
Net investment in capital assets					(184,627,111)	(184,627,111)
Restricted for:						
Emergencies					51,443	51,443
Debt service					(7,799,169)	(7,799,169)
Capital projects					6,751,274	6,751,274
Unrestricted					<u>(271,684)</u>	<u>(271,684)</u>
Total Net Position					<u>\$ (185,895,247)</u>	<u>\$ (185,895,247)</u>

The notes to the financial statements are an integral part of these statements.

PARK CREEK METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 24,542	\$ -	\$ -	\$ 24,542	\$ -	\$ 24,542
Office expenses	6,297	-	-	6,297	-	6,297
Insurance	25,991	-	-	25,991	-	25,991
Legal	22,337	-	-	22,337	-	22,337
Maintenance	945,670	-	-	945,670	-	945,670
Miscellaneous expenses	18,000	-	-	18,000	-	18,000
Payments to Westerly Creek	85,641	219,660	-	305,301	-	305,301
Debt Service:						
Principal	-	1,000,000	-	1,000,000	(1,000,000)	-
Interest expense	-	23,679,854	-	23,679,854	1,054,232	24,734,086
Bond issuance costs	-	765,860	-	765,860	-	765,860
Capital expenditures	-	-	43,476,558	43,476,558	(43,476,558)	-
Damage repairs	-	-	290,740	290,740	-	290,740
Depreciation	-	-	-	-	1,699,534	1,699,534
Bond insurance	-	119,709	-	119,709	-	119,709
Repay developer advances - principal	59,833	32,038,459	1,439,507	33,537,799	(33,537,799)	-
Repay developer advances - interest	2,524	160,421	2,377,773	2,540,718	5,178,264	7,718,982
Total Expenditures	<u>1,190,835</u>	<u>57,983,963</u>	<u>47,584,578</u>	<u>106,759,376</u>	<u>(70,082,327)</u>	<u>36,677,049</u>
PROGRAM REVENUES						
Facility fees	-	-	5,097,300	5,097,300	-	5,097,300
Damage and mailbox fees	-	-	466,316	466,316	-	466,316
System development fees	-	-	520,455	520,455	-	520,455
Total Program Revenues	<u>-</u>	<u>-</u>	<u>6,084,071</u>	<u>6,084,071</u>	<u>-</u>	<u>6,084,071</u>
Net Program Income (Expenses)	<u>(1,190,835)</u>	<u>(57,983,963)</u>	<u>(41,500,507)</u>	<u>(100,675,305)</u>	<u>70,082,327</u>	<u>(30,592,978)</u>
GENERAL REVENUES						
Payments from Westerly Creek	2,203,061	21,964,629	-	24,167,690	-	24,167,690
DURA bond draws/TIF Revenue	-	-	11,316,411	11,316,411	-	11,316,411
City and County of Denver P6	-	-	94,802	94,802	-	94,802
RTD Contribution	-	-	227,518	227,518	-	227,518
DPS funding	-	-	332,852	332,852	-	332,852
Interest subsidy income	-	580,402	-	580,402	-	580,402
Other income	-	626	29,907	30,533	-	30,533
Total General Revenues	<u>2,203,061</u>	<u>22,545,657</u>	<u>12,001,490</u>	<u>36,750,208</u>	<u>-</u>	<u>36,750,208</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	1,012,226	(35,438,306)	(29,499,017)	(63,925,097)	70,082,327	6,157,230
OTHER FINANCING SOURCES (USES)						
Refunding Bonds	-	28,000,000	-	28,000,000	(28,000,000)	-
Premium on bonds	-	2,748,469	-	2,748,469	(2,748,469)	-
Developer advances	53,353	3,792,316	31,386,858	35,232,527	(35,232,527)	-
Transfers in (out)	(730,033)	720,708	9,325	-	-	-
Total Other Financing Sources (Uses)	<u>(676,680)</u>	<u>35,261,493</u>	<u>31,396,183</u>	<u>65,980,996</u>	<u>(65,980,996)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	335,546	(176,813)	1,897,166	2,055,899	(2,055,899)	
CHANGE IN NET POSITION					6,157,230	6,157,230
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	102,188	595,355	5,092,892	5,790,435	(197,842,912)	(192,052,477)
END OF YEAR	<u>\$ 437,734</u>	<u>\$ 418,542</u>	<u>\$ 6,990,058</u>	<u>\$ 7,846,334</u>	<u>\$ (193,741,581)</u>	<u>\$ (185,895,247)</u>

The notes to the financial statements are an integral part of these statements.

PARK CREEK METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2016

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Payments from Westerly Creek	\$ 2,298,760	\$ 2,203,061	\$ (95,699)
Other income	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total Revenues	<u>2,299,760</u>	<u>2,203,061</u>	<u>(96,699)</u>
EXPENDITURES			
Accounting and audit	25,000	24,542	458
Office expenses	6,000	6,297	(297)
Insurance	25,000	25,991	(991)
Legal	18,000	22,337	(4,337)
Maintenance	999,030	945,670	53,360
Miscellaneous expenses	23,000	18,000	5,000
Repay developer advances - principal	115,000	59,833	55,167
Repay developer advances - interest	10,000	2,524	7,476
Contingency	356,344	-	356,344
Emergency Reserve	51,443	-	51,443
Payments to Westerly Creek	<u>84,943</u>	<u>85,641</u>	<u>(698)</u>
Total Expenditures	<u>1,713,760</u>	<u>1,190,835</u>	<u>522,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	586,000	1,012,226	426,226
OTHER FINANCING SOURCES (USES)			
Developer advances	115,000	53,353	(61,647)
Transfers in (out)	<u>(701,000)</u>	<u>(730,033)</u>	<u>(29,033)</u>
Total Other Financing Sources (Uses)	<u>(586,000)</u>	<u>(676,680)</u>	<u>(90,680)</u>
NET CHANGE IN FUND BALANCE			
	-	335,546	335,546
FUND BALANCE:			
BEGINNING OF YEAR	<u>-</u>	<u>102,188</u>	<u>102,188</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 437,734</u>	<u>\$ 437,734</u>

The notes to the financial statements are an integral part of these statements.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Park Creek Metropolitan District (“District”), located in the City and County of Denver, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on July 13, 2000, as a quasi-municipal organization established under the State of Colorado Special District Act. The District, in cooperation with Westerly Creek Metropolitan District (“Westerly Creek”), manages the financing, construction, operation and maintenance of the infrastructure facilities located within Westerly Creek. The District is the financing, construction and operating district and Westerly Creek is the taxing district. The District and Westerly Creek were organized for the completion of infrastructure at the former Stapleton International Airport. The District's primary revenues are system development fees, damage and facility fees, and DURA bond draws/TIF revenue. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

The District has no employees and all operations and administrative functions are contracted.

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

Subsequent to year end, the District amended its total appropriations; Debt Service Fund from \$27,964,558 to \$58,704,558 primarily due to the issuance of the Series 2016 Bonds.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2016, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. These amounts are eliminated in the Statement of Net Position.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, system development fees that have been collected but not yet earned.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Landscaping	20 years
Alleys and storm sewers	20 years
Buildings and improvements	20 years
Furniture, fixtures and equipment	5 years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund and the Capital Projects Fund represents prepaid expenditures, including prepaid insurance.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$51,443 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$418,542 is restricted for the payment of the debt service costs associated with the various District Bonds (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$6,751,274 is restricted for the payment of the costs associated with capital improvements within the District, including financing costs.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Note 2: Cash and Investments

As of December 31, 2016, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 286,198
Cash and investments - Restricted	<u>9,360,334</u>
Total	<u>\$ 9,646,532</u>

Cash and investments as of December 31, 2016 consist of the following:

Deposits with financial institutions	\$ 9,351,336
Investments – First American Government Obligation Fund	<u>295,196</u>
	<u>\$ 9,646,532</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act (“PDPA”), requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee).

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Credit Risk

The District's investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2016, the District had the following investments:

First American Government Obligation Fund

The debt service money that was included in the trust accounts at US Bank were invested in the First American Government Obligation Fund. This portfolio is a money market mutual fund which invests in short-term U.S. government securities, including repurchase agreements collateralized by U.S. government securities. U.S. government securities are bonds or other debt obligations issued or guaranteed as to principal and interest by the U.S. government or one of its agencies or instrumentalities. The First American Government Obligation Fund is rated AAAm by Standard and Poor's and the maturity is weighted average under 46 days. At December 31, 2016, the District had \$295,196 invested in the First American Government Obligation Fund.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2016 follows:

Governmental Type Activities:	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
<u>Capital assets not being depreciated:</u>				
Land	\$ 2,791,283	\$ -	\$ -	\$ 2,791,283
Art	1,570,303	213,889	-	1,784,192
Construction in progress	243,075,386	43,262,669	-	286,338,055
Total capital assets not being depreciated	<u>247,436,972</u>	<u>43,476,558</u>	<u>-</u>	<u>290,913,530</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements	6,491,516	-	-	6,491,516
Landscaping	15,950,914	-	-	15,950,914
Alleys and storm sewers	11,315,887	-	-	11,315,887
Furnitures, fixtures and equipment	368,862	-	-	368,862
Total capital assets being depreciated	<u>34,127,179</u>	<u>-</u>	<u>-</u>	<u>34,127,179</u>
<u>Accumulated Depreciation:</u>				
Buildings and improvements	(2,277,102)	(324,576)	-	(2,601,678)
Landscaping	(3,543,946)	(797,546)	-	(4,341,492)
Alleys and storm sewers	(4,455,612)	(564,423)	-	(5,020,035)
Furnitures, fixtures and equipment	(355,871)	(12,989)	-	(368,860)
Total accumulated depreciation	<u>(10,632,531)</u>	<u>(1,699,534)</u>	<u>-</u>	<u>(12,332,065)</u>
Net capital assets being depreciated	<u>23,494,648</u>	<u>(1,699,534)</u>	<u>-</u>	<u>21,795,114</u>
Government type assets, net	<u>\$270,931,620</u>	<u>\$41,777,024</u>	<u>\$ -</u>	<u>\$312,708,644</u>

Upon completion and acceptance, all fixed assets except for certain parks and landscape improvements, pools, alleys and furniture, fixtures and equipment will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2016, is as follows:

Series 2013 Subordinate Limited Property Tax Supported Revenue Bonds

On July 17, 2013, the District issued \$50,000,000 of Subordinate Limited Property Tax Supported Revenue Bonds (the "Series 2013 Bonds"). The Series 2013 Bonds were issued for the purpose of (i) currently refunding all of the \$15,535,000 outstanding aggregate principal amount of the District's Junior Subordinate Limited Property Tax Supported Revenue Bonds, Series 2005, (ii) advance refunding all of the \$18,965,000 outstanding aggregate principal amount of the District's Subordinate Limited Property Tax Supported Revenue Bonds, Series 2003A and all of the \$9,965,000 outstanding aggregate principal amount of the District's Subordinate Limited Property Tax Supported Revenue Bonds, Series 2003B, (iii) repaying certain Developer Advances, (iv) funding certain capitalized interest for the Series 2013 Subordinate Bonds, and (v) paying costs of issuance related to the Series 2013 Subordinate Bonds. The Series 2013 Bonds bear a fixed interest rate of 6.875%, payable semiannually on each June 1 and December 1, commencing on December 1, 2013. The bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2018, subject to the availability of funds in the Subordinate Bond Fund. The Bonds are subject to an early redemption at the option of the District commencing December 1, 2024, with no call premium. The Series 2013 Bonds mature on December 1, 2041. The Series 2013 Bonds are secured by Pledged Revenues comprised primarily of Subordinate Tax Revenues as defined in the Senior Indenture.

The Series 2013 Bonds were issued at a discount of \$772,000, which will be amortized over the life of the bonds. Amortization expense for the year ended December 31, 2016 amounted to \$27,183. As of December 31, 2016, \$95,891 has been amortized leaving a remaining unamortized balance of \$676,109.

Series 2014 Second Lien Subordinate Limited Property Tax Supported Revenue Bonds

On July 14, 2014, the District issued \$50,000,000 of Second Lien Subordinate Limited Property Tax Supported Revenue Bonds Series 2014 (the "Series 2014 Bonds") for the purpose of (i) refunding certain outstanding Reimbursement Notes, (ii) funding certain capitalized interest for the Series 2014 Bonds, and (iii) paying costs of issuance related to the Series 2014 Bonds. The Series 2014 Bonds bear interest at the rate of 7.25%, payable semiannually on each June 1 and December 1, commencing on December 1, 2015 and are subject to a mandatory sinking fund redemption commencing on December 1, 2042. The Series 2014 Bonds are subject to an early redemption at the option of the District commencing June 1, 2018 with no call premium. The Series 2014 Bonds are payable solely from the Second Lien Subordinate Revenues, as defined in the Second Lien Subordinate Indenture.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Series 2015 Senior Limited Property Tax Supported Revenue Refunding Bonds

On December 17, 2015, the District issued \$231,290,000 of Senior Limited Property Tax Supported Revenue Bonds, Series 2015A (the "Series 2015 Bonds") for the purpose of (i) refunding the Senior Limited Property Tax Supported Revenue Bonds, Series 2005 (the "Series 2005 Bonds"), Senior Limited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2009 (the "Series 2009 Bonds") and the of Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2011A (the "Series 2011A Bonds"), (ii) repaying certain Developer advances and/or Reimbursement Notes, and (iii) paying costs of issuance. The Series 2015 Bonds mature on December 1, 2045 and bear interest between the rates of 2.0%-5.0%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The Series 2015 Bonds maturing on or after December 1, 2026 are subject to a redemption prior to maturity at the option of the District commencing on December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date. The Series 2015 Bonds maturing on December 1, 2045 are subject to mandatory sinking fund redemption commencing on December 1, 2036. The Series 2015 Bonds are secured by Pledged Revenues including (i) amounts payable to the District under the Stapleton Urban Redevelopment Area Cooperation Agreement, as amended between DURA and the City, and a Cooperation Agreement, as amended among DURA, the District and Westerly Creek, pursuant to which DURA agrees to pay to the District taxes collected by the City and paid to DURA from the Westerly Creek Limited Mill Levy, a limited ad valorem mill levy of not to exceed 50 mills, as adjusted of which at least 48.5 mills, as adjusted, must be levied for debt service, and (ii) the amount of Specific Ownership Taxes collected by the District from Westerly Creek in each twelve month period from December 1 through November 30 in the lesser amount of \$700,000, or the amount received.

The Series 2015 Senior Bonds were issued at a premium of \$25,193,519 which is being amortized over the life of the bonds. As of December 31, 2016, \$874,775 has been amortized.

Series 2016A Senior Limited Property Tax Supported Revenue Bonds

On December 21, 2016 the District issued \$28,000,000 of Senior Limited Property Tax Supported Revenue Bonds Tax-Exempt, Series 2016A (the "Series 2016 Bonds") to (i) repay Developer Advances and/or Reimbursement Notes, and (ii) pay cost of issuance relating to the Series 2016 Bonds. The Series 2016 Bonds mature on December 1, 2051 and bear interest at rates between 4.125% and 5.0%, payable semiannually on each June 1 and December 1, commencing on June 1, 2017. The Series 2016 Bonds maturing on or after December 1, 2027 are subject to a redemption prior to maturity at the option of the District commencing on December 1, 2026, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date. The Series 2016 Bonds maturing on December 1, 2051 are subject to mandatory sinking fund redemption commencing on December 1, 2037.

The Series 2016 Bonds are secured by Pledged Revenues on a parity basis with the Series 2015 Bonds.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

The Series 2016 Senior Bonds were issued at a premium of \$2,748,470 which is being amortized over the life of the bonds. As of December 31, 2016, \$2,724 has been amortized.

Advance Refunding of Debt

The Series 2013 Bonds were issued to provide resources to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$15,535,000 of Junior Subordinate Limited Property Tax Supported Revenue Bonds Series Bonds 2005 and \$28,930,000 of Subordinate Limited Property Tax Supported Revenue Bonds Series 2003 A and B. As a result, the refunded bonds are considered to be defeased, and the liabilities have been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,190,767. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the new debt issued. The refunding resulted in an economic gain of \$2,376,385 and an increase of \$23,603,032 in future debt service requirements.

The Series 2015 Bonds were issued to provide resources to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 2005 Bonds, the Series 2009 Bonds and the Series 2011A Bonds. As a result, the refunded bonds are considered to be defeased and the liabilities have been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$29,202,986. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the old debt issued. The refunding resulted in an economic gain of \$33,416,335 and an increase of \$84,972,084 in future debt service requirements.

The following is a summary of the annual long-term debt principal and interest requirements for the District's outstanding Limited Property Tax Supported Revenue Bonds.

	Principal	Interest	Total
2017	\$ 1,395,000	\$ 19,786,181	\$ 21,181,181
2018	2,200,000	19,806,700	22,006,700
2019	2,700,000	19,701,825	22,401,825
2020	5,775,000	19,564,300	25,339,300
2021	6,740,000	19,301,406	26,041,406
2022-2026	39,465,000	90,747,406	130,212,406
2026-2031	51,130,000	79,066,750	130,196,750
2032-2036	66,345,000	63,854,406	130,199,406
2037-2041	74,835,000	45,104,500	119,939,500
2042-2046	106,705,000	14,881,174	121,586,174
2047-2051	1,000,000	123,750	1,123,750
	<u>\$ 358,290,000</u>	<u>\$ 391,938,398</u>	<u>\$ 750,228,398</u>

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Developer Obligations

Subordinate Reimbursement Revenue Notes Payable

On June 15, 2011, the District converted \$9,003,223 of Developer Advances to a Taxable Subordinate Reimbursement Revenue Note In-Tract, Series 2011B (the “Series 2011B Note”) to Stapleton Land, LLC. The note accrues interest at the rate of 8.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing December 15, 2011 and matures June 1, 2051. The Series 2011B Note is payable solely from the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and subject to the prior claims on such pledged revenues. As of December 31, 2016, the outstanding balance of the note is \$7,779,933 and accrued interest due of \$18,366.

On June 15, 2011, the District converted \$873,784 of Developer Advances to a Taxable Subordinate Reimbursement Revenue Note In-Tract, Series 2011C (the “Series 2011C Note”) to Stapleton Land, LLC. The note accrued interest at the rate of 8.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing December 15, 2011 and matures June 1, 2051. The Series 2011C Note was payable solely from the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and subject to the prior claims on such pledged revenues. During 2016, this Note was paid in full.

On August 1, 2012, the District converted \$3,219,327 of Developer Advances to a Tax Exempt Subordinate Reimbursement Revenue Note In-Tract, Series 2012A (the “Series 2012A Note”) to Stapleton Land, LLC. The note accrues interest at the rate of 8.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing December 15, 2012 and matures June 1, 2052. The Series 2012A Note is payable solely from the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and subject to the prior claims on such pledged revenues. As of December 31, 2016, the outstanding balance of the note is \$3,164,499 and accrued interest due of \$12,702.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

On April 8, 2014, the District converted \$49,813,831 of Developer Advances to a Tax-Exempt Subordinate Reimbursement Revenue Note In-Tract, Series 2014A (the “Series 2014A Note”) to Stapleton Land, LLC. The note accrues interest at the rate of 8.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing June 15, 2014 and matures December 1, 2044. The Series 2014A Note is payable solely from the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and subject to the prior claims on such pledged revenues. As part of the Series 2014 Bonds issuance, \$4,128,198 was refunded, and as part of the Series 2015 Bonds issuance, \$30,784,374 of the Series 2014A Note was refunded. As of December 31, 2016, the outstanding balance of the note is \$14,901,259 and accrued interest due of \$59,812.

On April 1, 2015, the District converted \$41,125,415 of Developer Advances to a Tax-Exempt Subordinate Reimbursement Revenue Note In-Tract, Series 2015A (the “Series 2015A Note”) to Stapleton Land, LLC. The note accrues interest at the rate of 8.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing June 15, 2015 and matures December 15, 2054. The Series 2015A Note is payable solely from the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and subject to the prior claims on such pledged revenues. As of December 31, 2016, the outstanding balance of the note is \$41,125,415 and accrued interest due of \$165,073.

On April 1, 2015 the District converted \$4,000,000 of Developer Advances to a Tax-Exempt Subordinate Reimbursement Revenue Note In-Tract, Series 2015B (the “Series 2015B Note”) to Stapleton Land, LLC. The note accrues interest at the rate of 8.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing June 15, 2015 and matures December 15, 2054. The Series 2015B Note is payable solely from the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and subject to the prior claims on such pledged revenues. As of December 31, 2016, the outstanding balance of the note is \$4,000,000 and accrued interest due of \$16,056.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Subordinate Notes - Subsidized

On January 4, 2010, the District converted an additional \$6,372,959 of Developer Advances to a Taxable Subordinate Reimbursement Revenue Note In-Tract, Series 2010B (Build America Notes – Direct Payment) (the “Series 2010B Note”) to Stapleton Land, LLC which was issued under the US Government sponsored Build America Bond (BAB) program. The note accrues interest at the rate of 9.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing June 15, 2010 and matures December 15, 2049. The Series 2010B Note is payable solely from (i) the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and (ii) Subsidy Payments and subject to the prior claims on such pledged revenues. As of December 31, 2016, the outstanding balance of the note is \$6,372,959 and accrued interest due of \$28,590.

On September 8, 2010, the District converted an additional \$5,878,359 of Developer Advances to a Taxable Subordinate Reimbursement Revenue Note In-Tract, Series 2010C (Build America Notes – Direct Payment) (the “Series 2010C Note”) to Stapleton Land, LLC which was issued under the US Government sponsored Build America Bond (BAB) program. The note accrues interest at the rate of 9.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing December 15, 2010 and matures December 15, 2049. The Series 2010C Note is payable solely from (i) the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and (ii) Subsidy Payments and subject to the prior claims on such pledged revenues. As of December 31, 2016, the outstanding balance of the note is \$5,878,359 and accrued interest due of \$26,371.

On December 29, 2010, the District converted an additional \$6,180,826 of Developer Advances to a Taxable Subordinate Reimbursement Revenue Note In-Tract, Series 2010D (Build America Notes – Direct Payment) (the “Series 2010D Note”) to Stapleton Land, LLC which was issued under the US Government sponsored Build America Bond (BAB) program. The note accrues interest at the rate of 9.5% per annum, calculated on the basis of a 360 day year and actual days elapsed, payable semi-annually on June 15 and December 15 of each year commencing June 15, 2011 and matures December 15, 2050. The Series 2010D Note is payable solely from (i) the pledged revenues available to the District in accordance with the Reimbursement Agreement between the District and Stapleton Land, LLC and to the extent that funds become legally available for such purpose and (ii) Subsidy Payments and subject to the prior claims on such pledged revenues. As of December 31, 2016, the outstanding balance of the note is \$6,180,826 and accrued interest due of \$27,728.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

The Series 2010B Notes, Series 2010C Notes and Series 2010D notes were issued as “Build America Bonds” as defined by the American Recovery and Reinvestment Act of 2009. Per this act, the District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on the bonds on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States government, but is required to be paid under the Recovery Act. For 2016, per notification from the IRS, the subsidy payments applied for were reduced by 6.8% in May 2016 and 6.9% in November 2016 (“Sequestration Reduction”).

Junior Lien Reimbursement Revenue Notes payable

As of December 31, 2016, the District had \$8,102,555 of outstanding Junior Lien Reimbursement Revenue Notes payable. The notes are payable to an affiliate or partner of Forest City Enterprises. Interest on the Junior Lien notes accrues interest at the rate of 7.875% to 9.5% per annum payable semi-annually on June 15 and December 15 of each year. Accrued interest at December 31, 2016 totaled \$3,464,578. All notes are to be repaid from available Pledged Revenues (as defined in various bond indentures and reimbursement agreements), proceeds from future bond issues, or from funds available to the District not otherwise appropriated or obligated for any future purpose in any fiscal year at the District’s discretion until all notes and interest accrued thereon have been discharged.

Developer Advances

Forest City Enterprises, through an affiliate, has entered into various reimbursement agreements identified below under which funds are advanced to the District for process of construction costs including interest, and for debt service payments on certain outstanding bonds should Pledged Revenues not be available. Each type of advance is described below. As of December 31, 2016, the District had \$44,082,770 of outstanding developer advances and accrued interest of \$2,819,547. Advances are to be repaid from available Pledged Revenues (as defined in various bond indentures and reimbursement agreements), proceeds from future bond issues, or from funds available to the District not otherwise appropriated or obligated for any future purpose in any fiscal year at the District’s discretion until all notes and interest accrued thereon have been discharged.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Projects and Interest on Advances

The District has entered into the Third Amended and Restated Reimbursement Agreement for In-Tract Infrastructure dated December 3, 2009 and the Second Amended and Restated Reimbursement Agreement for Trunk Infrastructure dated February 28, 2013 with Stapleton Land, LLC, an affiliate of Forest City Enterprises (Developer). Under the terms of these agreements if available revenues are insufficient to fund construction or operating costs, the Developer agrees to make Developer Advances to fund such costs. Advances made under the In-Tract agreement accrue interest at prevailing market rates or 8.5%, subject to appropriate confirmation of the prevailing market rate for tax-exempt advances and 9.5% for taxable advances. Interest is due each June 15 and December 15 commencing June 15, 2010. The Agreements shall terminate July 14, 2025 or on the date of repayment of all amounts due and owing for Advances, whichever date occurs last.

Advances for Bond Interest

The District has entered into an Amended and Restated Reimbursement Agreement for Subordinate Bonds (In-Tract Infrastructure) dated May 1, 2013 as amended July 15, 2014. Under the terms of the Subordinate Agreement, if sufficient funds are not available to the District from Pledged Revenues the Developer has the discretion to advance the funds necessary for the District to pay debt service on the Subordinate Bonds and the Second Lien Subordinate Bonds. Advances accrue interest at the same rate as the bonds or loans for which the advance is made, which is between 8.0% and 9.5%. Advances and accrued interest shall be payable on December 15 of each year from pledged revenues, as defined in the Senior Indenture, available for repayment of Junior Lien Obligations in the Junior Lien Obligations Fund, if not pledged to other obligations, and from other funds available to the District not otherwise appropriated or obligated for any current or future purposes in any fiscal year, in the District's discretion. The Agreement shall terminate May 1, 2053 or until the date of repayment of all amounts due and owing for Advances, whichever date occurs last.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

The following is an analysis of changes in long-term debt for the period ending December 31, 2016:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Current Portion
Limited Property Tax Supported Revenue General Obligation Bonds:					
Series 2013 Bonds	\$ 50,000,000	\$ -	\$ -	\$ 50,000,000	\$ -
Series 2014 Bonds	50,000,000		-	50,000,000	-
Series 2015 Bonds	231,290,000		1,000,000	230,290,000	1,395,000
Series 2016 Bonds	-	28,000,000	-	28,000,000	-
Developer Obligations:					
Subordinate notes	73,069,565	-	2,098,459	70,971,106	-
Subordinate notes - subsidized	18,432,144	-	-	18,432,144	-
Junior lien notes	8,102,555	-	-	8,102,555	-
Developer advances	35,803,140	39,718,970	31,439,340	44,082,770	-
Total	<u>466,697,404</u>	<u>67,718,970</u>	<u>34,537,799</u>	<u>499,878,575</u>	<u>1,395,000</u>
Original issue discount	(703,292)	-	(27,183)	(676,109)	
Original issue premium	<u>25,158,528</u>	<u>2,748,469</u>	<u>842,508</u>	<u>27,064,489</u>	-
	<u>\$ 491,152,640</u>	<u>\$ 70,467,439</u>	<u>\$ 35,353,124</u>	<u>\$ 526,266,955</u>	<u>\$ 1,395,000</u>

Debt Authorization

As of December 31, 2016, the District had remaining voted debt authorization of approximately \$4,993,860,966. The District has not budgeted to issue any new debt during 2017. Per the District's Service Plan, the District cannot issue debt in excess of \$679,415,000 for In-Tract and \$706,905,000 for Trunk.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Note 5: Intergovernmental Agreement

The District and Westerly Creek entered into an Intergovernmental Financing and Construction Agreement (“IGA”) dated April 30, 2001. Per the IGA, the District will finance the construction costs for the In-Tract and Trunk Infrastructure in accordance with the Service Plan and will be responsible for the completion of the Infrastructure. Westerly Creek agreed to certify a mill levy on all taxable property within the Westerly Creek District of 48.5 mills (as adjusted) to repay all obligations and construction costs and 1.5 mills (as adjusted) to fund administrative and operating expenses of the Westerly Creek District and the District. Westerly Creek agreed to pay to the District any tax revenue it receives.

Note 6: Operating Lease

On November 15, 2010, the District leased office facilities under an operating lease with SDC Services Corporation (“SDC Services”). This lease was effective for five years beginning March 1, 2009 and expired on February 28, 2014. On March 1, 2014, the District entered into a new sublease agreement for office space with SDC Services. This lease expires on February 28, 2016. For the year ended December 31, 2016, total lease expense amounted to \$12,534. Future lease payments are as follows:

Year Ending	Lease
<u>December 31,</u>	<u>Payments</u>
2017	<u>\$ 350</u>

Note 7: Related Party

Two of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

The Developer oversees the development of infrastructure for the District through the Management Services Agreement dated April 30, 2001. Fees for services under the agreement are approved through Individual Facilities Development Agreements signed by the District, the Developer and City and County of Denver. For the year ended December 31, 2016, the District paid the Developer \$1,915,820 for these services. This expense is included as a part of the capital expenditure amount. At December 31, 2016, the District owed the Developer \$179,600 related to these services. In addition, the Developer may pay costs on behalf of the District, and the District then reimburses the Developer for these costs. All required accounting and management services are provided by SDC Services, an affiliate of Stapleton Development Corp. During 2016, \$249,637 was paid to SDC Services for accounting and management services. A portion of these expenses related to capital improvements are included in capital expenditures amount. Also see Note 6 for operating lease with SDC Services. During 2016, interest of \$12,922,787 was paid to the Developer and affiliated entities.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

Note 8: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 9: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

During 2016, the District purchased a pollution liability insurance policy. Paid premiums cover a ten-year period from 2016 and as such are accounted for as a prepaid asset that the District is amortizing until the end of that period, April 20, 2026. This policy provides insurance up to \$25 million for claims from pre-existing pollution conditions and up to \$25 million for claims on new pollution conditions on District property and is in place to protect the District. The City and County of Denver is principally responsible for remediation of the former Stapleton International Airport and carries its own pollution liability insurance policy. The prepaid balance as of December 31, 2016 is \$229,395.

Note 10: Contingencies

District management is aware that invoices related to Infrastructure construction in 2016 may have not been approved or presented for payment. To the extent these invoices are approved by all appropriate parties, the District will record the invoices in the District financial statements during the year ended December 31, 2016. The District estimates the total of these potential invoices is less than \$100,000.

Note 11: Interfund and Operating Transfers

The transfer of \$720,708 from the General Fund to the Debt Service Fund was transferred for the purpose of transferring Specific Ownership Taxes transferred from Westerly Creek Metropolitan District. The transfer of \$9,325 from the General Fund to the Capital Projects Fund was to pay costs associated with the public art.

Note 12: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable and accrued bond/loan interest payable are not due and payable in the current period and, therefore, are not in the funds.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2016

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances, loan and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

(THIS PAGE INTENTIONALLY LEFT BLANK)

SUPPLEMENTAL INFORMATION

(THIS PAGE INTENTIONALLY LEFT BLANK)

PARK CREEK METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2016

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Payments from Westerly Creek	\$ 22,296,100	\$ 22,296,100	\$ 21,964,629	\$ (331,471)
Interest subsidy income	600,000	580,000	580,402	402
Other income	<u>1,500</u>	<u>500</u>	<u>626</u>	<u>126</u>
Total Revenues	<u>22,897,600</u>	<u>22,876,600</u>	<u>22,545,657</u>	<u>(330,943)</u>
EXPENDITURES				
Interest expense	24,436,597	24,436,597	23,679,854	756,743
Principal	3,285,000	3,285,000	1,000,000	2,285,000
Paying agent fees	20,000	20,000	-	20,000
Bond issuance costs	-	800,000	765,860	34,140
Bond insurance	-	-	119,709	(119,709)
Repay developer advances - principal	-	29,940,000	32,038,459	(2,098,459)
Payments to Westerly Creek	<u>222,961</u>	<u>222,961</u>	<u>219,660</u>	<u>3,301</u>
Total Expenditures	<u>27,964,558</u>	<u>58,704,558</u>	<u>57,983,963</u>	<u>720,595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(5,066,958)	(35,827,958)	(35,438,306)	389,652
OTHER FINANCING SOURCES (USES)				
Refunding Bonds	-	28,000,000	28,000,000	-
Premium on bonds	-	2,800,000	2,748,469	(51,531)
Developer advances	8,000,000	5,000,000	3,792,316	(1,207,684)
Payment to escrow agent	-	-	-	-
Transfers in (out)	<u>700,000</u>	<u>700,000</u>	<u>720,708</u>	<u>20,708</u>
Total Other Financing Sources (Uses)	<u>8,700,000</u>	<u>36,500,000</u>	<u>35,261,493</u>	<u>(1,238,507)</u>
NET CHANGE IN FUND BALANCE				
	3,633,042	672,042	(176,813)	(848,855)
FUND BALANCE:				
BEGINNING OF YEAR	<u>3,620,095</u>	<u>595,355</u>	<u>595,355</u>	<u>-</u>
END OF YEAR	<u>\$ 7,253,137</u>	<u>\$ 1,267,397</u>	<u>\$ 418,542</u>	<u>\$ (848,855)</u>

The notes to the financial statements are an integral part of these statements.

PARK CREEK METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2016

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
System development fees	\$ 1,575,000	\$ 520,455	\$ (1,054,545)
Facility fees	4,016,000	5,097,300	1,081,300
Damage and mailbox fees	395,000	466,316	71,316
DURA bond draws/TIF Revenue	16,854,000	11,316,411	(5,537,589)
City and County of Denver P6	500,000	94,802	(405,198)
RTD Contribution	200,000	227,518	27,518
DPS funding	500,000	332,852	(167,148)
DWD funding	-	-	-
Other income	<u>200,000</u>	<u>29,907</u>	<u>(170,093)</u>
Total Revenues	<u>24,240,000</u>	<u>18,085,561</u>	<u>(6,154,439)</u>
EXPENDITURES			
Capital expenditures	52,305,000	43,476,558	8,828,442
Other capital expenditures:	836,000	290,740	545,260
Repay developer advances - principal	2,000,000	1,439,507	560,493
Repay developer advances - interest	<u>2,061,000</u>	<u>2,377,773</u>	<u>(316,773)</u>
Total Expenditures	<u>57,202,000</u>	<u>47,584,578</u>	<u>9,617,422</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(32,962,000)</u>	<u>(29,499,017)</u>	<u>3,462,983</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	33,000,000	31,386,858	(1,613,142)
Transfers in (out)	<u>1,000</u>	<u>9,325</u>	<u>8,325</u>
Total Other Financing Sources (Uses)	<u>33,001,000</u>	<u>31,396,183</u>	<u>(1,604,817)</u>
NET CHANGE IN FUND BALANCE	39,000	1,897,166	1,858,166
FUND BALANCE:			
BEGINNING OF YEAR	<u>248,821</u>	<u>5,092,892</u>	<u>4,844,071</u>
END OF YEAR	<u>\$ 287,821</u>	<u>\$ 6,990,058</u>	<u>\$ 6,702,237</u>

The notes to the financial statements are an integral part of these statements.

Section 4(b)

Updated Tax Revenue and Coverage Table

PARK CREEK METROPOLITAN DISTRICT
TAX REVENUES AND COVERAGE TABLE AND STATEMENT OF SPECIFIC OWNERSHIP TAX
(UNAUDITED)

	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Actual</u>
Assessed Value (collection year)	\$ 324,539,920	\$ 329,300,210	\$ 405,974,140
Mill Levy	54.096	54.306	54.920
Property Tax Revenue	\$ 17,556,312	\$ 17,882,977	\$ 22,296,100
Series 2001 Senior Bonds	-	-	-
Less Series 2001 Senior Bonds Debt Service Paid by Developer Advances	-	-	-
Series 2005 Senior Bonds Debt Service	4,291,262	4,287,600	-
Series 2005 Senior Bonds Capitalized Interest			
Series 2009 Senior Bonds Debt Service	6,885,337	6,890,538	-
Series 2009 Senior Bonds Pledged SO Tax (b)	(700,000)	(700,000)	-
Series 2011A Senior Bonds Debt Service	2,888,806	2,888,806	-
Series 2015A Senior Limited Property Tax Supported Revenue Refunding Bonds (d)			11,937,528
Series 2015 Senior Bonds Pledged SO Tax (b)	-	-	(700,000)
Series 2016A Senior Limited Property Tax Supported Revenue Refunding Bonds			-
Total Senior Bonds Net Debt Service	13,365,405	13,366,944	11,237,528
Revenues After Senior Bonds Debt Service	\$ 4,190,907	\$ 4,516,033	\$ 11,058,572
Series 2005 Senior Subordinate Bonds Debt Service (a)	-	-	-
Series 2005 Senior Subordinate Bonds Capitalized Interest	-	-	-
Revenue After Series 2005 Senior Subordinate Bonds Debt Service	\$ 4,190,907	\$ 4,516,033	\$ 11,058,572
Coverage Test	1.31	1.34	1.98
Series 2003 Subordinate Bonds Debt Service (c)	\$ -	\$ -	\$ -
Proceeds from 2013 Subordinate Bonds (c)	-	-	-
Series 2013 Subordinate Bonds Debt Service	3,437,500	3,437,500	3,437,500
Series 2013 Subordinate Bonds Capitalized Interest	(510,121)	-	-
Series 2014 Second Lien Subordinate Bonds Debt Service	1,369,444	3,625,000	3,625,000
Series 2014 Second Lien Subordinate Bonds Capitalized Interest	(1,369,444)	(630,556)	-
Revenue After Subordinate Bonds Debt Service	1,263,528	(1,915,911)	3,996,072
Total Annual Specific Ownership Taxes (b)	\$ 1,224,301	\$ 1,390,530	\$ 1,523,743

This table information provided pursuant to sections 3 and 4 of Continuing Disclosure Agreements dated November 1, 2005, April 1, 2009, May 12, 2011, July 17, 2013, December 17, 2015 and December 21, 2016 with respect to the Park Creek Metropolitan District Senior Limited Property Tax Supported Revenue Refunding Bonds Series 2005, Series 2009 Series 2011, Series 2013, Series 2015A and Series 2016A respectively.

(a) \$47.385 million of Senior Limited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2011A were issued May 12, 2011 and used in part to refund \$42 million of Series 2005 Junior Subordinate Bonds.

(b) Total Annual Specific Ownership Taxes' line amount represents total specific ownership tax for calendar year. Up to \$700,000 of specific ownership tax is pledged to debt service for the Series 2009 & 2015A Bonds only.

(c) \$50 million of Subordinate Limited Property Tax Supported Revenue Bonds Series 2013 were issued July 17, 2012 and used in part to refund in full both the Series 2003 A & B Subordinate Bonds in the amount of \$28,930,000 and 2005 Junior Subordinate Bonds in the amount of \$15,535,000.

(d) \$231.290 million of Senior Limited Property Tax Supported Revenue Refunding Bonds Series 2015A were issued December 17, 2015 and used to refund the Series 2005, Series 2009 & Series 2011A Senior Bonds.

Section 4(c) and 4(d)

Updated Property Tax Information

Largest Property Taxpayers

SO Taxes for the Latest Annual Period

PARK CREEK METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY, PROPERTY TAXES COLLECTED AND SPECIFIC OWNERSHIP TAXES BY WESTERLY CREEK METROPOLITAN DISTRICT December 31, 2016

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property	Mills Levied		Total Property Tax		Percent Collected to Levied	ANNUAL SO TAXES (1)
	Tax Levy	General Fund	Debt Service	Levied	Collected		
2013	\$ 291,424,490	1.659	53.652	\$ 16,118,980	\$ 15,435,103	95.76%	n/a
2014	\$ 324,539,920	1.673	54.096	\$ 18,099,267	\$ 17,298,680	95.58%	n/a
2015	\$ 329,300,210	1.680	54.306	\$ 18,436,202	\$ 18,427,403	99.95%	\$ 1,378,848
2016	\$ 405,974,140	1.699	54.920	\$ 22,985,850	\$ 22,640,844	98.50%	\$ 1,523,269
Estimated for year ending December 31,							
2017	\$ 430,614,130	1.707	55.192	\$ 24,501,513			

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

(1) As defined in the trust indenture

PARK CREEK METROPOLITAN DISTRICT

LARGEST PROPRTY TAXPAYERS WITH IN THE TAXING DISTRICT

December 31, 2016

Taxpayer	Market Value			Assessed Value			% of Total Assessed Valuation
	Real	Personal	Total	Real	Personal	Total	
Stapelton North Town LLC	\$ 65,399,600		\$ 65,399,600	\$ 18,965,884		\$ 18,965,884	4.40%
United Properties of Colorado	37,760,200		37,760,200	10,950,470		10,950,470	2.54%
ASP Denver LLC	36,347,800		36,347,800	10,540,862		10,540,862	2.45%
FC Stapleton II LLC	48,889,200		48,889,200	9,707,230		9,707,230	2.25%
Town Center Rental LLC	68,266,700		68,266,700	8,287,700		8,287,700	1.92%
EJ Stapleton Business Park LLC	26,409,600		26,409,600	7,658,790		7,658,790	1.78%
Nobel/Sysco Food Services	21,007,100	3,716,041	24,723,141	6,092,060	1,077,650	7,169,710	1.66%
IA Denver Quebec Square LLC	24,713,103		24,713,103	7,166,800		7,166,800	1.66%
Walmart Real Estate Business	14,262,000	1,530,028	15,792,028	4,135,980	443,707	4,579,687	1.06%
Swire Pacific Holdings Inc.	13,511,800	204,680	13,716,480	3,918,422	59,357	3,977,779	0.92%
				<u>\$ 87,424,198</u>	<u>\$1,580,714</u>	<u>\$ 89,004,912</u>	<u>20.67%</u>

(THIS PAGE INTENTIONALLY LEFT BLANK)

A debt service schedule for any parity
bonds issued by the District but
not publicly offered

None

(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX C
CONSULTANT'S TAX STUDY

(THIS PAGE INTENTIONALLY LEFT BLANK)

PARK CREEK METROPOLITAN DISTRICT MARKET & REVENUE ANALYSIS

PREPARED FOR:

PARK CREEK METROPOLITAN DISTRICT

PREPARED BY:

KING & ASSOCIATES, INC.

LITTLETON, CO 80127

303.333.3834

DECEMBER 2017

(THIS PAGE INTENTIONALLY LEFT BLANK)

Table of Contents

Introduction	2
Executive Summary	3
Project Development Status	5
Project Trade Areas	6
Demographic Trends & Forecasts	7
Employment Trends & Forecasts	9
Metro Denver Real Estate Market Trends	11
Trade Area Real Estate Market Trends	18
Metro Denver and Trade Area Real Estate Demand Forecasts	27
Stapleton Development Trends & Projections	32
Property Tax Valuation & Collection Trends	37
Summary, Findings & Conclusions	38
Westerly Creek / Park Creek Metropolitan District Assessed Value & Revenue Projections	40

INTRODUCTION

This report provides a market analysis and revenue (property tax) forecast for Park Creek Metropolitan District located within the Stapleton Redevelopment Area, in the city of Denver, Colorado.¹ Real estate market conditions within a defined trade area have been analyzed in context of planned development within Westerly Creek / Park Creek Metropolitan District. This report has been completed in consideration of timing, intensity and land uses planned in Westerly Creek / Park Creek Metropolitan District in context of real estate market characteristics and trends within the metropolitan Denver region and more specifically, the project trade areas.

¹ Park Creek Metropolitan District is the control district within the Stapleton Urban Renewal Area. The geographic boundaries of Westerly Creek Metropolitan District overlay a portion of the Stapleton Urban Renewal Area. Development and subsequent property and specific ownership tax revenue generated in Westerly Creek Metropolitan District is assigned to Park Creek Metropolitan District. The terms Westerly Creek / Park Creek Metropolitan District, District and Stapleton as presented in this report refer to development in Westerly Creek Metropolitan District, with property and specific ownership tax revenue assigned to Park Creek Metropolitan District.

EXECUTIVE SUMMARY

- Redevelopment of Denver's former Stapleton Airport site includes residential, commercial (office, retail, industrial) and hotel land uses planned for completion over a multi-year period.
- This report assesses the timing and scale of future development anticipated in Stapleton and also provides a revenue forecast that addresses existing and planned development.
- Development projections have been assessed in light of current and anticipated future market characteristics and trends within metro Denver and the project trade area.
- Development in the District through 2016 totals 8,603 dwelling units and 6 million square feet of commercial retail, office, industrial and hotel space.
- Future development in the District is anticipated to total 3,758 single and multi-family residential units and 3.6 million square feet of office, retail and industrial space along with 918 hotel rooms.
- On an annual basis, planned development equals 752 homes (408 single-family and 344 multi-family), 509,000 square feet of commercial space (office – 230,000, retail – 62,000 and industrial – 217,000 square feet per year) and 131 hotel rooms.
- Metro area population and household growth is forecast at lower rates than recent trends and employment levels are projected to increase by 1.9% annually from 2016 through 2026.
- Trade area population and household growth is projected to decrease compared to recent trends (Population growth - 1.4% and Household growth – 1.5% annually).
- Since 2012 (2012 – 2016) residential development in Stapleton has averaged nearly 750 homes per year.
- Stapleton has dominated the trade area's new home market with recent market share rates equaling 50% and a 24% of respective single-family detached and attached new home sales from 2016 through June of 2017.
- Residential and commercial market trends were presented for the trade area to provide an indication of overall market performance.
- In 2016, positive trends were registered in the office, retail and industrial real estate markets (decreased vacancies, positive demand and stabilized average lease rates) and marked the fifth consecutive year of positive performance.
- Positive performance has also been registered in the residential market during the past five years (2012 – 2016) with increased building permits and strong multi-family market trends.
- Demand forecasts were presented for residential and commercial market segments within the trade area from 2017 through 2030.
 - Residential demand – 3,500 to 4,000 units per year (1,400 – 1,600 attached, 700 – 800 detached and 1,400 – 1,600 multi-family units).
 - Commercial demand – office - 135,000 to 190,000, retail - 225,000 to 270,000 and industrial demand - 1.6 to 1.8 million square feet per year.
- The demand forecasts provide a baseline for assessing the timing, amount and type of commercial and residential development scheduled for completion within the District.
- The I-70 corridor within the trade area is changing rapidly from primarily an industrial / warehouse zone to an area with a wide-array of retail, office and residential development.
- Large-scale project development and infrastructure projects will continue to benefit the trade area and the District.
- The pace of recent development in the nearby Anschutz Medical Campus has intensified (including the VA Hospital with projected opening in 2017) and the East Rail Line (A Line) began scheduled service in the spring of 2016 with a station in the District at Central Park Boulevard.

- Stapleton (District) has established itself as a leader in the trade area's – as well as metro Denver – residential and commercial real estate markets.
- King & Associates, Inc. believes that projected development in the District is reasonable in light of current and anticipated real estate market conditions in the trade area.
- Preliminary assessed value of real and personal property in the District is approximately \$514 million for the 2018 tax collection year and represents a 18% increase from assessed value in 2017, which totaled \$434 million.
- Assessed Value and revenue forecasts have been completed for the District for tax collection years 2018 through 2032.
 - Assessed value of real and personal property is forecast to increase from \$514 million to \$1.1 billion during the 2018 through 2032 (collection years) period.
 - Corresponding property tax revenue (net of 1% collection fee) during the forecast period is projected to increase from \$30 to \$67 million (collection years 2018 - 2032).

PROJECT DEVELOPMENT STATUS

Current Development Status

- Data from the City and County of Denver, Forest City Stapleton and King & Associates, Inc. has been reviewed to determine the amount of development in the District through the end of 2016.²
- In total, 8,603 homes have been constructed (see footnote #1) in the District through year-end 2016.
 - Single-family detached homes – 4,904 units.
 - Single-family attached homes – 2,270 units.
 - Multi-family – 1,429 units.
- Approximately 6 million square feet of commercial space has been constructed in the District through the end of 2016.
 - Office space – 361,000 square feet.
 - Retail space – 2.2 million square feet.
 - Industrial space – 3.3 million square feet.
 - Hotels – 185,000 square feet (282 rooms).
- The following table outlines commercial and residential development within the District through year-end 2016.

Westerly Creek / Park Creek Metropolitan District Residential and Commercial Development Status – 2016

<i>Residential (Housing units)</i>		<i>Commercial (Square feet)</i>	
Single-family detached	4,904	Office	361,000
Single-family attached	2,270	Retail	2,203,000
Multi-family	1,429	Industrial	3,263,000
		Hotels	184,662
<i>Total</i>	<i>8,603</i>	<i>Total</i>	<i>6,011,662</i>

Source: City & County of Denver Assessor's records, Forest City Stapleton, Inc.,
King & Associates, Inc.

Note: Development data as of year-end 2016.

² Data reviewed from the City and County of Denver Assessor's office includes partial assessments pertaining to real property. Partial assessments involve valuation of commercial and residential structures that are under construction but not fully completed at the end of each year. Data supplied by the Assessor does not detail the level of building completion for partially assessed residential and commercial structures.

PROJECT TRADE AREAS

To assess development planned within Stapleton, King & Associates, Inc. has identified several trade areas based on residential and commercial land use classifications.

- Trade area boundaries are based on the geographic area from which existing and anticipated projects will provide competition for residential and commercial development planned in the District.
- The trade areas also consider the area in which potential homebuyers reside as well as the location in which customers and users who will support development planned in the District live.

Defined trade areas are listed as follows:

Office

- The office trade area includes the northeast office submarket area with the following approximate boundaries: 120th Avenue to the north, 6th Avenue to the south, I-25 to the west and the approximate E-470 alignment to the east.

Retail

- The retail trade area includes the northeast retail submarket area with the following approximate boundaries: 160th Avenue to the north, 6th Avenue to the south, Quebec Street to the west and the approximate E-470 alignment to the east.

Industrial

- The industrial trade area includes the east industrial submarket area with the following approximate boundaries: 56th Avenue to the north, Alameda Avenue to the south, I-25 to the west and the approximate E-470 alignment to the east.

Residential

- The residential trade area includes a geographic area extending from a 5-mile radius of the District.

DEMOGRAPHIC TRENDS AND FORECASTS

Demographic trends and forecasts are presented for metropolitan Denver and the trade area and include population, households and average household size. Demographic trends and forecasts, particularly relating to households, provide a basis for forecasting housing demand.

Metro Denver Demographic Trends & Forecasts

Population

- Population in metro Denver was just over 2.4 million in 2000.
- Current population (2015) in the metro area is estimated at 3.1 million.
- Since 2010, population has increased by an average of 55,561 residents per year, reflecting a 1.9% annual growth rate.
- Metro Denver population is forecast to reach 3.8 million by 2030, increasing by 49,095 residents per year and reflecting an average annual growth rate of 1.4%.

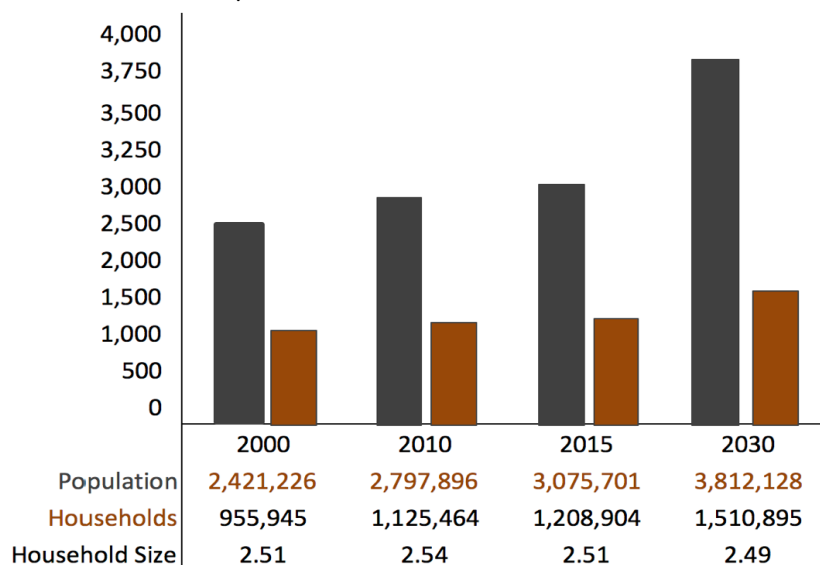
Households

- The number of metro Denver households equaled 955,945 in 2000.
- The current number of households in the metro area (2015) is approximately 1.2 million.
- From 2010 to 2015, the number of metro area households increased by 16,688 per year, reflecting a 1.4% average annual growth rate.
- Metro area households are projected to increase by 20,133 per year with the overall number of households reaching approximately 1.5 million by 2030.
- The average annual household growth rate during the forecast period equals 1.5%.

Household Size

- Metro Denver average household size decreased from 2.54 in 2010 to 2.51 in 2015.
- Average household size in the metro area is projected to decrease to 2.49 by 2030.
- The following graphic presents metro Denver demographic trends and forecasts.

Metro Denver - Population Trends and Forecasts



Source: Colorado Department of Local Affairs, King & Associates, Inc.

Trade Area Demographic Trends & Forecasts

Population

- Population in the trade area increased from 364,859 in 2010 to 419,849 in 2017.
- From 2010 to 2017, population increased by 7,856 residents per year and the average annual population growth rate equaled 2%.
- Population within the trade area is forecast to reach 509,509 residents by 2030.
- This reflects an average increase of 6,897 residents per year or an annual growth rate of 1.5%.

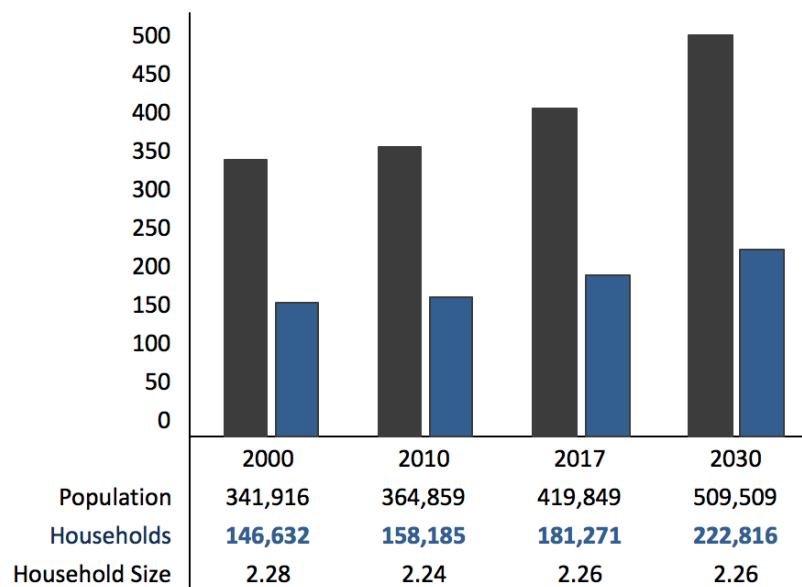
Households

- Trade area households equaled 158,185 in 2010 and increased to 181,271 by 2017.
- Since 2010, 3,298 new households per year have been formed in the trade area, equaling a growth rate of 2% annually.
- Trade area households are forecast to reach 222,816 by 2030.
- This equals an increase of 3,196 households per year or an annual growth rate of 1.6%.

Household Size

- In 2010, the average household size in the trade area was 2.24.
- Average household size increased to 2.26 in 2017 and is forecast to remain at 2.26 by 2030.
- The following table presents trade area demographic trends and forecasts.

Trade Area – Demographic Trends & Forecasts



Source: Colorado Department of Local Affairs, King & Associates,

EMPLOYMENT TRENDS AND FORECASTS

Employment trends in the Denver / Aurora, MSA (Metropolitan Statistical Area) have been reviewed over the past several years, including overall employment levels, job growth and unemployment rates. Employment trends and forecasts are an indicator of residential housing demand.

Employment Trends

- Since 2012, employment growth in the Denver/Aurora, MSA (does not include the Boulder / Longmont, MSA) has increased steadily.
- In 2012, Denver/Aurora, MSA employment stood at 1.25 million.
- At year-end 2016, metro area employment had increased to 1.43 million, equaling growth of 37,000 jobs per year or an increase of 3.5% annually from 2012 through 2016.
- During 2017, continued growth has been registered in the Denver/Aurora, MSA, with employment reaching 1.48 million through August.
- This represents an increase of 28,000 jobs during the past year when comparing employment levels in August 2017 with same period employment in August 2016.

Unemployment Trends

- The unemployment rate in the Denver / Aurora, MSA has trended downward the past several years.
- In 2012 the unemployment rate was 7.6%.
- The unemployment rate in the Denver / Aurora, MSA as of year-end 2016 was 3.1% and the current (August 2017) unemployment rate stands at just 2.2%.
- The following table and chart present employment and unemployment trend information for the Denver / Aurora, MSA.

Denver / Aurora, MSA Employment Trends (in 000's)

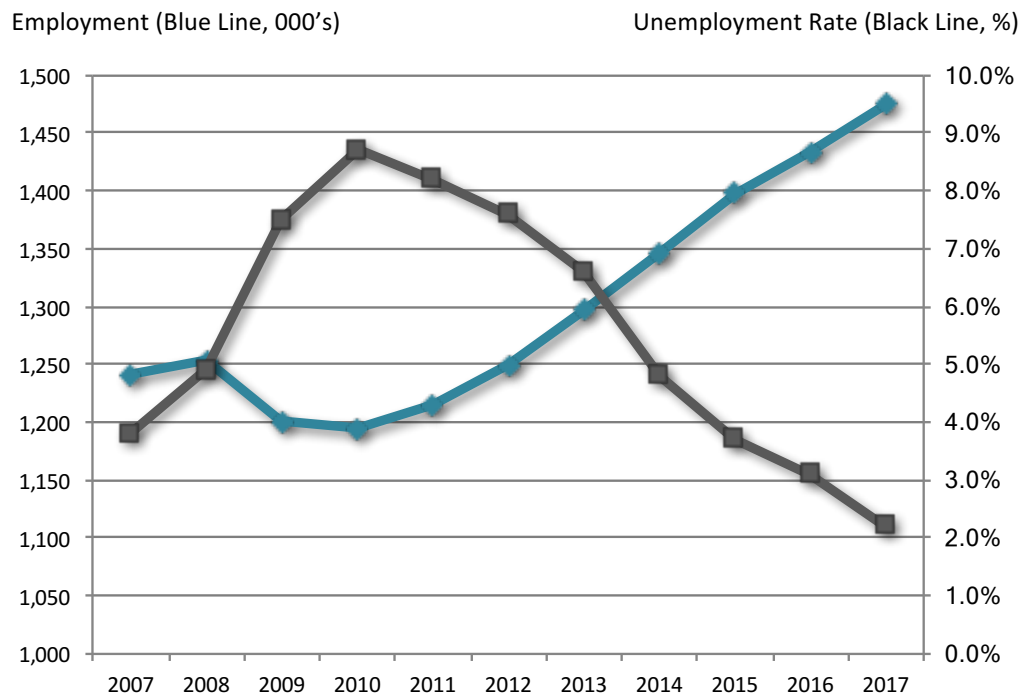
Year	Employment	Change		Unemployment
		Numeric	Percent	Rate
2000	1,211			2.6%
2012	1,250	35	2.90%	7.6%
2013	1,296	47	3.74%	6.6%
2014	1,346	50	3.86%	4.8%
2015	1,397	51	3.79%	3.7%
2016	1,433	36	2.54%	3.1%
2017	1,475	28	1.96%	2.2%

Source: Bureau of Labor Statistics, King & Associates, Inc.

Notes:

1. Data reflects non-seasonally adjusted, wage and salary employment.
2. Employment and unemployment data through August 2017.
3. Numeric employment increase for 2017 compares August 2017 with August 2016.

Denver / Aurora, MSA, Employment & Unemployment Trends Graphic



Source: King & Associates, Inc.

Employment Forecasts

- The Colorado Division of Labor and Employment has completed employment forecasts for counties and statistical areas in the State of Colorado.
- The most recent forecast for the Denver / Aurora, MSA extends from a base year of 2016 to 2026, during which time employment is projected to increase from approximately 1.5 to 1.8 million.
- During the ten-year period, employment is forecast to increase by approximately 31,000 jobs per year or by a rate of 1.86% annually.
- The following table presents forecast employment for the Denver / Aurora, MSA from 2016 to 2026.

Denver / Aurora, MSA Employment Trends

Year	2016	2026
Employment	1,535,613	1,845,703
Change		
Numeric		31,009
Percent		1.86%

Source: Colorado Division of Labor and Employment.

Note: Forecast reflects total employment, which is higher than wage and salary employment data presented in the previous table.

METRO DENVER COMMERCIAL & RESIDENTIAL REAL ESTATE TRENDS

This report section provides an overview of metro Denver commercial and residential real estate trends.³ Information presented includes commercial market performance measures such as vacancy rates, lease rates and absorption (demand). Residential market data includes build trends and existing home sales as well as rental housing (apartment) market data.

Commercial Market Trends

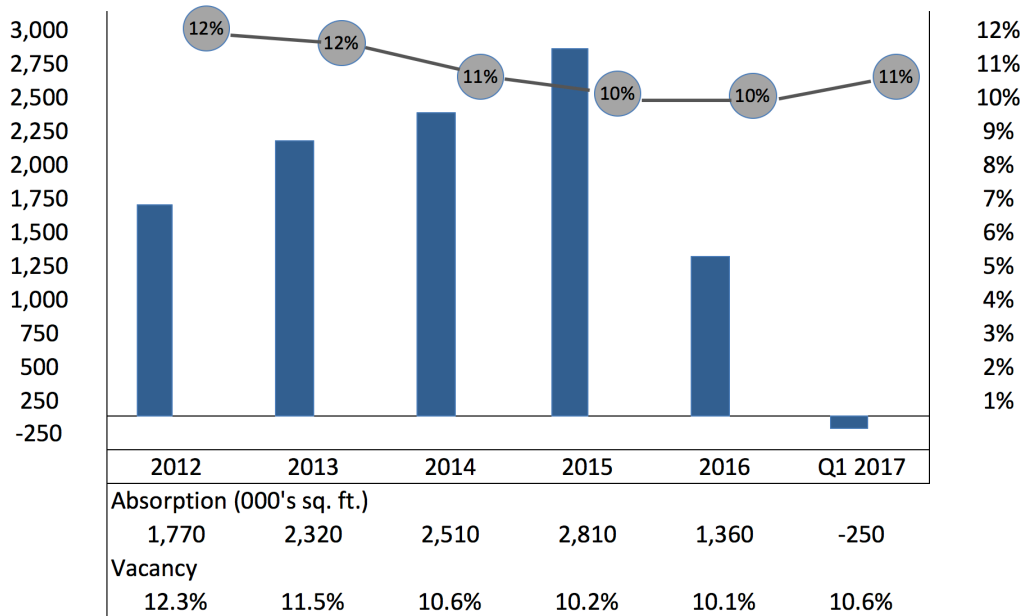
The commercial real estate market includes office, retail and industrial market segments. Positive trends have been registered in the metro Denver commercial real estate market during the past five years.

Office Market

- The metro Denver office market currently includes 181.2 million square feet of space.
- Since 2012, office market trends have been characterized by falling vacancies, strong demand and increasing average lease rates.
- Vacancy rates are a good indicator of commercial real estate market performance and metro area office vacancy rates decreased from 12.3% at the end of 2012 to 10.1% at year-end 2016.
- Current-year office vacancies have increased slightly to 10.6% as of Q1-2017.
- Absorption rates provide a measurement of demand and are calculated by comparing the change in the amount of leased space between two periods in time.
- Office demand has been very strong during the past five years with absorption ranging from approximately 1.36 million square feet in 2016 to 2.8 million square feet in 2015.
- The demand for office space during the current year has been weak with negative -250,000 square feet absorbed through first quarter of 2017.
- As with other office market performance measures, lease rate trends have improved positively during the past several years, increasing from an average of \$20.82 per square foot in 2012 to \$25.11 per foot at the end of 2016.
- Through first quarter of 2017, average lease rates have increased slightly - compared with year-end 2016 - and stand at \$25.17 per square feet.
- Office space construction in the metro Denver area has averaged nearly 1.4 million square feet per year, ranging from a low of 1 million square feet in 2012 to 2.3 million square feet in 2015.
- During the current year (2017), 770,000 square feet of office space has been completed in the metro area through the first quarter.
- The following graphic details metro Denver office market absorption and vacancy trends.

³ Metro Denver commercial market data does not include the Boulder / Longmont market area.

Metro Denver Office Market Absorption and Vacancy Trends (000's)



Source: Newmark, Knight, Frank, Grubb & King & Associates, Inc.

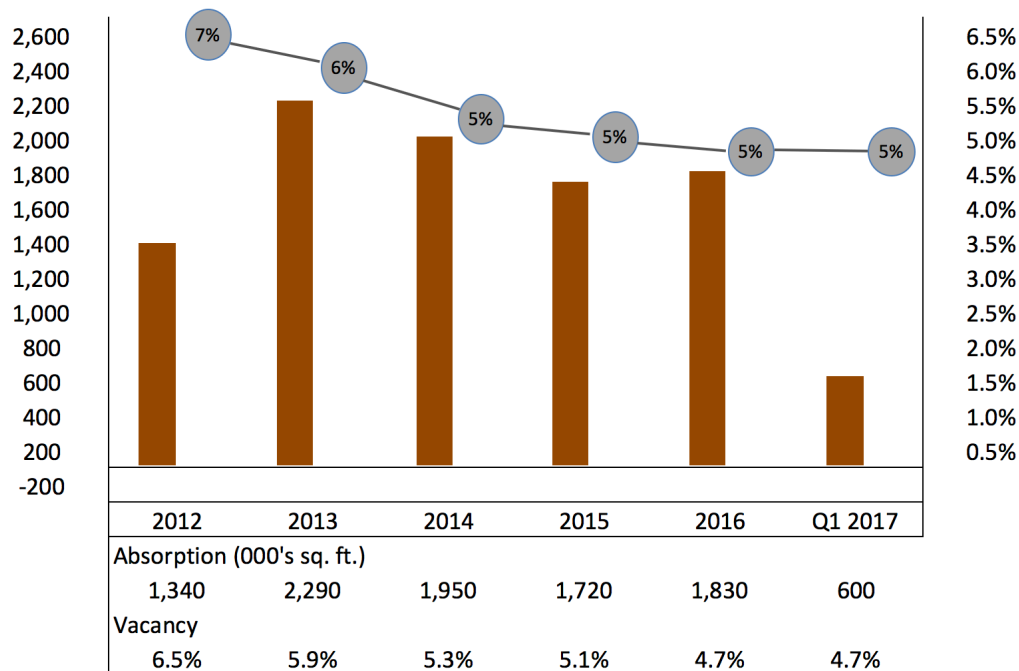
Note:

1. Absorption – 000's of square feet.
2. Vacancy rates in graphic have been rounded.

Retail Market

- The metro Denver retail market contains approximately 159 million square feet of space and positive trends have been registered in this segment of the metro area's commercial real estate market since 2012.
- Metro Denver retail vacancy rates have fallen from 6.5% at the end of 2012 to just 4.7% at year-end 2016.
- As of first quarter 2017, the metro area retail vacancy rate stood at 4.7% and was unchanged from the 4.7% vacancy rate at year-end 2016.
- Absorption has averaged 1.8 million square feet annually from 2012 through 2016 and nearly 700,000 square feet has been absorbed through the first quarter of 2017.
- Lease rates have improved from \$14.76 per square foot in 2012 to a current average of \$16.82 per square foot as of Q1 – 2017.
- Retail construction in the metro Denver area has averaged nearly 1.2 million square feet per year, ranging from a low of 700,000 square feet in 2012 to 1.45 million square feet in 2013.
- During the current year (2017), 530,000 square feet of retail space has been completed in the metro area through the first quarter.
- The following graphic details metro Denver retail market absorption and vacancy trends.

Metro Denver Retail Market Absorption and Vacancy Trends (000's)



Source: CoStar Group & King & Associates, Inc.

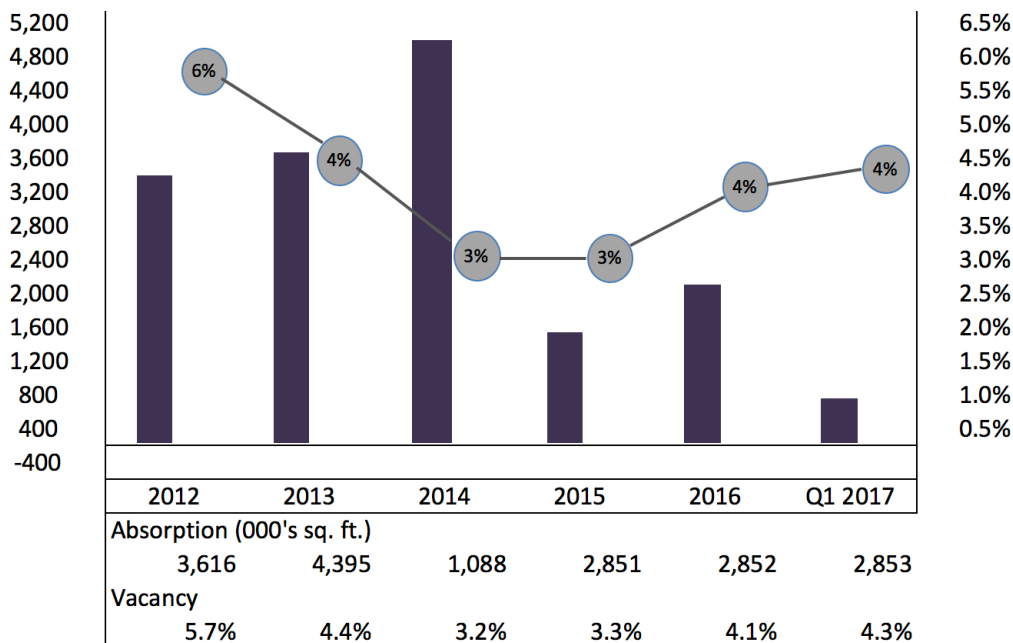
Notes:

1. Absorption – 000's of square feet.
2. Vacancy rates in graphic have been rounded.

Industrial Market

- The metro Denver industrial market contains nearly 201 million square feet of space.
- Industrial market performance trends have been positive since 2012 with decreasing vacancy rates, strong demand and increasing average lease rates.
- Vacancy rates have declined from 5.7% in 2012 to 4.1% at the end of 2016.
- Current year (2017) vacancies have increased slightly, with first quarter rates rising to 4.3%.
- Since 2012, demand has varied with 1.3 million square feet absorbed in 2015 compared with nearly 5 million square feet in 2014.
- Absorption has averaged nearly 3 million square feet per year since 2012 with 630,000 square feet absorbed during the first quarter of 2017.
- Lease rates have increased from an average of \$4.71 per square foot in 2012 to \$7.18 per square foot at the end of 2016.
- During the current year (2017), average lease rates have increased marginally to \$7.19 per square foot.
- Industrial construction has averaged nearly 2 million square feet annually in metro Denver from 2012 through 2016; ranging from 660,000 square feet in 2012 to 3.8 million square feet in 2016.
- During the first quarter of 2017, 1.2 million square feet of industrial space has been constructed in metro Denver.
- The following graphic details metro Denver industrial market absorption and vacancy trends.

Metro Denver – Industrial Market Absorption and Vacancy Trends (000's)



Source: CoStar Group, King & Associates, Inc.

Notes:

1. Average lease rates reflect warehouse space.
2. Absorption – 000's of square feet.
3. Vacancy rates in graphic have been rounded.

Residential Market Trends

The for-sale residential real estate market – comprised of new and existing single-family attached and detached homes – has been very active since 2012. Performance within the rental apartment market has been very positive since 2012 as well.

For-sale market

- The for-sale segment of the metro Denver housing market includes single-family detached and attached (townhomes and condominiums) homes.
- Since 2012, building activity has been very strong in both the single-family attached and detached residential market segments.

Single-family Attached Building Permits

- Building permit trends provide a leading indicator of housing supply and demand within metro Denver and the trade area.
- The number of single-family attached building permits issued in the metro area have increased successively each year from 1,026 units in 2012 to 2,973 in 2016.
- In the past year, metro area attached building activity increased by 9% from 2,078 permits in 2015 to 2,973 permits in 2016.

- Through July of the current year (2017), 2,091 attached permits have been issued in metro Denver, marking a 40% increase from the 1,497 permits issued through July of 2016.
- The single-family attached market segment also includes condominiums, which represent a segment of the metro area housing market that has registered limited development activity due to construction defects litigation that impacted development over the past several years (see following note).
- However, in light of recent legislation, the number of building permits issued for condominium units in the metro Denver area has jumped from 36 to 581 units during the past year (July 2016 to July 2017).

Construction defects note:

In the past several years, project developers and building contractors have been the focus of class action lawsuits involving construction defects, brought forth by homeowner's associations of recently completed attached (particularly condominiums) residential projects. Because of this trend, developers, contractors and lenders have been extremely hesitant to develop new attached residential projects in the State of Colorado. A review of building permit trends shows that very few condominium units have been permitted in the metro Denver area over at least the past five years. However, legislation was recently enacted to addresses the scope and timing of construction defects lawsuits and allowing developers to more readily build attached housing projects.

Single-family Detached Building Permits

- Single-family detached building permits issued in the metro area have also increased every year over the last five years, comparing 5,406 permits in 2012 with 9,222 in 2016 and equaling a 14% increase per year.
- Metro area building activity increased by 7% in the past year; comparing 9,222 permits issued in 2016 with 8,652 permits in 2015.
- During the current year (2017), single-family detached building activity has increased by 9% with 5,985 permits through July of 2017, compared with 5,468 same period permits issued in 2016.
- The following table details metro Denver single-family (attached and detached) building permit trends.

Metro Denver Single-Family (Attached and Detached) Building Permit Trends

Location	2012	2013	2014	2015	2016	2017
Single family attached	1,026	1,402	1,972	2,078	2,973	2,091
Single family detached	5,406	6,671	7,543	8,652	9,222	5,985
Total	6,432	8,073	9,515	10,730	12,195	8,076
Prior period change	47%	26%	18%	13%	14%	16%

Source: Metro Denver Homebuilders Association, King & Associates, Inc.

Notes:

1. 2017 data through July.
2. 2017 value for prior period change compares July of 2016 with July 2017.
3. 2012 prior period change represents change from 2011 to 2012.

Existing Home Sales Trends

- Existing home sales also provide an indication of residential market supply and demand trends.
- Active listings (inventory) and sales rates (demand) of existing homes indicate potential sales and demand rates in the new home market segment.
- There were 47,252 existing home sales registered in the metro Denver area in 2012.
- In 2016, existing homes sales totaled 60,285 units and represented a 1% increase from sales (59,860 units) in 2015.
- Existing home sales through August 2017 totaled 43,693 units and were up by 8% from the 40,416 units sold during the same-period sales in 2016.
- The number of active listings (supply) increased very slightly from year-end level of 4,988 in 2015 to 5,024 in 2016 and there were 5,462 active listings in the metro Denver region as of August 2017.
- Sales prices for existing homes have increased steadily (8.2% annually) in the Denver metro region from a median of \$252,000 in 2012 to \$345,000 in 2016.
- During the current year, home prices have increased sharply (7.7%), comparing an annual median price of \$345,000 in 2016 with a median price of \$371,500 as of August 2017.
- The real estate industry uses the term “months supply of inventory” (unsold inventory) to describe the balance between existing home sales rates and the number (inventory of homes for sale) of active listings in a given geographic market area.
- This statistic indicates the number of months it would take to sell all homes listed for sale at a given point in time (active listings) based on recent average sales rates.
- It is generally held that declining unsold inventory (months supply) trends are a positive indicator of housing market strength.
- Months supply of inventory in metro Denver has declined from 2012 (2.8 months supply) through 2016 (1.2 months supply).
- As of August 2017, months supply of inventory increased to 1.8.
- However, the current supply (1.8 months supply) of existing homes available for sale in the metro Denver area remains very limited and creates upward pressure on existing home prices and ultimately, potential demand for newly constructed homes.
- The following table provides existing home sales and inventory trends for metro Denver.

Metro Denver – Existing Home Sales and Supply Trends

Year	2012	2013	2014	2015	2016	2017
Median Sales Price	\$252,000	\$275,300	\$274,500	\$310,000	\$345,000	\$371,500
Existing home sales	47,252	55,760	56,911	59,860	60,285	43,693
Average sales per month	3,938	4,647	4,743	4,988	5,024	5,462
Active listing	11,036	12,810	8,503	8,304	5,890	10,050
Months Supply	2.8	2.8	1.8	1.7	1.2	1.8

Source: Colorado Association of Realtors, King & Associates, Inc.

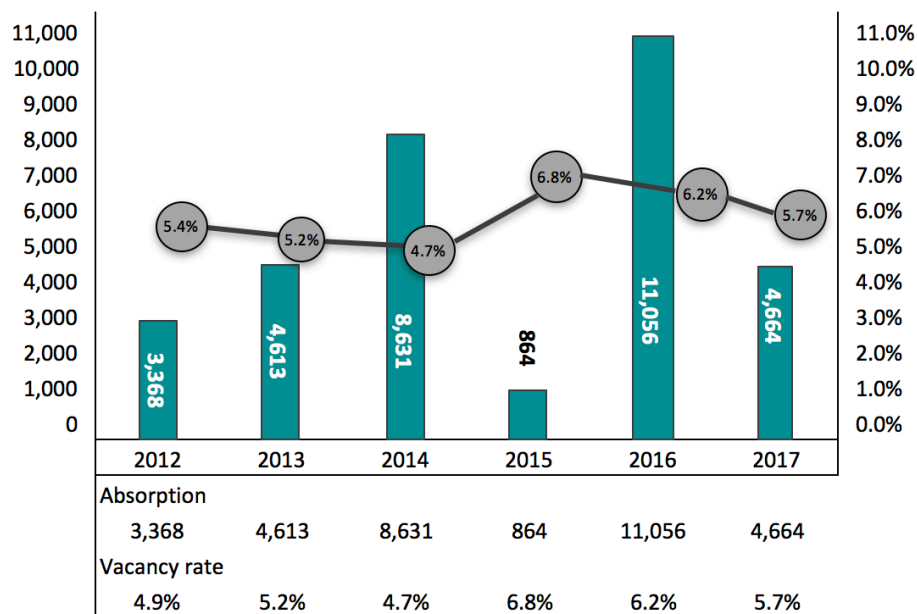
Notes:

1. Months supply of inventory indicates the number of months required to sell all listed homes based on the corresponding average monthly sales rate for a given period.
2. 2017 data as of August.

Rental Market (Apartment)

- Apartment market trend data includes building permits, vacancy rates, rental rates and absorption (demand).
- Since 2012, the metro area's apartment market has been very strong and performance trends within all measurement categories have been positive.
- During the past five years, apartment building permits have increased in each successive year from 3,240 units in 2012 to 9,222 units in 2016.
- Through August of the current year (2017), there have been 6,851 apartment permits issued in metro Denver, marking an increase from 5,468 same period permits issued in 2016.
- Apartment vacancies have held steady at approximately 5.5% during the past five years.
- During the past year the vacancy rate dropped to 6.2% (year-end 2016), compared with a year-end rate of 6.8% in 2015.
- As of first quarter 2017, the apartment vacancy rate dropped to 5.7%.
- As with vacancy rates, positive rental rate trends have been registered during the past several years.
- Rental rates have increased by 48% from an average of \$911 per unit at the end of 2012 to \$1,347 per unit in 2016.
- Through the first quarter of 2017, average rental rates have continued to climb and stood at \$1,383 per unit, equaling a 3% increase from a year-end average of \$1,347 per unit in 2016.
- Apartment demand trends have been strong over the past few years.
- In 2012, annual demand (absorption) totaled 3,368 units followed by absorption of 4,613 units in 2013 and 8,631 units in 2014 and 864 units in 2015.
- During 2016, apartment demand increased dramatically with absorption equaling 11,056 units.
- Strong demand has continued in 2017 with absorption of 4,251 units through the first quarter.
- The following table and chart present metro Denver apartment market data.

Metro Denver – Apartment Market Trends



Source: Colorado Division of Housing, King & Associates, Inc.

Note: Data in chart and table reflects 2012 through Q1 2017 period.

TRADE AREA REAL ESTATE MARKET TRENDS

This report section presents residential and commercial real estate market trends pertaining to the trade area. This includes discussion of activity as reflected through building permits and home sales in the residential market along with performance trends pertaining to the various commercial real estate market segments. Activity in competitive residential developments within the trade area is also presented.

Trade Area Residential Market Trends

For-sale market

- For-sale housing market data is presented for the trade area's single-family detached and attached housing markets.
- As with the metro area, for-sale housing market trends have been positive with increased building permits along with new and existing home sales rates.

Building Permits (Single-Family Attached and Detached Homes)

- Single-family building permit data for the City and County of Denver (city) is presented since data specific to the trade area is not available.
- Single-family building permit trends in the city have increased steadily from 2012 through 2016.
- In 2012 there were 1,211 single-family (attached and detached) permits issued in the city with 1,486 in 2013, 1,948 in 2014 and 2,072 in 2015.
- During the past year (2016), single-family permits increased by 28%, comparing 2,072 permits in 2015 with 2,647 in 2016.
- Through July of 2017 (most current data available), 1,936 single-family permits have been issued in Denver, which is a significant increase when compared with the 1,190 single-family permits issued through July of 2016.
- The following table presents City & County of Denver single-family building permit trends.

City & County of Denver – Single-Family Building Permits Trends

Year / Type	2012	2013	2014	2015	2016	2017
Detached	846	821	1,022	1,066	942	582
Attached	365	665	926	1,006	1,705	1,354
Total	1,211	1,486	1,948	2,072	2,647	1,936

Source: Metro Denver Home Builders Association.

Note: 2017 data through July.

New Home Sales

- New home sales data has been totaled for the trade area (City & County of Denver) from 2016 through July 2017.
- During the review period (2016 – 7/2017) new home sales in the trade area equaled 1,685 units, with average sales of 89 homes per month.
- The price of homes sold in the trade area in 2016 averaged nearly \$566,000.
- Through July of 2017, the average price of trade area homes was \$497,000.
- The drop in average new home prices (2016 to 2017) is the result of an increased number of lower cost new homes being constructed near the Pena Boulevard corridor near Denver International Airport.

Single Family Attached Sales

- The number of attached homes sold in the trade area during the review period (2016 – 7/2017) totaled 740 units.
- Attached home sales in the trade area accounted for 44% of total home sales (attached and detached units) from 2016 through July 2017.
- The average price of single-family attached homes sold during the review period was approximately \$544,000 per unit.
- The majority of attached homes constructed in the trade area (but not in Stapleton) since 2016 have been located in smaller projects (10 or fewer units) sprinkled throughout the city of Denver.
- Single-family attached sales have been recorded in approximately 42 separate projects through the first seven months of 2017 (please refer to table on page 21).

Single Family Detached Sales

- The number of single-family detached homes sold in the trade area during the review period (2016 – 7/2017) totaled 945 units.
- The price of detached homes in the trade area has averaged \$571,000 per unit since 2016.
- The average price of attached and detached homes is similar, suggesting that attached development has been focused on more expensive, in-fill areas compared with construction of non-infill detached homes in new / redevelopment projects (Stapleton, Green Valley Ranch and Lowry).
- There have been approximately 9 projects that recorded single-family detached sales in 2017.
- The following table details new home sales trends in Denver from 2016 through July of 2017.

Trade Area (City & County of Denver)

New Home Sales (2016 through July 2017)

Housing Type	Sales
Single family attached	740
Single family detached	945
Total	1,685

Source: Metro Study, King & Associates, Inc.

New Home Sales - Competitive Projects

- New home sales by competitive project have been researched in the city of Denver from 2016 through July 2017

Single-family Detached Sales Trends

- Single-family detached new home sales have been reviewed in the City & County of Denver from 2016 through July 2017.
- During the review period, 945 detached homes have been sold in the trade area.
- Three projects have accounted for 92% of detached new home sales in the trade area during the review period.
- These projects include: Stapleton, Green Valley Ranch and Lowry.
- Stapleton has registered 469 sales and captured 50% of the detached new home market in the trade area since 2016.
- Green Valley Ranch has accounted for 34% of the detached new home market in the trade area and Lowry has captured an 8% share.
- The price of new, detached homes sold in Stapleton averaged \$619,000 per unit through the first seven months of 2017.
- New home prices in Green Valley Ranch in 2017 have averaged \$478,000 per unit and the average new price was nearly \$987,000 per unit in Lowry.
- The following table presents aggregated, single-family detached new home sales data in the trade area from 2016 through July 2017.

Trade Area (City & County of Denver)

Detached New Home Sales Trends – (2016 – July 2017)

Location / Type	Sales	Avg. Price	Mkt Share
Stapleton	469	\$619,242	50%
Green Valley Ranch	324	\$478,073	34%
Lowry	80	\$986,789	8%
Other	72	\$599,714	8%
Total	945	\$560,278	100%

Source: Metro Study, King & Associates, Inc.

Single-family Attached Trends

- During the 2016 through July 2017 review period, 740 attached new homes have been sold in the trade area.
- As discussed previously, attached new home development in the trade area has occurred within a large number of smaller developments.
- Stapleton has registered 181 sales and captured 24% of the attached new home market in the trade area from 2016 through July 2017.
- The price of new, attached homes sold in Stapleton averaged \$426,000 per unit during the review period.
- Aside from Stapleton, attached sales in the trade area have been registered in a significant number of projects (approximately 38 projects), but relatively few sales (10 or fewer) have been recorded in each project.
- Attached new home prices in the trade area averaged approximately \$552,000 since 2016.
- The following table presents aggregated, single-family attached new home sales data from 2016 through 7/2017 and the graphic on the following page details new home project locations in the trade area.

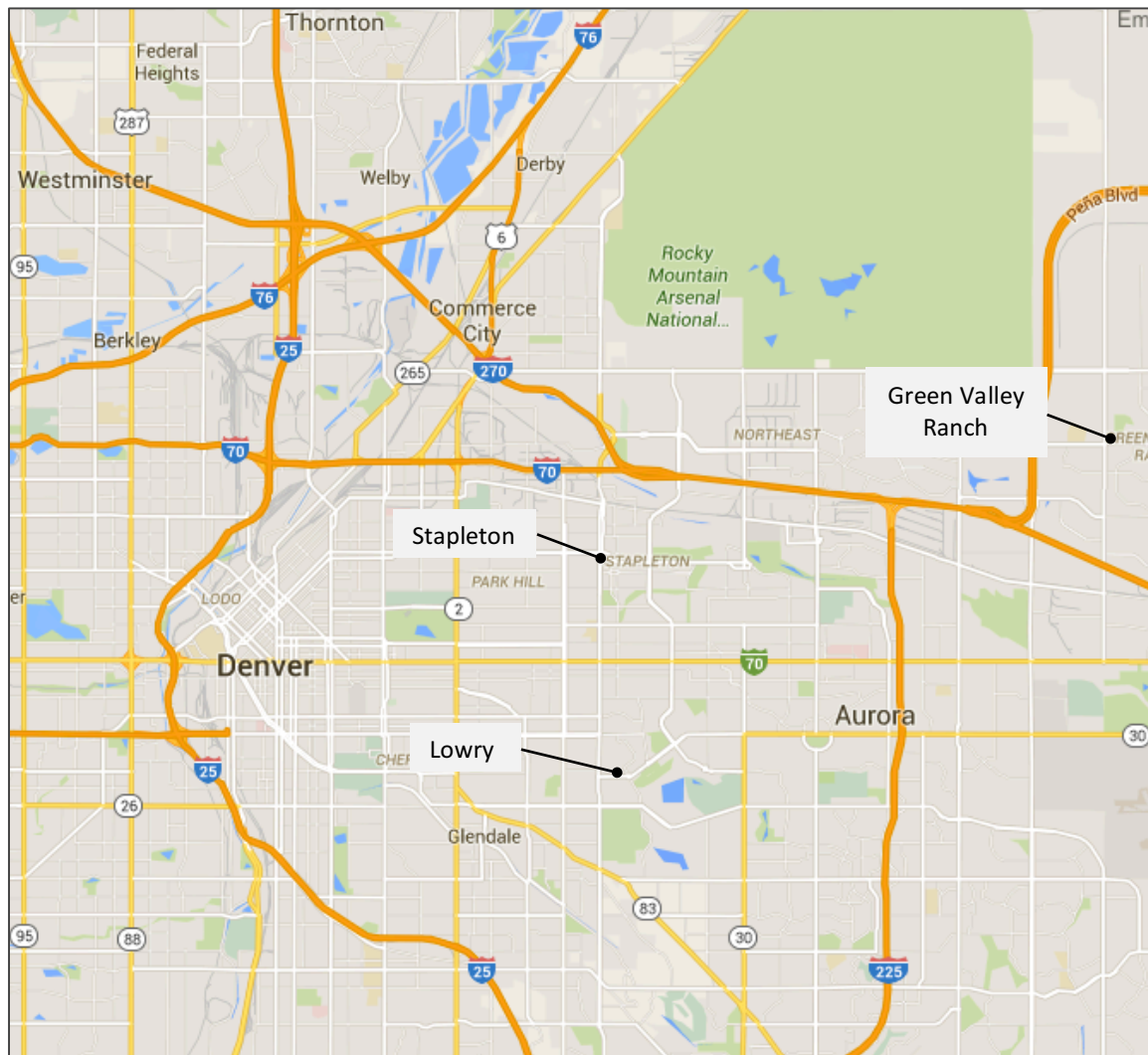
Trade Area (City & County of Denver)

Attached New Home Sales Trends – (2016 through July 2017)

Location / Type	Sales	Avg. Price	Mkt Share
Stapleton	181	\$426,600	24%
Green Valley Ranch	0	n/a	0%
Lowry	7	\$740,857	1%
Other	552	\$553,100	75%
Total	740	\$551,624	100%

Source: Metro Study, King & Associates, Inc.

Trade Area New Home Project Locator Map



Source: King & Associates, Inc.

Rental (Apartment) Market Trends

- Apartment market building permits, vacancy and lease rate trend data is presented for the City and County of Denver.
- Apartment market trends for the city are presented since data specific to the trade area is not available.

Multi-family (Apartment) Building Permits

- The number of apartment building permits issued in the city of Denver has varied widely during the past five years.
- In 2012, 87 apartment permits were issued in the City followed by 0 in 2013 and 4,118 in 2014 and 6,214 units in 2015.
- In 2016, Denver apartment permits dropped to 5,149 units.
- Through the first quarter of 2017, apartment building permits totaled 681 units, equaling an annual pace of approximately 2,724 units.

New Units, Absorption, Vacancy and Lease Rates

- An average of 3,360 new apartment units per year have been added in the Denver submarket since 2012 (2012 – Q1 2017).⁴
- The number of new units has increased in each successive year since 2012, with 4,671 units added in 2015, 5,691 in 2016 and 1,611 units through first quarter of 2017.
- Denver submarket apartment demand (absorption) has averaged nearly 2,658 units per year from 2012 through first quarter of 2017.
- Current year apartment unit demand has been very strong with 2,325 apartment units absorbed in the Denver submarket through March 2017.
- Since 2012, the apartment vacancy rate has averaged 6.4%.
- The vacancy rate was 7.6% at the end of 2015 and vacancies dropped to 7.2% at year-end 2016.
- At the end of first quarter 2017, vacancy rates decreased to 6.5%.
- Rental rates in Denver have increased steadily from a year-end average of \$985 per unit in 2012 to \$1,376 per unit at the end of 2016.
- Rental rates have continued to increase to a current (March 2017) average of \$1,413 per unit.
- The following table presents apartment market trend data for the city of Denver.

Trade Area (City & County of Denver)

Apartment Market Trends

Market Trend	2012	2013	2014	2015	2016	Q1 2017
Building Permits	87	0	4,118	6,214	5,149	681
Absorption	-463	1,495	3,868	988	5,739	2,325
Units Added	1,071	1,577	3,018	4,671	5,691	1,611
Rents	\$985	\$1,065	\$1,183	\$1,314	\$1,376	\$1,413
Vacancy Rate	6.1%	6.1%	4.6%	7.6%	7.2%	6.5%

Source: Apartment Association of Metro Denver

Note: 2017 data through first quarter (March).

⁴ The number of new apartment units added in the Denver submarket is a different measurement than building permits. New units represent finished, rentable apartments while building permits represent planned construction.

Commercial Market Trends

Office Market

- The trade area office market is defined by the northeast geographic sub-market area and contains approximately 4.8 million square feet of office space.
- The trade area has the smallest amount of leasable office space when compared with all other sub-market areas in metro Denver.
- Demand for additional office space is anticipated in coming years as the northeast sub-market grows to include an increased mix of land uses beyond its current focus of industrial development.
- Improving conditions have characterized the trade area office market over the past several years with steady demand and falling vacancy rates.
- The year-end vacancy rate in the trade area was 11.1% in 2012 and declined to 4.9% in 2016.
- The current (Q1 2017) office vacancy rate in the trade area has increased – compared with 4.9% at year-end 2016 – and stands at 7%.
- Positive demand has been registered in the trade area over the past five years with absorption ranging from a high of 160,000 square feet in 2016 and low of -88,000 square feet during the first quarter of 2017.
- In 2015, trade area office absorption equaled 99,000 square feet and 160,000 square feet of office space was absorbed in 2016.
- Through first quarter of 2017, office space demand has been weak and negative absorption equaling -88,000 square feet has been registered.
- Trade area lease rates have increased from an average of \$18.48 per square foot in 2012 to \$19.45 per square foot at the end of 2016.
- Lease rates have increased markedly in the trade area to an average of \$21.75 per square foot as of first quarter of the current year from \$19.45 per square foot at the end of 2016.
- Low vacancy rates along with increased absorption and lease rates indicate that new construction is imminent in the trade area.
- The following table details trade area office market trends.

Trade Area – Office Market Trends (000's)

Year	2012	2013	2014	2015	2016	2017
Inventory	4,268	4,360	4,381	4,847	4,847	4,867
Vacancy	11.1%	10.4%	9.9%	8.0%	4.9%	7.0%
Absorption	37	110	27	99	160	-88
Lease rate	\$18.48	\$17.78	\$17.32	\$18.46	\$19.45	\$21.75
Construction	700	92	12	10	10	14

Source: CoStar Group & King & Associates, Inc.

Note: 2017 data through first quarter

Retail Market

- The trade area retail market is overlaid by the northeast retail sub-market and includes approximately 16 million square feet of space.
- The trade retail market has expanded steadily from 2012 - Q1 2017 as the amount of leasable space increased from 14.9 (2012) to 16 million square feet (Q1 2017).
- The vacancy rate in the trade area has decreased steadily over the past five years, dropping from 6.8% at the end of 2012 to 4.1% at year-end 2016.
- The current (Q1 – 2017) retail vacancy rate in the trade area has increased very slightly and stands at 4.4%.
- Trade area retail demand has varied over the past several years with absorption averaging 230,000 square feet per year from 2012 through 2016.
- Retail demand has been weak during 2017 with negative absorption of -12,000 square feet through the first quarter of 2017.
- Trade area lease rates have remained stable the past several years (2014 – 2016) at an average of \$15.35 per square foot and the average lease rate remained at \$15.35 per square foot through Q1 – 2017.
- The following table details trade area retail market trends.

Trade Area – Retail Market Trends (000's)

Year	2012	2013	2014	2015	2016	Q1 2017
Inventory	14,881	15,079	15,296	15,666	15,902	15,978
Vacancy	6.8%	5.6%	6.0%	5.4%	4.1%	4.4%
Absorption	248	373	135	172	217	-12
Rental Rate	\$13.70	\$14.10	\$15.50	\$15.23	\$15.32	\$15.35
Construction	187	325	217	370	236	76

Source: CoStar Group & King & Associates, Inc.

Notes: 2017 data through first quarter.

Industrial Market

- The trade area's industrial market is included within the geographic boundaries of the east sub-market area and contains approximately 80 million square feet of space.
- The trade area is the largest industrial sub-market in the metro Denver area with respect to the amount of leasable space (inventory).
- Over the past several years, trade area industrial inventory has increased by nearly 8.5 million square feet from 71.6 million square feet in 2012 to 80 million square feet as of Q1 2017.
- Vacancies rates in the trade area dropped from 7.8% at the end of 2012 to 5% in 2016.
- Vacancy rates have continued to fall in 2017 and currently stand at 4.9% as of first quarter.
- Trade area absorption (demand) has averaged nearly 1.8 million square feet per year since 2012 with 2.7 million square feet absorbed during 2013 and absorption totaling approximately 3 million square feet in 2014.
- In 2016, absorption equaled 1.5 million square feet and 681,000 square feet of industrial space has been absorbed in the trade area through first quarter of 2017.
- Since 2012, average lease rates have increased steadily from \$3.97 per square foot (2012) to an average of \$5.85 per square foot (2016) .

- Average lease rates have continued to increase during 2017, reaching \$5.92 per square foot as of first quarter from an average of \$5.85 per square foot at the end of 2016.
- The following table details trade area industrial market trends and the subsequent graphic presents office, retail and industrial market absorption trends in the trade area.

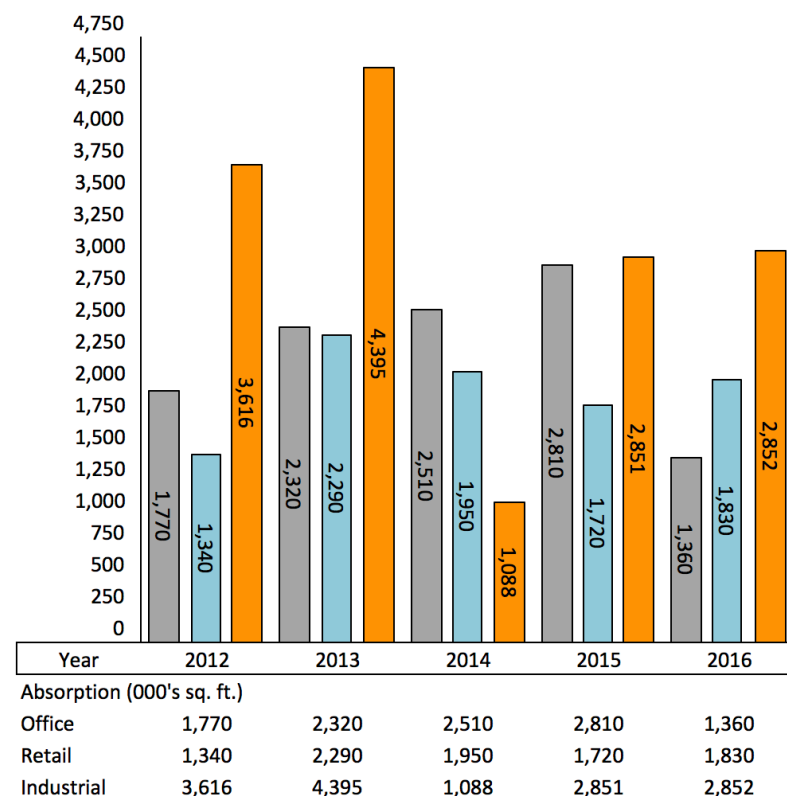
Trade Area – Industrial Market Trends (000's)

Year	2012	2013	2014	2015	2016	Q2 2017
Inventory	71,640	72,620	74,634	75,940	78,856	80,055
Vacancy	7.8%	5.4%	3.7%	3.4%	5.0%	4.9%
Absorption	368	2,723	3,068	1,484	1,573	681
Rental Rate	\$3.97	\$4.22	\$5.24	\$5.86	\$5.85	\$5.92
Construction	660	961	2,152	1,305	2,968	1,182

Source: CoStar Group, King & Associates, Inc.

Note: Absorption and construction in 2012 represent King & Associates, Inc. estimates from second source data.

Trade Area – Office, Retail and Industrial Absorption Trends (000's of square feet)



Source: King & Associates, Inc.

Order of bars: grey – office, green – retail, orange – industrial.

METRO DENVER AND TRADE AREA – REAL ESTATE DEMAND FORECASTS

This portion of the report provides a housing demand forecast for the trade area as well as commercial demand forecasts for metro Denver and the trade area. The demand forecasts extend from 2017 through 2030 and are based on differing methodologies depending on type of development and market conditions.

Trade Area Housing Demand Forecast

Overall Demand

- Trade area housing demand has been forecast through 2030 assuming demographic growth, specifically household growth, as the primary determining factor for housing demand.
- The household growth demand forecast methodology assumes that housing units will be constructed to accommodate new households that form within a given area.
- As presented previously, trade area households are projected to increase by an average rate of approximately 3,200 per year from 2017 through 2030.
- Assuming each newly formed household will require some type of shelter, trade area housing demand is projected to range from approximately 3,500 to 4,000 units per year.

Segmented Demand

- Demand has been segmented by specific housing unit type.
- Based on recent building permit trends, single-family homes (detached and attached) have accounted for approximately 36% of residential construction in the trade area with apartment units equaling 64% of recent development.
- However, it is believed the pace of apartment development will slow in the future to account for 40% of trade area residential development while single-family homes are anticipated to capture a 60% share.
- Assuming these trends, trade area housing demand is forecast to range from 1,400 – 1,600 attached, 700 – 800 detached and 1,400 – 1,600 multi-family homes per year during the 2017 through 2030 forecast period.
- The following table outlines overall and segmented housing demand based on projected demographic growth in the trade area.

Trade Area Housing Demand Forecast

Year	2017	2030
Households	181,271	222,816
Annual change		3,196
<u>Annual Demand</u>	<u>Low</u>	<u>Higher</u>
Total demand	3,500	4,000
<u>Segmented Demand</u>		
Single-family attached	1,400	1,600
Single-family detached	700	800
Multi-family	1,400	1,600

Source: King & Associates, Inc.

Metro Denver & Trade Area Commercial Demand Forecasts

This section presents office, retail and industrial demand forecasts for the metro Denver area and then allocates demand to the trade area using a market share methodology.

Office Demand

Metro Denver Demand Forecast

- The demand for office space in metro Denver is based on two forecast methods.
- The first method considers recent absorption trends (demand) in the region as the determining factor for future office demand while the second method bases office demand from projected metro area employment growth.

Demand trends forecast method

- Absorption trends have been used to project metro Denver office demand.
- Since 2012, office absorption has varied, ranging from 1.4 million square feet in 2016 to 2.8 million square feet in 2015.
- During the 2012 through 2016 period, office absorption in metro Denver has averaged approximately 1.9 million square feet per year and provides an indication of future demand.

Employment growth forecast method

- Employment growth is the second method used to forecast metro area office demand.
- Using this method, forecast job growth and office inventory are used to calculate a demand rate per employee.
- Office demand is then forecast by multiplying the demand rate by projected regional job growth.
- At year-end 2016, metro Denver office inventory totaled approximately 180 million square feet and corresponding employment stood at 1.4 million.
- The metro Denver office demand rate equals 111 square feet of office space per employee, calculated by dividing supply (180 million sq. ft.) by employment (1.4 million).⁵
- During the next ten-year period (2016 – 2026), employment is projected to increase by 31,009 jobs per year in the Denver / Aurora, MSA.
- By multiplying annual job growth by the demand generation rate, metro Denver office demand is forecast at approximately 3.4 million square feet per year.
- Average demand using the two forecast methods equals approximately 2.7 million square feet annually.

Trade Area

- Trade area office demand is forecast based on a market share methodology.
- This forecast method uses the trade area's share of recent metro area office absorption as an indicator of future demand, with the trade area accounting for a 2.5% share of metro Denver office absorption since 2012.
- The trade area is anticipated to increase its share of metro office absorption to 4% - 7%, resulting in demand ranging from approximately 135,000 to 185,000 square feet per year.
- Increased demand is anticipated as future office construction occurs in Stapleton, Anschutz Medical Campus (Fitzsimmons) and the Gateway projects.
- The following table presents metro Denver and trade area office demand forecasts.

⁵ Employment has been adjusted upward by 185,00 to reflect employment levels in Boulder County so direct comparison can be made with metro Denver office inventory, which includes the Boulder submarket area.

Office Demand Forecast – Metro Denver & Trade Area

Forecast Method / Year	2012	2013	2014	2015	2016	2017
<u>Demand Trends Forecast Method</u>						
Absorption	1,770,000	2,320,000	2,510,000	2,810,000	1,360,000	-250,000
Average						1,912,727
Adjusted average						1,900,000
<u>Employment Growth Forecast Method</u>						
Office inventory (YE 2016)						180,460,000
Employment (YE 2016)						1,433,000
Demand rate						111
Projected employment growth						31,009
Projected demand						3,441,999
Average of two methods						2,671,000
<u>Trade Area Office Demand - Market Share Forecast Method</u>						
Market share @ 5.0%						133,550
Market share @ 7.0%						186,970

Source: King & Associates, Inc.

Retail Demand

Metro Denver

- Metro Denver retail demand has also been projected using two forecast methods.
- The first method considers recent demand trends (absorption) in the region while the second method forecasts demand using household growth projections in the metro area.

Demand trends forecast method

- Absorption trends have also been used to project metro Denver retail demand.
- Since 2012, absorption has varied, ranging from 1.3 million square feet in 2012 to nearly 2.3 million square feet in 2013, with average demand equaling 1.8 million square feet per year.

Household growth forecast method

- Household growth is the second method used to forecast metro area retail demand.
- This forecast method assumes that new households will prompt additional demand for retail space in the metro area.
- Forecast household growth and retail supply are used to calculate a per household retail demand rate, which is then applied to projected household growth in the region.
- As of year-end 2016, metro Denver retail inventory equaled nearly 166 million square feet and the number of households totaled approximately 1.2 million.
- The retail demand rate for metro Denver is calculated by dividing supply (166 million square feet) by households (1.2 million), resulting in 135 square feet of retail space per household.
- Households in metro Denver are projected to increase by approximately 20,000 per year.
- By multiplying annual projected household growth by the demand generation rate, metro Denver retail demand is forecast at approximately 2.7 million square feet per year.
- Average demand equals 2.2 million square feet annually based on the two forecast methods.

Trade Area

- Trade area retail demand is also forecast based on a market share approach.
- The trade area account for approximately 10% of metro Denver retail inventory and is projected to account for 10% - 12% of metro area retail absorption during the forecast period, with resulting demand of approximately 225,000 to 270,000 square feet per year.
- Increased demand is anticipated to meet the retail needs of addition households in the trade area.
- The following table presents retail demand forecast for Metro Denver and the trade area.

Retail Demand Forecast – Metro Denver & Trade Area

Forecast Method / Year	2012	2013	2014	2015	2016	2017
<u>Demand Trends Forecast Method</u>						
Absorption	1,340,000	2,290,000	1,950,000	1,720,000	1,830,000	600,000
Average						1,769,091
Adjusted average						1,800,000
<u>Household Growth Forecast Method</u>						
Retail inventory (YE 2016)						165,660,000
Households (YE 2016)						1,227,038
Demand rate						135
Projected household growth						20,133
Projected demand						2,718,080
Average of two methods						2,259,040
Trade Area Retail Demand - Market Share Forecast Method						
Market share @ 10%						225,904
Market share @ 12%						271,085

Source: King & Associates, Inc.

Industrial Demand

Metro Denver

- Again, two methods have been used to forecast metro Denver industrial demand.
- As with the office demand forecast, demand trends (absorption) and employment growth projections in the metro area have been used to forecast industrial demand.

Demand trends forecast method

- Since 2012, metro Denver industrial demand has ranged from 1.1 million (2014) to 4.4 million square feet (2013), with average absorption of 3.2 million square feet per year.

Employment growth forecast method

- As with the office demand forecast, industrial demand is forecast by multiplying a calculated demand rate by projected job growth in the region.
- The industrial demand rate for metro Denver (industrial inventory of 179 million square feet divided by employment of 1.4 million) equals 125 square feet per employee.
- Forecast metro area industrial demand equals approximately 3.8 million square feet per year and average demand using the two forecast methods equals 3.5 million square feet annually.

Trade Area

- A market share approach has also been used to forecast trade area industrial demand.
- As of 2016, the trade area accounted for approximately 45% of metro area industrial inventory.
- The trade area industrial market share rate is projected to range from 45% - 50% of metro Denver industrial demand, with resulting trade area demand ranging from approximately 1.6 to 1.8 million square feet per year.
- The following table presents metro Denver and trade area industrial demand forecasts.

Industrial Demand Forecast - Metro Denver & Trade Area (000's)

Forecast Method / Year	2012	2013	2014	2015	2016	2017
<u>Demand Trends Forecast Method</u>						
Absorption	3,616,000	4,395,000	1,088,000	2,851,000	2,852,000	2,853,000
Average						3,210,000
Adjusted average						3,200,000
<u>Employment Growth Forecast Method</u>						
Industrial inventory (YE 2016)						178,769,000
Employment (YE 2016)						1,432,958
Demand rate						125
Projected employment growth						31,009
Projected demand						3,868,534
Average of two methods						3,534,267
Trade Area Industrial Demand – Market Share Forecast Method						
Market share @ 45%						1,590,420
Market share @ 50%						1,767,133

Source: King & Associates, Inc.

STAPLETON DEVELOPMENT TRENDS & PROJECTIONS

King & Associates, Inc. has tracked residential and commercial development trends in Stapleton on a quarterly basis for several years, including a quarter-to-quarter inventory of homes completed and under construction in the District.

- Based on inventory records, 8,603 homes have been constructed in Stapleton through 2016.
- In 2012, new home construction in Stapleton increased by 137%, comparing 273 homes built in 2011 with 647 in 2012.
- New home building remained steady (up 5%) in 2013 with 677 new homes constructed but jumped sharply (24%) in 2014 with construction of 838 homes.
- New home construction in 2015 increased by 13%, with 943 homes built during the year compared with prior year (2014) construction of 838 units.
- In 2016 there were 639 homes constructed in Stapleton, which marked a 32% decrease from building activity in 2015.
- However, a significant number of rental apartments (390 units) were constructed in 2015 compared with apartment construction (86 units) in 2016.
- Starting fourth quarter of 2011, the number of homes under construction in Stapleton began to increase significantly and during the next year (2012), average quarterly under construction inventory equaled 277 homes.
- Building activity in Stapleton has remained strong with an average of 463 units under construction in 2013, 433 in 2014 and 612 in 2015.
- In 2016, quarterly construction averaged 672 units and through second quarter of 2017, the average number of homes under construction increased to 723 units.
- Construction trends in the District include apartments projects, which register a significant number of units when projects are started and reach completion.
- The following table outlines Stapleton quarterly construction activity from 2010 through mid-year 2017.

Stapleton - New Home Construction Activity

Quarter / Year	2010	2011	2012	2013	2014	2015	2016	2017
Homes Constructed								
Q1	52	37	84	192	256	109	129	53
Q2	101	61	210	160	322	146	130	116
Q3	55	91	236	99	139	254	141	
Q4	73	84	117	226	121	434	239	
Total	281	273	647	677	838	943	639	169
Change (from prior year)		-3%	137%	5%	24%	13%	-32%	
Homes Under Construction								
Q1	97	59	381	350	590	503	763	685
Q2	50	176	306	313	322	659	757	761
Q3	72	180	208	497	352	671	650	
Q4	32	367	212	693	466	613	516	
Average	63	196	277	463	433	612	672	723

Source: King & Associates, Inc.

Notes:

1. Data reflects single-family attached, detached and multi-family apartment units.
2. 2017 data through June.

Commercial Development Trends

Retail

- Approximately 2.2 million square feet of retail space has been constructed in Stapleton with limited development (32,000 square feet) from 2013 through 2015.
- In 2016, 152,000 square feet of retail space was constructed in the District, focusing on neighborhood shops, restaurants and service businesses.
- Remaining retail projects are planned to coincide with the pace of future residential development in Stapleton and will focus on community and regional (build-out in Northfield) retail space.

Industrial

- At the end of 2016, there were approximately 3.3 million square feet of industrial space in the District.
- There was a significant amount of industrial space constructed in Stapleton during 2008 (626,000 square feet) and 2015 (1.3 million square feet).
- In 2016, 836,000 square feet of industrial space were constructed in the District.

Office

- Approximately 361,000 square feet of office space have been constructed in Stapleton.

Hotels

- Two hotels totaling nearly 185,000 square feet (262 rooms) were constructed in the District during 2014 (Drury Inn – 180 rooms, Staybridge Suites – 102 rooms).
- The following table details commercial development trends in Stapleton from 2005 through 2016.

Park Creek Metropolitan District - Commercial Development Trends (square feet)

Year	Office	Retail	Industrial	Hotels	Total
Prior 2005	45,000	891,000	0		936,000
2005	38,000	487,000	540,000		1,065,000
2006	0	425,000	0		425,000
2007	93,000	172,000	0		265,000
2008	0	44,000	626,000		670,000
2009	185,000	0	0		185,000
2010	0	0	0		0
2011	0	0	0		0
2012	0	0	0		0
2013	0	25,000	0		25,000
2014	0	0	0	184,662	0
2015	0	7,000	1,261,000		1,268,000
2016	0	152,000	836,000		988,000
Total	361,000	2,203,000	3,263,000	184,662	5,827,000

Source: King & Associates, Inc.

Projected Development – Westerly Creek / Park Creek Metropolitan District

A projection of future development within the District has been completed from 2016 through 2023 and extends through project build-out.

Residential

- In 2012, Forest City Stapleton, master developer within the District, completed a development schedule for the Stapleton project area, which anticipated residential build-out to occur in 2022, based on construction of 7,500 homes.
- Of this total, 4,500 single-family (attached and detached) and 2,750 multi-family units were planned for construction through 2022.
- Average scheduled development equaled 682 homes per year with 432 single-family attached and detached homes and 250 multi-family units.
- Adjusting for residential development that has occurred from 2012 through 2016, 3,742 units remain for construction, divided between 2,039 single-family (attached and detached) and 1,719 multi-family units.
- Given the balance of remaining units at the end of 2016, average absorption to reach build-out equals 752 units per year distributed between 408 single-family (2017 – 2021) and 344 multi-family (2017 – 2021) units.
- Residential development in Stapleton has equaled nearly 750 units per year from 2012 through 2016 with average development of 542 single-family homes and 206 multi-family units.
- The following table summarizes residential development in Stapleton based on actual construction from 2012 through 2016 and projected development from 2017 through 2023.

Westerly Creek / Park Creek Metropolitan District - Actual and Projected Residential Development

Year	2012 Development Schedule			Projected development factoring actual construction from 2012 - 2016		
	Single Family	Multi-	Total	Single Family	Multi-family	Total
2012	400	250	650	529	118	647
2013	425	250	675	490	185	675
2014	450	250	700	586	252	838
2015	450	250	700	553	390	943
2016	450	250	700	553	86	639
2017	450	250	700	500	399	899
2018	450	250	700	500	250	750
2019	450	250	700	500	500	1,000
2020	450	250	700	500	280	780
2021	450	250	700	39	290	329
2022	325	250	575			
2023	0	0	0			
Total	4,750	2,750	7,500	4,750	2,750	7,500
2012 - 2016 construction				2,711	1,031	3,742
Balance of unbuilt units				2,039	1,719	3,758
Average absorption:						
Single-family (2017-2021)				408		
Multi-family (2017-2021)					344	
Average annual absorption all units						752

Source: King & Associates, Inc.

Note: Yellow highlighted cell represents 399 unit multi-family project anticipated for 2017 completion. Blue shaded cells reflect development that has occurred from 2012 through 2016.

Commercial

- The 2012 commercial development schedule for Stapleton totaled approximately 5.8 million square feet of office, retail and industrial space along with 918 hotel rooms (approximately 4-6 hotels and not included in the 5.8 million square feet commercial development total) from 2012 through 2023.
- Specifically, the development schedule was outlined as follows:
 - Office space – 1.6 million square feet.
 - Neighborhood and regional retail space – 619,000 square feet.
 - Industrial space – 3.6 million square feet.
 - Hotels – 918 rooms
- Average annual commercial development during the 2012 – 2023 forecast period equaled approximately 485,000 square feet per year, categorized as follows:
 - Office space – 134,000 square feet per year.
 - Neighborhood and regional retail space – 52,000 square feet per year.
 - Industrial space – 301,000 square feet per year.
 - Hotel – 77 rooms per year.
- Adjusting for development that has occurred from 2012 through 2016, 3.6 million square feet of commercial space and 918 hotel rooms remain for construction in the District as follows:
 - Office - 1.6 million square feet.
 - Community retail - 235,000 square feet.
 - Regional retail – 200,000 square feet.
 - Industrial – 1.5 million square feet.
 - Hotel – 918 rooms per year.
- Accounting for the balance of remaining commercial space at the end of 2016, average absorption to reach build-out is as follows:
 - Office – 229,500 square feet per year.
 - Community retail – 33,600 square feet per year.
 - Regional retail – 28,600 square feet per year.
 - Industrial – 217,000 square feet per year.
 - Hotels – 131 rooms per year.
- The following table summarizes commercial development in Stapleton based on actual construction from 2012 through 2016 and projected development from 2017 through 2023.

Westerly Creek / Park Creek Metropolitan District - Development Projection

Year	2012 Development Schedule					Projected development factoring actual construction from 2012 - 2016				
	Office	Community Retail	Regional Retail	Industrial	Hotel	Office	Community Retail	Regional Retail	Industrial	Hotel
2012				261,360						
2013	146,013	38,115	50,000	304,920			25,000			
2014	146,013	38,115		304,920						
2015	146,013	38,115	50,000	304,920			7,000		1,261,000	
2016	146,013	38,115		304,920	112		152,000		836,000	
2017	146,013	38,115	50,000	304,920			135,000			112
2018	146,013	38,115		304,920	250	100,000	38,115	50,000		
2019	146,013	38,115	50,000	304,920		300,000	38,115		304,920	250
2020	146,013	38,115		304,920	300	300,000	24,035	50,000	304,920	300
2021	146,013	38,115		304,920		300,000			304,920	
2022	146,013	38,115		304,920	256	300,000		50,000	304,920	256
2023	146,013	38,115		304,920		306,143		50,000	298,800	
Total	1,606,143	419,265	200,000	3,615,480	918	1,606,143	419,265	200,000	3,615,480	918
2012 - 2016 construction (square feet)						0	184,000	0	2,097,000	0
Balance of unbuilt square feet						1,606,143	235,265	200,000	1,518,480	918
Average absorption (2018-2023):						229,449	33,609	28,571	216,926	131

Source: King & Associates, Inc.

Note: Yellow highlighted cells represent anticipated / completed development in 2017: Retail – 135,000 square feet completed in Eastbridge Town Center and other Filings, Hotel – 112 room completed Residence Inn near I-70 and Central Park Boulevard.

Blue shaded cells reflect development from 2012 through 2016.

Real Property Valuation Trends

Assessed Value Trends

- Assessed value in the District has varied over the past few years, but overall has increased from a collection year value of \$293 million in 2011 to a preliminary amount of \$514 million in collection year 2018.
- In collection year 2012, assessed value in the District dropped by \$24 million or by 8% compared with 2011 and reflected poor economic and real estate market conditions in Denver and the region.
- As the real estate market has recovered, assessed value trends in Denver as well as the District have registered positive gains.
- For tax year 2014 (collection 2015), new construction bumped the District's assessed value to \$329 million, an increase of nearly \$5 million or 1% from prior year assessed value.
- With reappraisal in early 2015 (which occurs every two years in the State of Colorado), assessed value in the District increased to \$406 million for collection year 2016.
- This represented an increase of approximately \$77 million or 23% from assessed value of \$329 million in collection year 2015.
- In 2016 (collection 2017), assessed value in the District was \$434 million and increased by \$28 million (7%) from prior year (2015) assessed value of \$406 million.
- In 2017 (collection 2018), assessed value in the District jumped to a preliminary value of \$514 million or by 18% from prior year (2016) assessed value of \$434 million.
- New construction and reappraisal in 2017 accounted for the \$76 million increase in assessed value.⁶
- It should also be noted that beginning in collection year 2018, the assessment rate applied to residential property will change from 7.96% to 7.2% of taxable actual value.
- The change in assessment rate from 7.96% to 7.2% that is applicable to residential property in the District (as well as all residential properties in the State of Colorado) resulted in lowering overall (commercial, residential and personal property) assessed value by 6% or by nearly \$31 million.
- The following table presents collection year assessed value trends for the District from tax years 2011 through 2018.

⁶ The District's assessed value of approximately \$511,772,000 for tax year 2017 (2018 collection year) is per data provided by the Denver and Adams County Assessors in August 2017. The assessed value in the District is considered preliminary and may change until "Certified" by the City and County of Denver Assessor and Adams County Assessor prior to December 16th 2017.

Westerly Creek / Park Creek Metropolitan District
Assessed Value Trends (\$000's)

Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Collection Year	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value - County								
Denver	\$292,671	\$268,574	\$291,411	\$324,491	\$329,249	\$405,924	\$433,820	\$512,132
Adams	n/a	n/a	\$17	\$17	\$51	\$51	\$539	\$1,624
Total	\$292,671	\$268,574	\$291,428	\$324,508	\$329,300	\$405,975	\$434,359	\$513,756
Prior Period Change - County								
Numeric								
Denver		-\$24,097	\$22,837	\$33,080	\$4,758	\$76,675	\$27,896	\$78,312
Adams				\$0	\$34	\$0	\$488	\$1,085
Percent								
Denver		-8%	9%	11%	1%	23%	7%	18%
Adams				0%	200%	0%	957%	201%

Source: City & County of Denver, Adams County, King & Associates, Inc.

Note: Assessed value trends per City & County of Denver and Adams County Abstract of Assessment and Summary of Levies, except for 2017 / 2018 amount (see note previous page).

SUMMARY, FINDINGS & CONCLUSIONS

- The purpose of this report has been to assess the timing and scale of future development anticipated in Westerly Creek Metropolitan District and to provide corresponding assessed value and revenue forecasts (Park Creek Metropolitan District) tied to existing and projected development.
- Development projections have been analyzed in light of current and anticipated real estate market characteristics and trends within metro Denver and the project trade area.
- Current development in the District through 2016 has included 8,603 dwelling units and 6 million square feet of commercial office, retail, industrial and hotel space.
- Forecast development in the District equals 3,758 single and multi-family residential units and 3.6 million square feet of office, retail and industrial space along with 918 hotel rooms from 2017 through 2023.
- On an annual basis, planned development equals 752 homes (408 single-family and 344 multi-family) per year and approximately 509,000 square feet of commercial space (office – 229,000, retail – 62,000 and industrial – 217,000 square feet per year).
- Additionally, 918 hotel rooms are projected for development in the District from 2017 through 2023 with annual development of 131 hotel rooms per year.
- To provide context to the Stapleton development analysis, a metro area overview was presented that addressed demographic and economic trends and forecasts.
- Economic and demographic growth in metro Denver is projected at slightly lower rates compared with recent trends (2010 – 2016).
- Residential and commercial market trends were presented for the metro Denver area to provide an indication of overall market performance.
- Positive commercial market trends have been registered in the metro area's office, retail and industrial market segments with decreased vacancies, positive demand and increased average lease rates since 2012.
- As with commercial market trends, the residential market in metro Denver has posted strong performance since 2012, highlighted by increased building permits and home sales rates.
- To analyze development projected in the District, residential and commercial trade areas have been identified which consider the diversity of future development within the geographic area of the eastern / northeastern metropolitan Denver area.
- Trade area population and households are projected to increase at slightly lower rates compared with recent trends (population growth – 1.50% and household growth – 1.60% annually).
- Demand forecasts were presented for the residential and commercial market segments within the trade area and provide a baseline for assessing the timing, amount (commercial square footage and residential homes) and type of development scheduled for completion within the District.
- The trade area housing market has registered positive and steady growth during the past five full years (2012 - 2016), marked by increased building permits and steady new home sales.
- As with the housing market, positive trends have been registered during the last five successive years in the trade area's commercial real estate market with falling vacancies, positive absorption and increased lease rates in the office, retail and industrial market segments.

- Trade area residential and commercial demand forecasts have been completed.
 - Residential demand – 3,500 to 4,000 units per year (1,400 – 1,600 attached, 700 – 800 detached and 1,400 – 1,600 multi-family units).
 - Commercial demand – office - 135,000 to 190,000, retail - 225,000 to 270,000 and industrial demand - 1.6 to 1.8 million square feet per year.
- Since 2012 (2011 – 2016) residential development in Stapleton has averaged nearly 750 homes per year.
- Stapleton has dominated the trade area's new home market with 50% (single-family detached) and 24% (single-family attached) market share rates in the past 18 months (2016 – June 2017).
- The I-70 corridor within the trade area is changing rapidly from primarily an industrial / warehouse zone to an area with a wide-array of retail, office and residential development.
- Stapleton has established itself as a leader in the trade area's residential and commercial real estate markets.
- Large-scale development and infrastructure projects will continue to benefit the trade area and Stapleton and include intensified development activity in the nearby Anschutz Medical Campus during the past two to three years and recent opening of the East Rail Line (A Line) with a station located in the District at Central Park Boulevard.
- The opening of the new Veterans Administration (VA) Hospital in the nearby (I-225 & Colfax Avenue and approximately 1 mile southeast of the District) Fitzsimons redevelopment project will add a significant number of jobs to the immediately surrounding area.
- King & Associates, Inc. believes that projected future development in the District is reasonable in light of current and anticipated real estate market conditions in the trade area.
- Preliminary assessed value of real and personal property in the District is approximately \$514 million for the 2018 tax collection year and represents an 18% increase from assessed value in 2017, which totaled \$434 million.
- Assessed Value and property tax revenue forecasts have been completed for the District from tax collection years 2018 through 2032 (next fifteen years).
 - Assessed value of real and personal property in the District is forecast to increase from - \$514 million to \$1.1 billion (collection years 2018 - 2032).
 - Corresponding property tax revenue (net of 1% collection fee) during the forecast period is projected to increase from \$30 to \$67 million (collection years 2018 - 2032).
 - The assessed value forecast assumes a 3% annual appreciation rate, realized biennially for both the existing base and newly constructed taxable real and personal property in the District.

PARK CREEK METROPOLITAN DISTRICT ASSESSED VALUE & REVENUE PROJECTIONS

Assessed Value & Revenue Forecasts

- Park Creek Metropolitan District assessed value and revenue forecasts have been completed from collection years 2018 –2032.
- The revenue forecast for the District assumes that real and personal property will appreciate at a rate of 3% per year (property tax revenue realized biennially).
- Real and personal property assessed value and revenue in the District is projected to increase as follows from collection years 2018 to 2032.
 - Assessed value of real and personal property - \$514 million to \$1.1 billion.
 - Tax revenue from real and personal property (net of 1% collection fee) - \$30 to \$67 million.

Real & Personal Property Assessed Value & Revenue Forecasts

Forecast Assumptions:

- Annual appreciation rate – 3%, realized biennially.
- Tax Rate (Mill levy) – 58.203 (debt service mill levy) throughout 2018 – 2032 (collection year) forecast period.⁷
- Annual residential and commercial development rates – per following table.
- Assessment rates (of appraised market value) – 29% commercial, 7.2% residential.

Base year (2018 collection years) real property values:

- Office - \$225 per square foot.
- Retail - \$170 (neighborhood / community retail), \$140 (regional strip development) per square foot.
- Industrial - \$65 per square foot
- Hotels - \$70,000 per room.
- Residential - \$525,210 single family (attached and detached), \$240,000 apartment units.
- The values used in the model are based on existing development in the District and have been adjusted to reflect increases from re-appraisal in 2017.

Park Creek Metropolitan District – Absorption Forecast

Year	Residential			Commercial			
	Single-Family	Multi-Family	Total	Industrial	Retail	Office	Hotels
2017	500	399	899		135,000		112
2018	500	250	750		88,115	100,000	
2019	500	500	1,000	304,920	38,115	300,000	250
2020	500	280	780	304,920	74,035	300,000	300
2021	39	290	329	304,920		300,000	
2022				304,920	50,000	300,000	256
2023				298,800	50,000	306,143	
Total	2,039	2,750	3,758	1,518,480	435,265	1,606,143	918

Source: King & Associates, Inc.

⁷ The revenue forecast (pg. 43) reflects the District's property tax mill levy rate of 58.203 for debt service. The District's total mill levy is 60.003, which is reduced by 1.8 mills for operations and maintenance and .582 mills for City of Denver 1% collection fee resulting in a net mill levy rate of 57.621. Revenue presented in the report narrative sections reflects revenue before 1% collection fee.

Park Creek Metropolitan District
Assessed Value Forecast – Existing Development

Collection Year	Residential	Commercial	Land	Personal Property	Total
2018	295,199,963	165,016,029	36,996,627	16,543,351	513,755,970
2019	295,199,963	165,016,029	24,713,747	16,543,351	501,473,090
2020	312,911,961	174,916,991	13,150,679	17,535,952	518,515,583
2021	312,911,961	174,916,991	4,418,628	17,535,952	509,783,532
2022	331,686,678	185,412,010	796,237	18,588,109	536,483,035
2023	331,686,678	185,412,010	0	18,588,109	535,686,798
2024	351,587,879	196,536,731	0	19,703,396	567,828,006
2025	351,587,879	196,536,731	0	19,703,396	567,828,006
2026	372,683,152	208,328,935	0	20,885,600	601,897,686
2027	372,683,152	208,328,935	0	20,885,600	601,897,686
2028	395,044,141	220,828,671	0	22,138,736	638,011,547
2029	395,044,141	220,828,671	0	22,138,736	638,011,547
2030	418,746,789	234,078,391	0	23,467,060	676,292,240
2031	418,746,789	234,078,391	0	23,467,060	676,292,240
2032	443,871,597	248,123,095	0	24,875,083	716,869,774

Source: King & Associates, Inc.

Assessed Value Forecast – New Development

Collection Year	Residential	Commercial	Personal Property	Total
2018				
2019	25,802,280	8,929,100	892,910	35,624,290
2020	50,479,309	19,935,603	1,993,560	72,408,472
2021	78,841,258	53,166,614	5,316,661	137,324,533
2022	109,486,570	94,147,055	9,414,706	213,048,330
2023	116,564,969	121,782,694	12,178,269	250,525,932
2024	123,558,863	166,743,513	16,674,351	306,976,728
2025	123,558,863	198,715,863	19,871,586	342,146,313
2026	130,972,392	210,638,809	21,063,881	362,675,082
2027	130,972,392	210,638,809	21,063,881	362,675,082
2028	138,830,731	223,277,132	22,327,713	384,435,576
2029	138,830,731	223,277,132	22,327,713	384,435,576
2030	147,161,275	236,673,753	23,667,375	407,502,403
2031	147,161,979	236,673,753	23,667,375	407,503,107
2032	155,993,207	250,874,171	25,087,417	431,954,796

Source: King & Associates, Inc.

Assessed Value and Revenue Forecast – New and Existing Development

Collection Year	Overall Assessed	Revenue	Collection Fee	Revenue less Collection Fee
2018	513,755,970	29,902,139	299,021	29,603,117
2019	537,097,380	31,260,679	312,607	30,948,072
2020	590,924,055	34,393,553	343,936	34,049,617
2021	647,108,065	37,663,631	376,636	37,286,994
2022	749,531,365	43,624,974	436,250	43,188,724
2023	786,212,730	45,759,940	457,599	45,302,340
2024	874,804,734	50,916,260	509,163	50,407,097
2025	909,974,319	52,963,235	529,632	52,433,603
2026	964,572,768	56,141,029	561,410	55,579,619
2027	964,572,768	56,141,029	561,410	55,579,619
2028	1,022,447,123	59,509,490	595,095	58,914,395
2029	1,022,447,123	59,509,490	595,095	58,914,395
2030	1,083,794,643	63,080,100	630,801	62,449,299
2031	1,083,795,347	63,080,141	630,801	62,449,339
2032	1,148,824,570	66,865,036	668,650	66,196,386

Source: King & Associates, Inc.

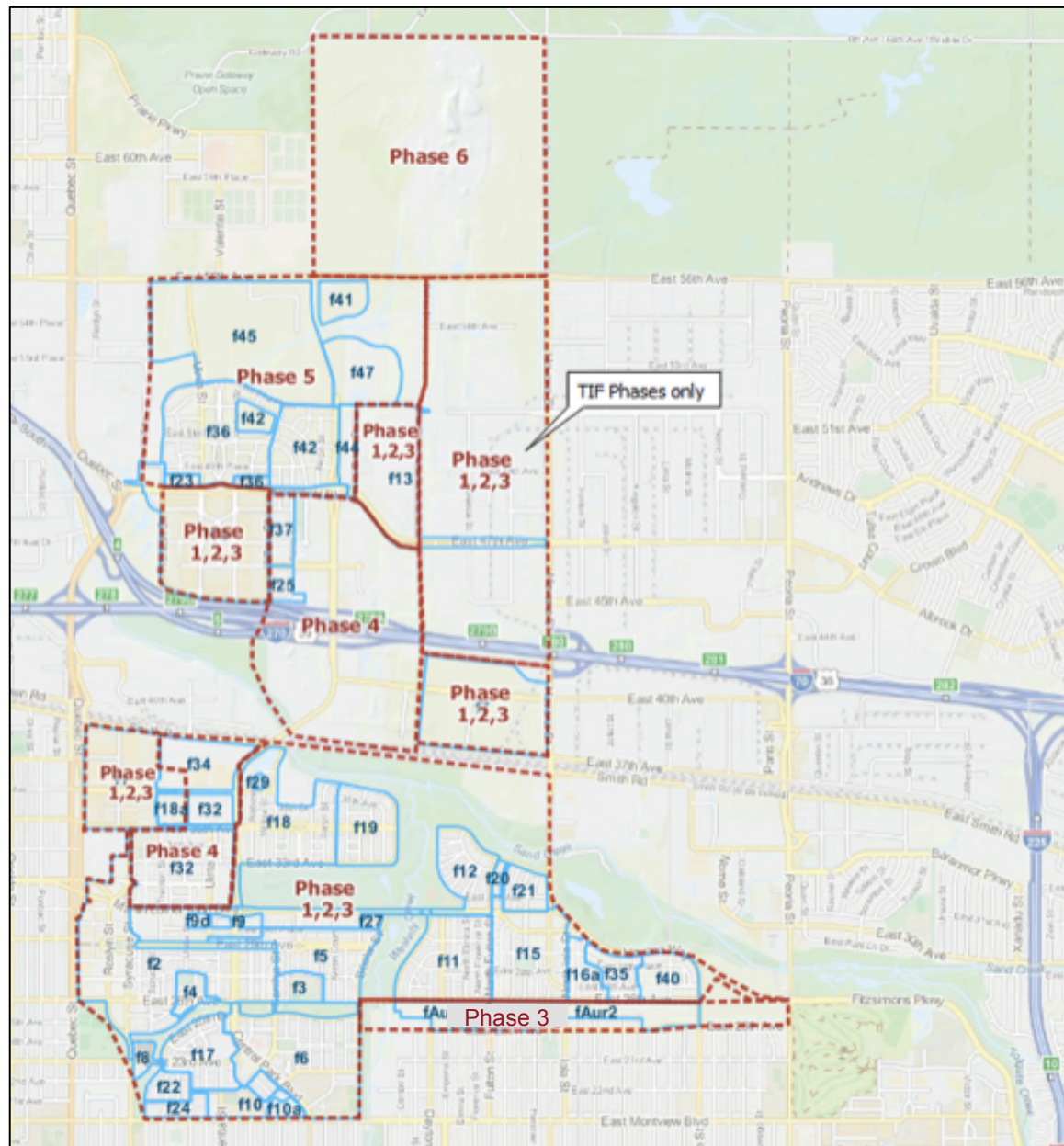
Notes:

1. Revenue column based on mill levy of 58.203, which is net of 1.8 mills for operations and maintenance.
2. The City of Denver charges a 1% collection fee, which is reflect in the last column in the table.

(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX D
DISTRICT MAP

(THIS PAGE INTENTIONALLY LEFT BLANK)



(THIS PAGE INTENTIONALLY LEFT BLANK)

APPENDIX E
FORMS OF THE SENIOR INDENTURE

(THIS PAGE INTENTIONALLY LEFT BLANK)

**AMENDED AND RESTATED
SENIOR MASTER TRUST INDENTURE**

Dated as of December 1, 2015

between

PARK CREEK METROPOLITAN DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Securing Senior Limited Property Tax Supported Revenue Bonds

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS.....	4
ARTICLE II AUTHORIZATION, ISSUANCE, REDEMPTION TERMS, EXECUTION AND FORM OF BONDS.....	17
Section 2.01. Authorization of Bonds Generally	17
Section 2.02. Terms of Bonds	17
Section 2.03. Limited Obligations	18
Section 2.04. Bond Forms Generally	18
Section 2.05. Book-Entry Bonds; Bond Registrar and Bond Register	18
Section 2.06. Registration, Transfer and Exchange of Bonds	19
Section 2.07. Execution.....	20
Section 2.08. Authentication; Authenticating Agent	20
Section 2.09. Payment of Principal and Interest; Interest Rights Preserved	21
Section 2.10. Persons Deemed Owners	21
Section 2.11. Mutilated, Destroyed, Lost or Stolen Bonds.....	22
Section 2.12. Temporary Bonds	23
Section 2.13. Cancellation of Surrendered Bonds	23
ARTICLE III BOND LIEN AND ADDITIONAL PARITY BONDS	23
Section 3.01. First Lien Bonds	23
Section 3.02. Issuance of Additional Parity Bonds.....	23
Section 3.03. Equality of Bonds	26
Section 3.04. Priority of Lien	26
Section 3.05. Superior Obligations Prohibited	26
Section 3.06. Subordinate Obligations Permitted.....	26
ARTICLE IV PROJECT	27
Section 4.01. Project Fund	27
Section 4.02. Application of Improvement Project Moneys.....	27
ARTICLE V FUNDS AND ACCOUNTS	27
Section 5.01. Pledged Revenues to Be Paid Over to Trustee	27
Section 5.02. Revenue Fund	28
Section 5.03. Bond Fund	29
Section 5.04. Reserve Fund	29
Section 5.05. Administrative Costs Fund	30
Section 5.06. Rebate Fund.....	30
Section 5.07. Senior Subordinate Obligations Fund	31
Section 5.08. Subordinate Obligations Fund	32
Section 5.09. Junior Subordinate Obligations Fund	32
Section 5.10. Junior Lien Obligations Fund	32
Section 5.11. Surplus Fund.....	32
Section 5.12. Termination Upon Deposits to Maturity.....	32
ARTICLE VI GENERAL ADMINISTRATION	33
Section 6.01. Places and Times of Deposits	33
Section 6.02. Investment of Moneys	33
Section 6.03. Tax Covenant.....	34
ARTICLE VII REDEMPTION	35
Section 7.01. Redemption.....	35
Section 7.02. District Direction of Optional Redemption.....	35
Section 7.03. Selection of Bonds to be Called for Redemption.....	35
Section 7.04. Notice of Redemption.....	35
Section 7.05. Bonds Redeemed in Part.....	36

Section 7.06.	Payment of Redemption Price	37
ARTICLE VIII COVENANTS OF THE DISTRICT.....		37
Section 8.01.	General	37
Section 8.02.	Performance of Duties	37
Section 8.03.	Further Assurances	37
Section 8.04.	Conditions Precedent.....	38
Section 8.05.	Budgets.....	38
Section 8.06.	Compliance with Certain Agreements	38
Section 8.07.	Surety Bonds	38
Section 8.08.	District Records	39
Section 8.09.	Right to Inspect.....	39
Section 8.10.	Annual Statements and Audits; Other Information	39
Section 8.11.	No Other Liens	39
Section 8.12.	District Existence.....	39
Section 8.13.	Protection of Security	40
Section 8.14.	Continuing Disclosure	40
Section 8.15.	Notices to Trustee.....	40
Section 8.16.	Compliance with Developer Management Agreement	40
ARTICLE IX EVENTS OF DEFAULT AND REMEDIES		41
Section 9.01.	Events of Default Defined	41
Section 9.02.	No Acceleration.....	41
Section 9.03.	Other Remedies	42
Section 9.04.	Legal Proceedings by Trustee.....	42
Section 9.05.	Discontinuance of Proceedings by Trustee.....	42
Section 9.06.	Bondholders May Direct Proceedings	43
Section 9.07.	Limitations on Actions by Bondholders	43
Section 9.08.	Trustee May Enforce Rights Without Possession of Bonds	43
Section 9.09.	Delays and Omissions Not to Impair Rights.....	44
Section 9.10.	Application of Moneys in Event of Default.....	44
Section 9.11.	Trustee's Right to Receiver.....	45
ARTICLE X THE TRUSTEE.....		46
Section 10.01.	Acceptance of Trust.....	46
Section 10.02.	No Responsibility for Recitals, etc.	46
Section 10.03.	Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence.....	46
Section 10.04.	Compensation	47
Section 10.05.	Notice of Default; Right to Investigate	47
Section 10.06.	Obligation to Act on Defaults	47
Section 10.07.	Reliance	47
Section 10.08.	Trustee May Deal in Bonds	48
Section 10.09.	Construction of Ambiguous Provisions	48
Section 10.10.	Resignation of Trustee.....	48
Section 10.11.	Removal of Trustee	48
Section 10.12.	Appointment of Successor Trustee	49
Section 10.13.	Qualification of Successor	49
Section 10.14.	Instruments of Succession.....	49
Section 10.15.	Merger of Trustee	49
Section 10.16.	Appointment of Co-Trustee	49
Section 10.17.	Intervention by Trustee.....	50
Section 10.18.	Privileges and Immunities of Paying Agent and Authenticating Agent	50
Section 10.19.	Expenditure of Trustee Funds.....	51
Section 10.20.	Application of Article X	51
Section 10.21.	Consultation with Counsel.....	51

ARTICLE XI ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS.....	51
Section 11.01. Acts of Bondholders; Evidence of Ownership.....	51
ARTICLE XII AMENDMENTS AND SUPPLEMENTS	52
Section 12.01. Amendments and Supplements to Indenture Without Bondholders' Consent	52
Section 12.02. Amendments to Indenture With Bondholders' Consent.....	54
Section 12.03. Amendments to District Cooperation Agreement, Park Creek/Westerly Creek Intergovernmental Agreement, City Redevelopment Agreement, City Cooperation Agreement and Service Plan	54
Section 12.04. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel.....	55
ARTICLE XIII DEFEASANCE.....	55
Section 13.01. Defeasance.....	55
ARTICLE XIV MISCELLANEOUS PROVISIONS.....	57
Section 14.01. No Personal Recourse.....	57
Section 14.02. Provision of Information to Bondholders	57
Section 14.03. Deposit of Funds for Payment of Bonds	57
Section 14.04. No Rights Conferred on Others	58
Section 14.05. Illegal, etc. Provisions Disregarded	58
Section 14.06. Substitute Notice.....	58
Section 14.07. Notices.....	58
Section 14.08. Successors and Assigns	59
Section 14.09. Headings for Convenience Only.....	59
Section 14.10. Counterparts	59
Section 14.11. Applicable Law.....	60
Section 14.12. Payments Due On Days Which are Not Business Days.....	60
Section 14.13. Notice of Change	60
Section 14.14. Limitation of Liability of District and its Officers, Employees and Agents.....	60
Section 14.15. Election under Supplemental Public Securities Act.....	61
Appendix A: The Project	A-1

MASTER TRUST INDENTURE dated as of December 1, 2015 (together with any amendments or supplements hereto, referred to herein as the "**Indenture**"), between **PARK CREEK METROPOLITAN DISTRICT** (the "**District**"), a quasi-municipal corporation and political subdivision of the State of Colorado operating within the City and County of Denver and **U.S. BANK NATIONAL ASSOCIATION**, Denver, Colorado, as Trustee (the "**Trustee**"), a national banking association duly organized under the laws of the United States of America, having its principal corporate trust office in Denver, Colorado.

RECITALS

WHEREAS, the District was formed as "Stapleton Metropolitan District" pursuant to Colorado Revised Statutes §32-1-101 *et seq.*, as amended, by order of the District Court for the City and County of Denver, Colorado (the "**City**") on July 13, 2000, and after approval of the eligible electors of the District at a special election held July 11, 2000, for the purpose of assisting in the financing and development as a mixed-use development of a portion of the former Stapleton International Airport (the "**Service Area**"), as such area is generally depicted in Exhibit D to the Service Plan (as defined herein);

WHEREAS, by an order of the District Court for the Second Judicial District in Denver, Colorado in October, 2000, the name of the District was changed from Stapleton Metropolitan District to Park Creek Metropolitan District;

WHEREAS, on April 24, 2000, the City and County of Denver approved the Stapleton Metropolitan District Service Plan dated April 12, 2000 (the "**Service Plan**") for the purpose of providing certain parameters for the financing and development of the Service Area.

WHEREAS, the Denver Urban Renewal Authority ("**DURA**"), a corporate body organized and existing under Colorado Revised Statutes § 31-25-101 *et seq.*, as amended (the "**Urban Renewal Act**"), has adopted the Stapleton Metropolitan Redevelopment Plan dated July 15, 2000 (the "**Urban Redevelopment Plan**") in accordance with the Urban Renewal Act, which Urban Redevelopment Plan was approved by the City in July, 2000, and, in furtherance thereof, DURA, has entered into a Cooperation Agreement dated as of March 1, 2001 (the "**District Cooperation Agreement**") with the District and Westerly Creek Metropolitan District, pursuant to which DURA has agreed to pay certain amounts to the District received under the City Cooperation Agreement (defined below) in order to finance certain In-Tract Infrastructure (as defined herein) to the Service Area (referred to as the "**Project**" herein);

WHEREAS, in furtherance of the Urban Redevelopment Plan, the City and DURA have entered into a Cooperation Agreement dated as of July 15, 2000 (the "**City Cooperation Agreement**"), which agreement provides for the disbursement to DURA of certain property tax revenues collected by the City in the Service Area; and

WHEREAS, the District has entered into an Intergovernmental Financing and Construction Agreement dated as of April 30, 2001 with the Westerly Creek Metropolitan District, (together with any other agreement relating to the assignment of property tax revenues to

the District entered into with any other service district created in accordance with the Service Plan, the "**Park Creek/Westerly Creek Intergovernmental Agreement**") which Agreement provides, among other matters, for (i) the assignment to the District of all revenues payable under the District Cooperation Agreement, including revenues resulting from the levy of property taxes by Westerly Creek Metropolitan District, as well as certain other revenues of the Westerly Creek Metropolitan District, (ii) the assignment to the District of certain SO Taxes (as defined herein) received by Westerly Creek, and (iii) the provision and maintenance by the District of the In-Tract Infrastructure; and

WHEREAS, the City has entered into a Redevelopment Services Agreement dated as of April 15, 2001 (the "**City Redevelopment Agreement**") with the District for the purposes of providing for the redevelopment of the Service Area in the event payments to the District under the District Cooperation Agreement are not made for reasons specified in the City Redevelopment Agreement; and

WHEREAS, pursuant to the City Redevelopment Agreement, the City has agreed to pay certain amounts to the District which are received by the City by reason of the inability of DURA to make payments under the District Cooperation Agreement in order to finance the Project; and

WHEREAS, in order to facilitate the provision of Trunk Infrastructure (as defined herein) and the In-Tract Infrastructure, the District has entered into a Reimbursement Agreement related to the In-Tract Infrastructure and a Reimbursement Agreement related to the Trunk Infrastructure, each dated as of April 30, 2001 (as amended from time to time, each referred to as a "**Developer Reimbursement Agreement**") with Forest City Enterprises, Inc. (as further defined below, the "**Developer**"), pursuant to which the Developer will advance, under certain circumstances, funds to finance the In-Tract Infrastructure and the Trunk Infrastructure, respectively, and the District has entered into a Management Services Agreement dated as of April 30, 2001 (as amended from time to time, the "**Developer Management Agreement**") with the Developer, pursuant to which the Developer will provide certain services to the District in connection with the construction of the In-Tract Infrastructure and the Trunk Infrastructure; and

WHEREAS, the District is authorized pursuant to Colorado Revised Statutes §32-1-101 *et seq.* to issue revenue bonds for any of its corporate purposes and, pursuant to the Service Plan, is authorized to issue indebtedness to finance the construction of In-Tract Infrastructure in an amount not to exceed \$679,415,000 and Trunk Infrastructure in an amount not to exceed \$706,905,000; and

WHEREAS, at a regular election held on November 7, 2000, the eligible voters of the District authorized the issuance by the District of indebtedness in an amount equal to \$679,415,000 for each Infrastructure Category set forth on **Exhibit A** hereto (except for Mosquito Control, debt for which has been authorized in the amount of \$1,000,000); and

WHEREAS, pursuant to a Trust Indenture dated as of May 1, 2001, as amended and supplemented from time to time, entered into between the District and the Trustee ("**Prior Indenture**"), the District issued its:

- (i) "Limited Property Tax Supported Revenue Bonds, Series 2001" in the original principal amount of \$70,000,000 ("**Series 2001 Senior Bonds**");
- (ii) "Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2005" in the original principal amount of \$63,000,000 ("**Series 2005 Senior Bonds**");
- (iii) "Senior Limited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2009" in the original principal amount of \$86,000,000 ("**Series 2009 Senior Bonds**"); and
- (iv) "Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2011A" in the original principal amount of \$47,385,000 ("**Series 2011 Senior Bonds**" and, together with the Series 2001 Senior Bonds, the Series 2005 Senior Bonds, and the Series 2009 Senior Bonds, the "**Prior Bonds**"); and

WHEREAS, the Series 2001 Senior Bonds were previously refunded and defeased and on December 17, 2015, the District will issue under the terms of this Amended and Restated Senior Master Trust Indenture, as supplemented by a First Supplement to Amended and Restated Senior Master Trust Indenture dated as of even date herewith, its "Senior Limited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2015A," in the aggregate principal amount of \$231,290,000 (the "**Series 2015A Senior Bonds**"), the proceeds of which will be used to (i) refund all of the Outstanding Series 2005 Senior Bonds, Series 2009 Senior Bonds, and the Series 2011 Senior Bonds (ii) repay certain Developer Advances and/or Reimbursement Notes, and (iii) pay the costs of issuance relating to the Series 2015A Senior Bonds; and

WHEREAS, upon the issuance of the Series 2015A Senior Bonds, none of the Prior Bonds will be Outstanding under the Prior Indenture; and

WHEREAS, this Indenture is intended to amend and replace the Prior Indenture and to govern the issuance of, and establish general provisions relating to, revenue bonds issued by the District (including the Series 2015 Senior Bonds), payable and collectible solely out of the Pledge Revenues (as defined herein) and such other funds and accounts of the District as herein provided; and

WHEREAS, additional terms of each series of bonds issued by the District as provided in this Indenture will be specified in a Supplemental Indenture (as defined below) adopted as provided herein in connection with the issuance of such series; and

WHEREAS, the execution and delivery of this Indenture has been duly authorized by a resolution duly enacted by the Board of the District and all things necessary to make this Indenture a valid and binding agreement have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that, in consideration of the premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, for the benefit of the Bondholders and in order to secure the payment of principal or redemption price (as the case may be) in respect of all Bonds (as defined herein) issued and outstanding under this Indenture, the District does hereby sell, assign, transfer, set over and pledge unto, and grants a security interest in, U.S. Bank National Association, Denver, Colorado, Trustee, its successors in the trust and its assigns forever: (1) all of the right, title and interest of the District in and to the Pledged Revenues as hereinafter defined; (2) all rights to enforce payments under the District Cooperation Agreement and the Park Creek/Westerly Creek Intergovernmental Agreement when due, (3) all rights to enforce payments under the City Redevelopment Agreement (as hereinafter defined) when due; (4) all rights of the District to enforce payments of Pledged Revenues by the City to DURA under the City Cooperation Agreement and covenants of the City related to such payments, to the extent provided in the City Cooperation Agreement; (5) all right, title and interest of the District in the Funds created hereunder (except the Rebate Fund, the Senior Subordinate Obligations Fund, the Subordinate Obligations Fund, the Junior Subordinate Obligations Fund, and the Junior Lien Obligations Fund) and the moneys held thereunder; and (6) all other property that may, from time to time hereafter, be subject to the lien hereof which the Trustee is hereby authorized to receive.

TO HAVE AND TO HOLD in trust, nevertheless, for the equal and ratable benefit and security of all present and future holders of all Bonds issued under this Indenture, without preference, priority or distinction as to lien or otherwise (except as herein expressly provided), of any one Bond over any other Bond upon the terms and subject to the conditions hereinafter set forth.

ARTICLE I

DEFINITIONS

In this Indenture and any indenture supplemental hereto (except as otherwise expressly provided for or unless the context otherwise requires) the singular includes the plural, the masculine includes the feminine, and the following terms shall have the meanings specified in the foregoing recitals:

City	Series 2005 Senior Bonds
City Cooperation Agreement	Series 2009 Senior Bonds
Developer Management Agreement	Series 2011 Senior Bonds
Developer Reimbursement Agreement	Series 2015A Senior Bonds
District Cooperation Agreement	Service Plan
Prior Bonds	Trustee
Prior Documents	Urban Renewal Act
Series 2001 Senior Bonds	Urban Redevelopment Plan

In addition, the following terms shall have the meanings specified in this Article, unless the context otherwise requires:

"Accreted Value" shall mean (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Indenture as the amount representing the initial principal amount of such Capital Appreciation Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of the discounted principal which has accreted since the date of issue; in each case the Accreted Value shall be determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds or Original Issue Discount Bonds.

"Accretion Date" means any date defined as such in a Supplemental Indenture for purposes of determining the Accreted Value or Maturity Value of a Capital Appreciation Bond.

"Additional Parity Bonds" means Bonds hereafter issued pursuant to Section 3.02 hereof with a lien on the Pledged Revenues on parity with Senior Bonds.

"Administrative Costs Fund" means the trust fund so designated which is established pursuant to Section 5.05.

"Annual Debt Service" shall mean the amount of payments required to be made for principal of and interest on all Bonds, including mandatory sinking fund redemptions and Regularly Scheduled Hedge Payments to be made by the District, and District payments pursuant to Reimbursement Agreements with Credit Providers to reimburse such Credit Providers for debt service payments made, and to pay credit enhancement or liquidity support fees, in each case to the extent secured by this Indenture, scheduled to come due within a specified Fiscal Year, computed as follows:

(a) In determining the amount of principal to be funded in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on outstanding Bonds (other than Short-Term/Demand Obligations) in accordance with any amortization schedule established by

the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such year; and in determining the amount of interest to be funded in each year, interest payable at a fixed rate shall (except to the extent any other subsection of this definition applies) be assumed to be made at such fixed rate and on the required funding dates.

(b) Except for any historical period for which the actual rate or rates are determinable and except as otherwise provided herein, Bonds that bear interest at a variable rate shall be deemed to bear interest at a fixed annual rate equal to (i) the average of the daily rates of such indebtedness during the 365 consecutive days (or any lesser period such indebtedness has been outstanding) next preceding the date of computation; or (ii) with respect to any Bonds bearing interest at a variable rate which are being issued on the date of computation, the initial rate of such indebtedness upon such issuance.

(c) Any Bonds that bear interest at a variable rate and with respect to which there exists a Hedge Facility that obligates the District to pay a fixed interest rate shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to bear interest at the effective fixed annual rate thereon as a result of such Hedge Facility. In the case of any Bonds that bear interest at a fixed rate and with respect to which there exists a Hedge Facility that obligates the District to pay a floating rate, Annual Debt Service shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to include the interest payable on such Bonds, less the fixed amounts received by the District under the Hedge Facility, plus the amount of the floating payments (using the convention described in (b) above) to be made by the District under the Hedge Facility.

(d) If all or any portion of an outstanding Series of Bonds constitute Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations, then, for purposes of determining Annual Debt Service, each maturity that constitutes a Balloon Maturity, unissued Program Bonds or Short-Term/Demand Obligations shall, unless otherwise provided in the Supplemental Indenture pursuant to which such Bonds are authorized, be treated as if it were to be amortized over a term of not more than 20 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations were issued, and extending not later than 20 years from the date such Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations were originally issued; the interest rate used for such computation shall be that rate quoted in "The Bond Buyer 25 Revenue Bond Index" for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index designated by the District Representative, taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds only a portion of which constitutes Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable, and with respect to that portion of a Series that

constitutes Balloon Maturities, all funding requirements of principal and interest becoming due in any year other than the stated maturity of the Balloon Maturities shall be treated as described in (a) above or such other provision of this definition as shall be applicable.

"Authenticating Agent" means any agent so designated in and appointed pursuant to Section 2.08.

"Authorized Newspaper" means a financial journal or newspaper, including without limitation *The Bond Buyer* and any successor thereto, in English customarily published each Business Day and generally circulated in the financial community in the Borough of Manhattan, City and State of New York.

"Authorized Denominations" means the denomination or denominations defined as such in a Supplemental Indenture authorizing a Series of Bonds.

"Average Annual Debt Service" means, with respect to a designated Series of Bonds, the amount determined by *dividing* (x) the total Annual Debt Service (for all Fiscal Years or portions thereof) on the Outstanding Bonds for the period from the date of calculation to the final maturity date of such Outstanding Bonds *by* (y) the total number of years and fractions thereof from the date of calculation to the final maturity date of such Outstanding Bonds.

"Balloon Maturities" means, with respect to any Series of Bonds 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date. Commercial paper, bond anticipation notes or other Short-Term/Demand Obligations shall not be deemed to constitute Balloon Maturities.

"Bankruptcy Code" means Title 11 of the United States Code, as amended from time to time.

"Bankruptcy Counsel" means nationally recognized counsel experienced in bankruptcy matters selected by the District and acceptable to the Trustee.

"Bond Counsel" means an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the issuance of bonds or other obligations by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America, and, except as otherwise provided in the Indenture, selected by the District and acceptable to the Trustee.

"Bond Fund" means the trust fund so designated which is established pursuant to Section 5.03.

"Bondholder" or **"Holder of Bonds"** or **"Owner of Bonds"** or **"registered owner"** means the registered owner of any Bond; provided that with respect to any Series of Bonds which is insured by a bond insurance policy or supported by a credit facility instrument, such terms for purposes of all consents, directions, and notices provided for in this Indenture and any applicable Supplemental Indenture, shall mean the issuer of such bond insurance policy or such credit facility instrument as long as such policy issuer has not defaulted under its policy.

"Bond Register" and **"Bond Registrar"** shall have the respective meanings specified in Section 2.05.

"Bond" or **"Bonds"** shall mean the Series 2015A Senior Bonds and any bonds or any other evidences of indebtedness for borrowed money issued from time to time pursuant to Section 3.02 and the terms of any Supplemental Indentures. The terms "Bond" or "Bonds" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by this Indenture; provided that Hedge Termination Payments to be made by the District shall not be secured by this Indenture on a parity with the Bonds.

"Book-Entry Bonds" mean the Bonds held in the Securities Depository's book-entry system as described in Section 2.05.

"Business Day" means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in any of the cities in which the principal offices of the District, the Trustee and any Credit Facility Provider are located are authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" shall mean Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Indenture and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

"City Redevelopment Agreement" means the Redevelopment Services Agreement dated as of April 15, 2001, and all supplements thereto, entered into between the District and the City.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. References to the Code and Sections of the Code include relevant applicable regulations and proposed regulations thereunder and under the Internal Revenue Code of 1954, as amended to the date of enactment of the Tax Reform Act of 1986, and any successor provisions to those Sections,

regulations or proposed regulations and, in addition, include all revenue rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds.

"Costs of the Project" means all costs and expenses incurred in connection with the Project (regardless of whether incurred by the District directly), including without limitation, costs of issuance of the Bonds, capitalized interest on the Bonds, amounts required to establish a debt service reserve with respect to any Series of the Bonds, organizational costs of the District and Westerly Creek, and all other expenses as may be necessary or incidental to the Project.

"Counsel" means an attorney at law or law firm satisfactory to the Trustee (who may be counsel for the District).

"Credit Facility" means any direct pay letter of credit or other credit enhancement or support facility delivered to the Trustee to pay any portion of the principal or redemption or purchase price of, or interest on, the Bonds and having administrative provisions reasonably acceptable to the Trustee.

"Credit Facility Provider" means the institution issuing any Credit Facility, to the extent secured hereunder.

"Current Interest Bonds" means Bonds on which interest is payable on Interest Payment Dates prior to maturity or redemption prior to maturity.

"Developer" means Forest City Enterprises, Inc., an Ohio corporation, and certain of its affiliates, including Stapleton Land, LLC, a Colorado limited liability company, and Forest City Stapleton, Inc., a Colorado corporation.

"Developer Advances" means certain reimbursable advances which the Developer has made to the District in respect of projects within the District's service area pursuant to certain reimbursement agreements between the Developer and the District.

"District" means the Park Creek Metropolitan District (formerly, Stapleton Metropolitan District), its successors and assigns.

"District Representative" means the Chairman or President of the District or other person designated to act on behalf of the District, as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person and signed for the District by any two of its officers.

"DURA" means the Denver Urban Renewal Authority, its successors and assigns.

"Electronic Notice" means notice transmitted through a time-sharing terminal, if operative as between any two parties, or if not operative, in writing, by facsimile transmission or by telephone (promptly confirmed in writing or by facsimile transmission).

"Event of Default" means any of the events specified in Section 9.01 hereof to be an Event of Default. "Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Fitch" means Fitch, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

"Fiscal Year" means the 12-month period beginning January 1 and ending December 31, or as otherwise designated by the District by resolution.

"Governmental Obligations" means (a) direct obligations of the United States of America and (b) obligations unconditionally guaranteed as to full and timely payment by the United States of America.

"Hedge Facility" shall mean any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction, which is intended to convert or limit the interest rate payable with respect to any Bonds, and which (a) is designated to relate to all or part of one or more Series of Bonds; (b) is with a Qualified Hedge Provider or an entity that has been a Qualified Hedge Provider within the 60 day period preceding the date on which the calculation of Annual Debt Service or Average Annual Debt Service is being made; (c) has a term not greater than the term of the designated Bonds or to a specified mandatory tender or redemption of such designated Bonds; and (d) has been designated in writing to the Trustee by the District Representative as a Hedge Facility with respect to such Bonds.

"Hedge Termination Payment" shall mean an amount payable by the District or a Qualified Hedge Provider, in accordance with a Hedge Facility, to compensate the other party to the Hedge Facility for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Hedge Facility.

"IFDA(s)" means one or more Individual Facilities Developer Agreements among the City, the District and either the Developer or another entity authorized to enter into an IFDA with respect to the development, construction and maintenance of Trunk Infrastructure and/or In-Tract Infrastructure.

"Improvement Project" means any project to construct, otherwise acquire, equip or operate (or any combination thereof) the Project, as authorized by State law and described by Supplemental Indenture.

"Indenture" means this Indenture as amended or supplemented at the time in question.

"Independent Consultant" means any person at the time retained by or on behalf of the District to carry out the duties imposed by Section 3.02(b), or any Supplemental Indenture, which person is not an employee of the District and is experienced and has a favorable reputation in the matters set forth in Section 3.02(b).

"Interest Payment Date" means, with respect to any Bonds, the date defined as such in a Supplemental Indenture for purposes of paying the interest on such Bonds.

"In-Tract Infrastructure" shall have the meaning assigned to it in the Service Plan.

"Junior Lien Obligations" shall mean the District's bonds, or other indebtedness or obligations subordinate to the Bonds, the Senior Subordinate Obligations, the Subordinate Obligations, and the Junior Subordinate Obligations. The term "Junior Lien Obligations" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent payable from the Junior Lien Obligations Fund.

"Junior Lien Obligations Fund" means the fund so designated established pursuant to Section 5.10.

"Junior Subordinate Obligations" shall mean the District's bonds, or other indebtedness or obligations subordinate to the Bonds, the Senior Subordinate Obligations, and the Subordinate Obligations. The term "Junior Subordinate Obligations" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent payable from the Junior Subordinate Obligations Fund. "Junior Subordinate Obligations" does not include Junior Lien Obligations.

"Junior Subordinate Obligations Fund" means the fund so designated established pursuant to Section 5.09 hereof.

"Maturity Value" means any amount defined as such in a Supplemental Indenture for purposes of determining the amount payable to the Owner of a Capital Appreciation Bond at the maturity of such Capital Appreciation Bond.

"Maximum SO Tax Amount" means the amount of SO Taxes received by the District from the Westerly Creek District pursuant to the Park Creek/Westerly Creek Intergovernmental Agreement and paid to the Trustee for deposit into the Revenue Fund from December 1 of each bond payment year through November 30 of the following bond payment year until December 1, 2037, which, together with any earnings thereon, shall equal in each such twelve

month period the lesser of (i) \$700,000 and (ii) the amount of SO Taxes received by the District from the Westerly Creek District.

"MFDA" means the Master Facilities Development Agreement entered into by and between the City, the District and the Developer; approved by the City by authority of Ordinance No. 149, Series of 2001; dated as of February 12, 2001 and filed at Denver City Clerk filing No. 00-124, and any amendment or supplement thereto.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

"Original Issue Discount Bonds" shall mean Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds by the Supplemental Indenture under which such Bonds are issued.

"Original Principal Amount" means any amount defined as such in a Supplemental Indenture for purposes of determining certain rights of the Owner of, or certain other matters with respect to, a Capital Appreciation Bond.

"Outstanding" in connection with the Bonds, means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

A. Bonds canceled upon surrender, exchange or transfer, or canceled because of payment or redemption at or prior to that time;

B. Bonds, or the portion thereof, for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited and credited with the Trustee or Paying Agent on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Bonds); provided, that if any of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected Bondholders of the notice satisfactory in form to the Trustee shall have been filed with the Trustee;

C. Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of Article XIII hereof; and

D. Bonds in lieu of which others have been authenticated under Section 2.11 of this Indenture.

In determining whether the owners of a requisite aggregate principal amount of the applicable series of Bonds outstanding have concurred in any request, demand, authorization,

direction, notice, consent or waiver under the provisions hereof, Bonds which are held by or on behalf of the District (unless all of the outstanding Bonds are then owned by the District) shall be disregarded for the purpose of any such determination.

"Park Creek/Westerly Creek Intergovernmental Agreement" means the Intergovernmental Financing and Construction Agreement dated as of April 30, 2001 between the District and Westerly Creek, as amended or supplemented (together with any other agreement relating to assignment of property tax revenues to the District entered into with any other service district created in accordance with the Service Plan).

"Paying Agent" or **"Co-Paying Agent"** means any national banking association, bank, bank and trust company or trust company appointed by the District to serve as paying agent for the Bonds. The Trustee shall serve initially as Paying Agent. "Principal Office" of any Paying Agent shall mean the office thereof designated in writing to the Trustee.

"Permitted Investments" means any investments permitted under the laws of the State, as amended from time to time, for the investment of the District's money, as may be further limited by resolutions of the District, certified copies of which may be delivered to the Trustee from time to time; provided, however, that such investments, other than obligations of, or obligations guaranteed as to the timely payment of principal and interest by, the United State of America, must be rated either: (i) by one or more Rating Agencies in one of the two highest generic rating categories, or (ii) if such investment consists of a collateralized investment agreement, such investment agreement is rated by one or more Rating Agencies in one of the three highest generic rating categories.

"Pledged Revenues" means (a) all amounts payable to the District as "Tax Increment Revenues" attributable to the District's or Westerly Creek's current and future ad valorem taxes on real and personal property under the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement or the City Redevelopment Agreement or otherwise, representing the 48.5 mill levy (as such levy may be adjusted in accordance with the Service Plan) of Westerly Creek; (b) any profit (including interest earnings) from investments of money in certain of the Funds which is credited to the Revenue Fund as provided in Section 6.02; (c) the Maximum SO Tax Amount; and (d) any other legally available amounts that the District may designate, by resolution of its Board of Directors, to be paid to the Trustee for deposit into the Revenue Fund or otherwise held under this Indenture.

"Program" shall mean a financing program identified in a Supplemental Indenture, including but not limited to a bond anticipation note or commercial paper program, (a) which is authorized and the terms thereof approved by a resolution adopted by the District and the items required under Section 3.02 have been filed with the Trustee, (b) wherein the District has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in an authorized amount, and (c) the authorized amount of which has met the

additional bonds test set forth in Section 3.02 and the outstanding amount of which may vary from time to time, but not exceed the authorized amount.

"Project" means: the planning, designing, engineering, testing, permitting, inspecting, construction management, construction, installation or acquiring of certain infrastructure set forth on **Exhibit A** hereto constituting In-Tract Infrastructure (meaning generally improvements which are considered to extend regional key collector or distribution facilities within or along larger individual parcels or to be local in nature and part of the local distribution, collection and service facilities to support development of individual parcels within the District Service Area, as contemplated by the Service Plan) in the Service Area, as such **Exhibit A** may be modified in accordance with a resolution of the Board of Directors of the District upon delivery to the Trustee of an opinion of Bond Counsel to the effect that such modification will not adversely affect the exclusion from gross income for federal tax purposes of interest on any Outstanding Bonds.

"Project Fund" means the fund so designated established pursuant to Section 4.01.

"Qualified Hedge Provider" shall mean, except as otherwise limited by State law, a financial institution whose senior long-term debt obligations, or whose obligations under any Hedge Facility are (a) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least "A1," in the case of Moody's and "A+," in the case of S&P, or the equivalent thereto in the case of any successor thereto, or (b) fully secured by obligations described in items (i) or (ii) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% (or such lower percentage as shall not materially and adversely impair the outstanding ratings of the Bonds, if any, by the Rating Agencies) of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

"Rating Agency" or **"Rating Agencies"** shall mean, with respect to a Series of Bonds, Fitch, Moody's or S&P or any other nationally recognized credit rating agencies specified in the related Supplemental Indenture; provided that any such rating agency shall, at the time in question, be maintaining a rating on such Series of Bonds at the request of the District.

"Rebate Fund" means the trust fund so designated which is established pursuant to Section 5.06.

"Record Date" means, as the case may be, the applicable Regular or Special Record Date.

"Refunding Project" means any undertaking to refund, pay and discharge any Bonds or other securities or obligations.

"Regular Record Date" as used with respect to any Interest Payment Date for any Bonds, means the date designated in any Supplemental Indenture for purposes of paying interest on such Bonds.

"Regularly Scheduled Hedge Payments" shall mean the regularly scheduled payments under the terms of a Hedge Facility which are due absent any termination, default or dispute in connection with such Hedge Facility.

"Reimbursement Notes" means certain reimbursement notes issued by the District to the Developer to memorialize Developer Advances under certain reimbursement agreements between the Developer and the District.

"Reserve Fund" means the trust fund so designated which is established pursuant to Section 5.04.

"Reserve Requirement" means the amount, if any, set forth and designated as such in a Supplemental Indenture relating to Bonds issued under such Supplemental Indenture.

"Revenue Fund" means the trust fund so designated which is established pursuant to Section 5.02.

"S & P" means Standard & Poor's Ratings Services, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S & P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

"Securities Depository" means The Depository Trust Company or any additional or other securities depository designated in a Supplemental Resolution, or (i) if the then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the Board discontinues use of the Securities Depository, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Board.

"Senior Subordinate Obligations" shall mean the District's bonds, or other indebtedness subordinate to the Bonds, including any Notes, Senior Subordinate Bonds, as well as notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent payable from the Senior Subordinate Obligations Fund. "Senior Subordinate Obligations" does not include Subordinate Obligations, Junior Subordinate Obligations, or Junior Lien Obligations.

"Senior Subordinate Obligations Fund" means the fund so designated established pursuant to Section 5.07 hereof.

"Series" means the Bonds designated in this Indenture or a separate Supplemental Indenture and any Bonds authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture or any Supplemental Indenture.

"Service Area" means the Stapleton Service Area, as defined in the Service Plan.

"Short-Term/Demand Obligations" shall mean each series of Bonds issued pursuant to this Indenture, (a) the payment of principal of which is either (i) payable on demand by or at the option of the Holder at a time sooner than a date on which such principal is deemed to be payable for purposes of computing Annual Debt Service, or (ii) scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced for a specified period or term either (A) through the issuance of additional Short-Term/Demand Obligations pursuant to a commercial paper or other similar Program, or (B) through the issuance of long-term Bonds pursuant to a bond anticipation note or similar Program; and (b) the purchase price, payment or refinancing of which is additionally secured by a Credit Facility.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest in accordance with Section 2.09.

"Specific Ownership Taxes" or **"SO Taxes"** means the proportionate share of specific ownership taxes imposed by the State on motor vehicles that is distributed to the Westerly Creek District pursuant to Section 42-3-101 *et seq.*, C.R.S., and paid to the District by the Westerly Creek District pursuant to the Park Creek/Westerly Creek Intergovernmental Agreement.

"State" means the State of Colorado.

"Subordinate Obligations" shall mean the District's bonds, or other indebtedness subordinate to the Bonds and Senior Subordinate Obligations, including any Notes or Subordinate Bonds (as such terms are defined in the Developer Reimbursement Agreement relating to the In-Tract Infrastructure) which are issued as provided in the Developer Reimbursement Agreement relating to the In-Tract Infrastructure, as well as notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent payable from Subordinate Obligations Fund. "Subordinate Obligations" does not include Senior Subordinate Obligations, Junior Subordinate Obligations, or Junior Lien Obligations.

"Subordinate Obligations Fund" means the fund so designated established pursuant to Section 5.08.

"Supplemental Indenture" means any indenture supplementing or amending this Indenture that is executed and delivered pursuant to Article XII hereof.

"Surplus Fund" means the trust fund so designated which is established pursuant to Section 5.11.

"Tax Certificate" means any Tax Certificate executed by the District on the date of the issuance of any Series of Bonds.

"Tax Increment Revenues" means revenues received by DURA which are attributable to the District's or Westerly Creek's current and future ad valorem taxes on real and personal property within the area encompassed by the Urban Redevelopment Plan, which amounts are payable to the District under the terms of the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, and the City Redevelopment Agreement.

"Trunk Infrastructure" shall have the meaning assigned to it in the Service Plan.

"Westerly Creek" means the Westerly Creek Metropolitan District, and any other special district organized in accordance with the Service Plan for the purpose of levying property taxes to finance In-Tract Infrastructure.

The words "hereof," "herein," "hereto," "hereby" and "hereunder" refer to the entire Indenture.

ARTICLE II

AUTHORIZATION, ISSUANCE, REDEMPTION TERMS, EXECUTION AND FORM OF BONDS

Section 2.01. Authorization of Bonds Generally

The District may authorize by Supplemental Indenture any Improvement Project, Refunding Project, or combination thereof, and the issuance of Bonds for such purpose or purposes. The aggregate principal amount of Bonds which may be executed, authenticated and delivered under this Indenture is not limited except as may be provided herein or in any Supplemental Indenture. The Bonds may, as provided in one or more Supplemental Indentures, be issued in one or more Series and shall bear such designation as the District deems appropriate.

Section 2.02. Terms of Bonds

The Bonds of each Series shall be dated, shall mature, shall bear interest (if any), shall be issued in Authorized Denominations, and shall otherwise be subject to such terms and conditions as are provided herein or by Supplemental Indenture.

Section 2.03. Limited Obligations

The Bonds are special, limited obligations of the District and the principal or redemption price thereof, interest and premium, if any, thereon and other expenses in connection therewith shall be payable solely from the Pledged Revenues as provided herein. The Bonds do not constitute a debt or financial obligation of the City and shall never constitute nor give rise to any pecuniary liability of the City or any political subdivision of the State (other than the District) or a charge against the general credit or taxing powers of the City. The Bonds are not secured by any lien or a mortgage on or security interest in any property of the District other than the Pledged Revenues to the extent provided herein.

Section 2.04. Bond Forms Generally

The Bonds shall be issued in such form as may be provided by Supplemental Indenture. The District may cause a copy of the text of the opinion of Bond Counsel delivered at the original issuance of any Bonds to be printed on such Bonds, and, upon request of the District and the deposit with the Trustee of executed counterparts of such opinions, the Trustee shall certify that the text appearing on such Bonds is a true and correct copy of such opinions, by manual or facsimile signature. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. The Bonds may bear such notation, endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.05. Book-Entry Bonds; Bond Registrar and Bond Register

Notwithstanding any other provision hereof, all or certain Series of the Bonds may, at the option of the District, be issued in the name of the nominee of a Securities Depository, as registered owner thereof, and immobilized in the custody of the Securities Depository (the "**Book-Entry Bonds**"). A single certificate for each maturity date of the Book-Entry Bonds will be issued and delivered to the Securities Depository for the total principal amount due on each maturity date of the Book-Entry Bonds. Beneficial owners of Book-Entry Bonds will not receive physical delivery of bond certificates except in the event that replacements are issued therefor as provided in a Supplemental Indenture. All subsequent transfers of ownership interests, after immobilization of the original Book-Entry Bond certificates as provided above, will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring Book-Entry Bonds is to receive, hold or deliver any Book-Entry Bond certificate as long as the Securities Depository or any successor depository holds the immobilized Book-Entry Bond certificates. Any officer of the District is hereby authorized and directed to take any and all actions as may be necessary and not inconsistent with this Indenture in order to qualify the Book-Entry Bonds for a Securities Depository's book-entry system, including the execution of a letter of representations, and payments to the Securities Depository by the Paying Agent shall be made in accordance with such letter of representations.

The District shall designate one or more persons to act as "**Bond Registrar**" for the Bonds provided that the Bond Registrar appointed for the Bonds shall be either the Trustee or a

person which would meet the requirements for qualification as a Trustee imposed by Section 10.13 hereof. Any person other than the Trustee undertaking to act as Bond Registrar shall first execute a written agreement, in form satisfactory to the Trustee, to perform the duties of a Bond Registrar under this Indenture, which agreement shall be filed with the Trustee.

The Bond Registrar shall act as registrar and transfer agent for the Bonds. The District shall cause to be kept at an office of the Bond Registrar a register (herein sometimes referred to as the "**Bond Register**") in which, subject to such reasonable regulations as it, the Trustee or the Bond Registrar may prescribe, the District shall provide for the registration of the Bonds and for the registration of transfers of the Bonds. The District shall cause the Bond Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. The principal corporate trust office of the Trustee shall be deemed to be such office in respect of the Bonds for which the Trustee is acting as Bond Registrar.

The Bond Registrar shall at such time as reasonably requested by the Trustee, certify and furnish to the Trustee and any Paying Agent as the Trustee shall specify, the names, addresses, and holdings of Bondholders and any other relevant information reflected in the Bond Register, and the Trustee and any such Paying Agent shall for all purposes be fully entitled to rely upon the information so furnished to them and shall have no liability or responsibility in connection with the preparation thereof except to the extent that any such information was furnished or supplied to the Bond Registrar by any such entity.

Section 2.06. Registration, Transfer and Exchange of Bonds

As provided in Section 2.05 hereof, the District shall cause a Bond Register to be kept at the designated office of the Bond Registrar. Upon surrender for transfer of a Bond of any Series at such office, the District shall execute and the Trustee or its Authenticating Agent shall authenticate and deliver in the name of the transferee or transferees, one or more new fully registered Bond of the same Series of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive.

At the option of the holder, Bonds may be exchanged for other Bonds of the same Series, of any other authorized denomination, of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the District shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds presented for transfer or exchange, redemption or payment (if so required by the District, the Bond Registrar or the Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the holder or by his attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any reasonable fees, taxes or other governmental charges that may be imposed in relation thereto.

Neither the District nor the Bond Registrar on behalf of the District shall be required (i) to register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.07. Execution

The Bonds shall be executed by the manual or facsimile signature of the President and Chairman of the District, and the corporate seal of the District shall be affixed, imprinted, lithographed or reproduced thereon and shall be attested by the manual or facsimile signature of the Secretary/Treasurer of the District.

Bonds executed as above provided may be issued and shall, upon request of the District, be authenticated by the Trustee or the Authenticating Agent, notwithstanding that any officer signing such Bonds or whose facsimile signature appears thereon, having held such office at the time of execution thereof, shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bond.

Section 2.08. Authentication; Authenticating Agent

No Bond shall be valid for any purpose until the certificate of authentication shall have been duly executed as provided in this Indenture, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the holder thereof is entitled to the benefit of the trust hereby created.

If the Bond Registrar is other than the Trustee, the Trustee may appoint the Bond Registrar as an Authenticating Agent with the power to act on such Trustee's behalf and subject to its direction in the authentication and delivery of Bonds in connection with transfers and exchanges under Section 2.06 hereof, and the authentication and delivery of Bonds by an Authenticating Agent pursuant to this Section shall, for all purposes of this Indenture, be deemed to be the authentication and delivery "by the Trustee." The Trustee shall, however, itself authenticate all Bonds upon their initial issuance and any Bonds issued in substitution for other Bonds pursuant to Sections 2.11 and 2.12 hereof. The Trustee shall be entitled to be reimbursed for payments made to any Authenticating Agent as reasonable compensation for its services.

Section 2.09. Payment of Principal and Interest; Interest Rights Preserved

The principal, redemption price or purchase price of any Bond shall be payable when due, upon surrender of such Bond, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, at the Principal Office of any Paying Agent. Interest on any Bond on each Interest Payment Date in respect thereof shall be payable by check mailed to the address of the person entitled thereto as such address shall appear in the Bond Register, or, at the request of an owner of \$1,000,000 or more in principal amount of Bonds, by wire transfer to an account designated in writing by such owner.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on an Interest Payment Date shall be paid to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "**Defaulted Interest**") shall forthwith cease to be payable to the owner of such Bond on the relevant Regular Record Date or Interest Payment Date by virtue of having been such owner, and such Defaulted Interest shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be no more than 15 nor fewer than 10 days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to the Bond Registrar and the Paying Agent and to each Bondholder at his address as it appears in the Bond Register, not fewer than 10 days prior to such Special Record Date.

Subject to the foregoing provisions of this Section 2.09, each Bond delivered under this Indenture upon registration of transfer of or exchange for or in lieu of any other Bonds shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

Section 2.10. Persons Deemed Owners

The District, the Trustee, any Paying Agent, the Bond Registrar and any Authenticating Agent may deem and treat the person in whose name any Bonds are registered as the absolute owner thereof (whether or not such Bonds shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of (and premium, if any, on), purchase price and redemption price of and (subject to Section 2.09) interest on, such Bonds, and for all other purposes, and neither the District, the Trustee, any Paying Agent, the Bond Registrar nor the Authenticating Agent shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bonds.

Section 2.11. Mutilated, Destroyed, Lost or Stolen Bonds

(a) If any Bonds shall become mutilated, lost, stolen or destroyed, the affected Bondholder shall be entitled to the issuance of a substitute Bonds only as follows:

(i) in the case of a lost, stolen or destroyed Bond, the Bondholder shall (A) provide notice of the loss, theft or destruction to the District and the Trustee within a reasonable time after the Bondholder receives notice of the loss, theft or destruction, (B) request the issuance of a substitute Bond and (C) provide evidence, satisfactory to the District and the Trustee, of the ownership and the loss, theft or destruction of the affected Bond;

(ii) in the case of a mutilated Bond, the Bondholder shall surrender the Bond to the Trustee for cancellation; and

(iii) in all cases, the Bondholder shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section 2.11 satisfactory to the District, the Trustee and the Credit Facility Provider, if any.

Upon compliance with the foregoing, a new Bond of like tenor, series and denomination, executed by the District, shall be authenticated by the Trustee and delivered to the Bondholder, all at the expense of the Bondholder to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Trustee shall not be required to authenticate and deliver any substitute Bond for a Bond which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Trustee or a Paying Agent in accordance with the terms of the mutilated, lost, stolen or destroyed Bond without substitution therefor.

(b) Every substituted Bond issued pursuant to this Section 2.11 shall constitute an additional contractual obligation of the District and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the District may recover the substitute Bond from the Bondholder to whom it was issued or from anyone taking under the Bondholder except a bona fide purchaser for value without notice.

(c) All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or investment or other securities without their surrender.

Section 2.12. Temporary Bonds

Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the District may issue, and, upon its request, the Trustee shall authenticate, in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above in any denomination authorized under Section 2.02. Upon request of the District, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.13. Cancellation of Surrendered Bonds

Bonds surrendered for payment, redemption, transfer or exchange and Bonds surrendered to the Trustee by the District for cancellation shall be canceled by the Trustee which shall notify the Bond Registrar of such cancellation. Canceled Bonds shall be retained by the Trustee until the District, in writing, directs otherwise.

ARTICLE III

BOND LIEN AND ADDITIONAL PARITY BONDS

Section 3.01. First Lien Bonds

The Bonds issued hereunder constitute an irrevocable and first lien (but not necessarily an exclusively first lien) upon the Pledged Revenues.

Section 3.02. Issuance of Additional Parity Bonds

Following issuance of the Series 2015A Senior Bonds, the District may issue Additional Parity Bonds in such principal amounts as the District may determine upon satisfaction of the following requirements, provided that such Additional Parity Bonds shall be designated by separate Series.

(a) Absence of Default. The District shall not have defaulted in making any payments required by Article V hereof during the 12 calendar months immediately preceding the issuance of such Additional Parity Bonds, or, if none of the Bonds have been issued and Outstanding for a period of at least 12 calendar months, for the longest period any of the Bonds have been issued and Outstanding; and

(b) Revenues Test. The District shall have provided to the Trustee a written report, which report shall be prepared by an Independent Consultant, concluding that:

(i) the Pledged Revenues received by the District for each of the two full Fiscal Years immediately prior to the issuance of the Additional Parity Bonds equals not less than 1.35 times the Average Annual Debt Service with respect to all Bonds that

will remain outstanding following the issuance of such Additional Parity Bonds, including the Additional Parity Bonds to be issued; provided however that, for purposes of the calculation in this subparagraph (i) only, if prior to the issuance of the Additional Parity Bonds the District has by District resolution authorized and irrevocably pledged to deposit to the Revenue Fund, through the final maturity date of all Bonds to be Outstanding hereunder, legally available moneys of the District in addition to those authorized and pledged during the two full Fiscal Years immediately prior to the issuance of the Additional Parity Bonds, the actual Pledged Revenues for each such Fiscal Year may be adjusted by adding thereto an amount, as determined by the Independent Consultant, equal to the estimated increase in revenues which would have been realized during each such Fiscal Year had such additional legally available moneys of the District been pledged during each such Fiscal Year; or

(ii) (A) the Pledged Revenues expected to be received by the District for each of the three full Fiscal Years immediately subsequent to the issuance of the Additional Parity Bonds shall equal not less than 1.35 times the Average Annual Debt Service with respect to all Bonds that will remain outstanding following the issuance of such Additional Parity Bonds, including the Additional Parity Bonds to be issued, and (B) the assumptions utilized in determining the Pledged Revenues expected to be received during such period are reasonable; provided, however, that for purposes of the calculation in this subparagraph (ii), to the extent that additional security, in the form of a Credit Facility, is provided with respect to the Additional Parity Bonds, the Pledged Revenues for each year may be increased by the amount available to be drawn under such Credit Facility; and

(c) The District shall have provided to the Trustee a District resolution authorizing the issuance of such Additional Parity Bonds; and

(d) The District and the Trustee shall have entered into a Supplemental Indenture authorizing the issuance of the Additional Parity Bonds, which Supplemental Indenture specifies the following:

(i) The Series designation, the name, the aggregate principal amount, the Authorized Denominations, the Reserve Requirement, if any, the dated date, the maturity date or dates and the form of the Additional Parity Bonds and, if the Additional Parity Bonds are Capital Appreciation Bonds, the aggregate Original Principal Amount of each Series and of each Authorized Denomination of such Series;

(ii) If the Additional Parity Bonds are Current Interest Bonds, the interest rate or rates, if any, or the method for determining the interest rate or rates on the Additional Parity Bonds, which rates may be fixed, adjustable or variable or any combination thereof, and, if any such rate is adjustable or variable, the standard, index or formula to be used to determine the interest rate and the maximum interest rate applicable

to the Additional Parity Bonds, and the Interest Payment Date or Dates for the payment of such interest;

(iii) If the Additional Parity Bonds are Capital Appreciation Bonds, the Maturity Value, Accreted Value and Accretion Dates, or the manner of determining the same, for the Additional Parity Bonds;

(iv) The redemption provisions, if any, for the Additional Parity Bonds;

(v) The manner in which the proceeds of the Additional Parity Bonds are to be applied;

(vi) Any variations in the terms set forth in this Indenture with respect to the Additional Parity Bonds; and

(e) The District shall have provided to the Trustee:

(i) A written opinion of Bond Counsel to the effect that (A) the Additional Parity Bonds have been duly authorized, executed and delivered by the District and are valid and binding special limited obligations of the District entitled to the benefit of this Indenture; and (B) the issuance of the Additional Parity Bonds will not adversely affect the exclusion from gross income for federal tax purposes of interest on any Outstanding Bonds;

(ii) Evidence that a "CUSIP" number has been obtained for the Additional Parity Bonds;

(iii) If the Bonds are in the Book-Entry System, evidence that the Additional Parity Bonds have been accepted into the Book-Entry System;

(iv) A certificate of the District stating that the aggregate principal amount of the Additional Parity Bonds to be issued, together with the aggregate principal amount of Outstanding Bonds, Senior Subordinate Obligations, Subordinate Obligations, Junior Subordinate Obligations, and Junior Lien Obligations does not exceed \$679,415,000 (or such other amount as may be permitted for financing In-Tract Infrastructure, as set forth in the Service Plan);

(v) An executed counterpart of the Supplemental Indenture described in subparagraph (d) of this Section 3.02; and

(f) There shall have been delivered to the Trustee any additional certificates or opinions that may be required by Bond Counsel or the Trustee, including, if the Bonds are rated by one or more Rating Agencies, confirmation from such Rating Agencies that the issuance of additional Bonds shall not cause a modification of the ratings of the Bonds; and

(g) Additional Parity Bonds issued to refund Outstanding Bonds may be issued in such principal amount as may be necessary to effect such refunding if the District provides to the Trustee the instruments required by Section 3.02(a), (c), (d), (e), and (f).

Section 3.03. Equality of Bonds

All Bonds which are issued in conformity with this Indenture and are from time to time Outstanding shall be equally and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of the Bonds, it being the intention of the parties hereto that there shall be no priority among the Bonds regardless of the fact that they may be actually issued and delivered at different times; provided that nothing herein shall be construed to preclude the creation of separate reserve funds or the obtaining of separate surety bonds, credit facilities, or insurance policies for an issue of Additional Parity Bonds; and further provided that future accounts in the Reserve Fund shall secure such Bonds as shall be specified in a Supplemental Indenture.

Section 3.04. Priority of Lien

There is hereby created an irrevocable first lien upon the Pledged Revenues for the benefit of the Bonds authorized herein, which lien is not necessarily exclusive. The pledge made by this Indenture shall be valid and binding from and after the date of the first delivery of any Bonds, and the Pledged Revenues and other moneys hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice of such lien.

Section 3.05. Superior Obligations Prohibited

Nothing set forth herein shall be construed to permit the District to issue additional obligations payable from Pledged Revenues and having a lien thereon prior and superior to the Bonds.

Section 3.06. Subordinate Obligations Permitted

Nothing set forth herein shall be construed to prevent the District from issuing additional obligations payable from Pledged Revenues and having a lien thereon subordinate and junior to the lien of the Bonds, including Senior Subordinate Obligations, Subordinate Obligations, Junior Subordinate Obligations, and Junior Lien Obligations; provided, however, that, as long as any Bonds remain Outstanding, no payment default or other breach or default with respect to such obligations shall constitute an Event of Default or entitle the owners of such obligations to exercise any right or remedy.

ARTICLE IV

PROJECT

Section 4.01. Project Fund

There is hereby created and established with the Trustee the Park Creek Metropolitan District Project Fund (the "**Project Fund**"). The Trustee shall create and establish separate accounts within the Project Fund and identified by the appropriate Series designation to provide for the receipt and disbursement of certain proceeds of Additional Parity Bonds, provided however, that unless otherwise specifically provided by a Supplemental Indenture, such separate accounts shall not affect the rights of the Owners of the Bonds with respect to moneys in the Project Fund.

Section 4.02. Application of Improvement Project Moneys

Moneys credited from time to time to an account created under a Supplemental Indenture within the Project Fund to pay costs of an Improvement Project shall be used, without requisition, voucher or other direction or further authority than is herein contained, to pay, or to reimburse the District for the payment of, costs of the related Improvement Project, as the same become due, all as further provided in the related Supplemental Indenture.

ARTICLE V

FUNDS AND ACCOUNTS

Section 5.01. Pledged Revenues to Be Paid Over to Trustee

(a) The District shall cause the Pledged Revenues to be paid directly to the Trustee. If, notwithstanding these arrangements, the District receives any payments on account of the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement or the City Redevelopment Agreement, the District shall immediately pay over the same to the Trustee to be held as Pledged Revenues. The Trustee shall deposit all Pledged Revenues, immediately upon receipt, into the Revenue Fund for application as provided in Section 5.02.

(b) The District shall notify the Trustee in writing of any failure by DURA to make a payment of Pledged Revenues as contemplated under the District Cooperation Agreement, specifying the reason or reasons for such failure of payment by DURA. Unless such failure of payment is a result of DURA's failure to appropriate the payment to the District or its assignee of Pledged Revenues, the Trustee shall, upon receipt of written notice from the District and in any event not later than 60 days prior to the next Interest Payment Date, provide written notice, in accordance with Section 2.1 of the City Redevelopment Agreement, to the City's Manager of Finance that payments by DURA as contemplated in the District Cooperation

Agreement have not occurred, specifying the reason or reasons therefor, and requesting payment in accordance with the provisions of the City Redevelopment Agreement.

Section 5.02. Revenue Fund

There is hereby established with the Trustee a Revenue Fund. The Trustee shall deposit all Pledged Revenues, immediately upon receipt, into the Revenue Fund and shall make transfers from the Revenue Fund to the following Funds in the following order or priority:

(a) **First**, to the District Account of the Bond Fund, until the amount therein shall equal the Annual Debt Service with respect to the current fiscal year and any amounts then due to reimburse a Credit Facility Provider for any payments of principal or interest made under a Credit Facility (except a Credit Facility provided for purposes of Section 3.02(b)(ii) or 5.04(d)) with respect to the Bonds;

(b) **Second**, to the Reserve Fund, in the event that moneys in the applicable account in the Reserve Fund are less than the Reserve Requirement with respect to any Series of Bonds, until the amount therein shall equal the Reserve Requirement for such series of Bonds, and to the Credit Facility Provider, if any, providing a Credit Facility in accordance with the provisions of Section 5.04(d), any amounts then due to reimburse such Credit Facility Provider for any payments of principal or interest made under a Credit Facility and to pay any fees due to such Credit Facility Provider;

(c) **Third**, to the Administrative Costs Fund, until the amount therein shall equal the amount of any fees due to the Trustee or any Credit Facility Provider (except fees relating to a Credit Facility provided for purposes of Section 3.02(b)(ii) or 5.04(d)) for the current fiscal year;

(d) **Fourth**, to the Rebate Fund, until the amount therein shall equal the requisite rebate amount calculated by the District as provided in Section 5.05 hereof;

(e) **Fifth**, to the Senior Subordinate Obligations Fund, until the amount therein shall equal the amounts due or becoming due on any Senior Subordinate Obligations;

(f) **Sixth**, to the Subordinate Obligations Fund, until the amount therein shall equal the amounts due or becoming due on any Subordinate Obligations;

(g) **Seventh**, to the Junior Subordinate Obligations Fund, until the amount therein shall equal the amounts due or becoming due on any Junior Subordinate Obligations;

(h) **Eighth**, to the Junior Lien Obligations Fund, until the amount therein shall equal the amounts due or becoming due on any Junior Lien Obligations; and

(i) **Ninth**, to the Surplus Fund, the balance of amounts remaining in the Revenue Fund.

Section 5.03. Bond Fund

(a) There is hereby established with the Trustee a Bond Fund and, within the Bond Fund two separate and segregated accounts, to be designated "District Account" and "Credit Facility Account." Neither the District nor the Owners of the Bonds shall have any interest in the Credit Facility Account except as may be provided in a Supplemental Indenture.

(b) There shall be deposited into the District Account of the Bond Fund such amounts as provided in Section 5.02. The Trustee shall make moneys in the District Account available to the Paying Agent or Agents, to pay (i) the principal or redemption price of Bonds as they mature or become due, upon surrender thereof; (ii) the interest on Bonds as it becomes payable; and (iii) any amounts due to reimburse a Credit Facility Provider for any payments of principal or interest made under a Credit Facility (except a Credit Facility provided for purposes of Section 3.02(b)(ii) or 5.04(d)) with respect to the Bonds.

(c) There shall be deposited, from time to time, into the Credit Facility Account, all moneys drawn by the Trustee under a Credit Facility, if any, to pay principal, purchase price or redemption price of and interest on a Series of the Bonds, which moneys shall be applied for such purposes as provided in such Credit Facility.

(d) In addition to the transfers provided in Section 5.02, there shall be deposited into any account established in the Bond Fund pursuant to the provisions of any Supplemental Indenture executed in connection with the issuance of any Additional Parity Bonds such amounts from other sources as shall be provided therein to pay the principal of, premium, if any, and interest on such Additional Parity Bonds on the dates and otherwise as provided in such Supplemental Indenture.

Section 5.04. Reserve Fund

(a) There is hereby created with the Trustee a Reserve Fund which shall be maintained as a debt service reserve for the payment of the principal of and interest on any Series of Bonds as set forth in a Supplemental Indenture.

(b) Any moneys at any time in the applicable account of the Reserve Fund in excess of the Reserve Requirement with respect to such Series of Bonds, including investment earnings derived from amounts on deposit in the Reserve Fund, may (and as may be necessary to comply with the covenants set forth in Section 6.03 shall) be withdrawn therefrom and transferred to the Bond Fund for payment of the principal of and interest on the related Series of Bonds.

(c) On any required payment date of any Bonds, if there shall not be on deposit in the Bond Fund the full amount necessary to pay the debt service requirements on such

Bonds becoming due on such date, then an amount shall be transferred from any related account in the Reserve Fund on such date into the Bond Fund equal to the difference between the amount on deposit in the Bond Fund and the full amount required. The moneys and the proceeds in the Reserve Fund shall be maintained as a continuing reserve to be used only to prevent deficiencies in the payment of the debt service requirements coming due on such Series of Bonds resulting from the failure to timely deposit into the Bond Fund sufficient funds to pay such amounts as the same become due.

(d) The Reserve Requirement, if any, for any Series of Bonds may be satisfied by a deposit of moneys or a Credit Facility, and any form of such deposit may be exchanged for any other permitted form of an equivalent amount; provided however, (i) that obligations backed by the provider of a Credit Facility deposited in the Reserve Fund are rated at least A by Moody's and at least A by S&P; (ii) that prior to the expiration of any Credit Facility in any account of the Reserve Fund, another Credit Facility of equivalent credit quality is provided and, if such replacement Credit Facility is unavailable, such Reserve Requirement will be funded on a scheduled basis or at one time prior to expiration of the existing Credit Facility; (iii) if the terms of a Credit Facility deposited in the Reserve Fund prohibit replenishment after draw-down, the District shall provide an additional Credit Facility or sufficient funds to ensure satisfaction of the Reserve Requirement; and (iv) if a Credit Facility deposited in the Reserve Fund permits premature termination without payment, the conditions for such prepayment will be limited to District bankruptcy or default on any Bonds, or by accumulation on a scheduled basis of Bond proceeds, investment earnings or other deposits from the Surplus Fund which will result in an amount equal to the Reserve Requirement for such Series of Bonds being on deposit or available no later than the date of the last scheduled application of capitalized interest for such Series of Bonds.

Section 5.05. Administrative Costs Fund

There is hereby established with the Trustee an Administrative Costs Fund, the moneys in which shall be applied at the direction of a District Representative to pay fees of the Trustee and any Credit Facility Provider (except fees relating to a Credit Facility provided for purposes of Section 3.02(b)(ii) or 5.04(d)), if any, as the same become due and payable.

Section 5.06. Rebate Fund

(a) There is hereby created with the Trustee the Rebate Fund, the moneys in which shall be applied as provided herein. The Trustee shall, if so directed by the District Representative, establish separate accounts in the Rebate Fund with respect to any Series of Bonds.

(b) The District shall make all requisite rebate calculations with respect to the applicable Series of Bonds, and the Trustee shall deposit the resulting rebate amount from Pledged Revenues into the Rebate Fund in accordance with Section 5.02 hereof.

(c) Amounts in the Rebate Fund relating to any Series of Bonds shall be disbursed and expended in accordance with the provisions hereof and of the Tax Certificate relating to such Series. The District shall make the computations described in the Tax Certificates for the Bonds. If a withdrawal from the Rebate Fund is permitted as a result of such computations, the amount withdrawn shall be deposited in the Revenue Fund.

The Trustee shall make payments to the United States, from the moneys on deposit in the Rebate Fund, at the times and in the amounts specified in the Tax Certificates. No later than 60 days after the final retirement of any Series of Bonds, the Trustee shall pay to the United States the balance of any payments required from the Rebate Fund, which shall remain in existence for such period of time as is necessary for such final payment to be made. Each payment shall be accompanied by a copy of the Internal Revenue Form 8038G originally filed with respect to such Series of Bonds and a statement summarizing the determination of the amount to be paid to the United States. The District and the Trustee reserve the right, in all events, to pursue such remedies and procedures as are available to it in order to assert any claim of over-payment of any rebated amounts.

(d) The Tax Certificate entered into with respect to any Series of Bonds may be superseded or amended by a new Tax Certificate drafted by, and accompanied by an opinion of, Bond Counsel addressed to the District and the Trustee to the effect that the use of moneys as provided in said new Tax Certificate will not cause the interest on such Series of Bonds to be includable in the gross income of the recipients thereof for purposes of federal income taxation.

(e) Records of the determinations required by this Section 5.06 and the applicable Tax Certificate must be retained by the District until six years after the final retirement of the respective Series of Bonds, or such longer period as may be required by law.

Section 5.07. Senior Subordinate Obligations Fund

There is hereby established with the Trustee a Senior Subordinate Obligations Fund, the moneys in which the Trustee shall make available to the District or other paying agent or agents, to pay (i) the principal or redemption price of Senior Subordinate Obligations as they mature or become due upon prior redemption; (ii) the interest on Senior Subordinate Obligations as it becomes payable and (iii) any amounts due to a Credit Facility Provider providing a Credit Facility for purposes of Section 3.02(b)(ii) to reimburse such Credit Facility Provider for payments of principal or interest made with respect to Senior Subordinate Obligations, and to pay any fees due to such Credit Facility Provider.

Section 5.08. Subordinate Obligations Fund

There is hereby established with the Trustee a Subordinate Obligations Fund, the moneys in which the Trustee shall make available to the District or other paying agent or agents, to pay (i) the principal or redemption price of Subordinate Obligations as they mature or become due upon prior redemption; (ii) the interest on Subordinate Obligations as it becomes payable and (iii) any amounts due to a Credit Facility Provider providing a Credit Facility for purposes of Section 3.02(b)(ii) to reimburse such Credit Facility Provider for payments of principal or interest made with respect to the Bonds, and to pay any fees due to such Credit Facility Provider.

Section 5.09. Junior Subordinate Obligations Fund

There is hereby established with the Trustee a Junior Subordinate Obligations Fund, the moneys in which the Trustee shall make available to the District or other paying agent or agents, to pay (i) the principal or redemption price of Junior Subordinate Obligations as they mature or become due upon prior redemption; (ii) the interest on Junior Subordinate Obligations as it becomes payable and (iii) any amounts due to a Credit Facility Provider providing a Credit Facility for purposes of Section 3.02(b)(ii) to reimburse such Credit Facility Provider for payments of principal or interest made with respect to Junior Subordinate Obligations, and to pay any fees due to such Credit Facility Provider.

Section 5.10. Junior Lien Obligations Fund

There is hereby established with the Trustee a Junior Lien Obligations Fund, the moneys in which the Trustee shall make available to the District or other paying agent or agents, to pay (i) the principal or redemption price of Junior Lien Obligations as they mature or become due, and (ii) the interest on Junior Lien Obligations as it becomes payable.

Section 5.11. Surplus Fund

There is hereby established with the Trustee the Surplus Fund. All moneys deposited to the Surplus Fund pursuant to Section 5.02 hereof shall be applied by the Trustee, without the necessity of District direction, to pay the principal or redemption price of, or interest on the Bonds to the extent necessary to prevent an Event of Default hereunder. In addition, upon certification to the Trustee by the District Representative that no Event of Default exists hereunder and no amount is then required to be transferred as described in the immediately preceding sentence, the District may use amounts in the Surplus Fund for any lawful purpose, including the payment of the principal or redemption price of, and interest on, any of the Bonds and the replenishment of any reserves, and the District may also assign or pledge all future balances in the Surplus Fund subject to the provisions of the Indenture.

Section 5.12. Termination Upon Deposits to Maturity

No payment is required to be made into the Bond Fund or the Reserve Fund if no amounts are owed with respect to prior payments of principal (whether at maturity or pursuant to

mandatory sinking fund payment dates) of or interest on a Series of Bonds, and no fees are owed to the provider of any Credit Facility, if any, and the amounts on deposit for the payment of such Series of Bonds in such funds total a sum at least equal to all debt service requirements of the outstanding Bonds of such Series to their maturity or mandatory redemption dates, or to any date for which the District shall have exercised or shall have obligated itself to exercise its option to redeem such Series of Bonds prior to their maturity or mandatory redemption dates (in which event the amounts on deposit must also include any redemption premium payable in connection with such optional redemption). In such event, moneys in the Reserve Fund first, then in the Bond Fund, and then in the Surplus Fund for the payment of such Series of Bonds, in amounts equal to such debt service requirements as they become due, shall be used solely to pay such debt service requirements and any moneys in excess thereof for the payment of such Series of Bonds Bond Fund and the Surplus Fund may be used by the District for any lawful purpose.

ARTICLE VI

GENERAL ADMINISTRATION

Section 6.01. Places and Times of Deposits

The Funds established under this Indenture shall be separately maintained as trust accounts by the Trustee for the purposes established. Each such Fund (including all accounts therein) shall be continuously secured to the extent required by law and shall be irrevocable and not withdrawable by anyone for any other purpose. Each periodic payment shall be made into the proper account not later than the date therefor herein designated, except that when any such date shall be a Sunday or a legal holiday, then such payment shall be made on or before the next preceding Business Day.

Section 6.02. Investment of Moneys

Any moneys in any Fund not needed for immediate use, may be invested by the Trustee in such Permitted Investments as the Trustee is directed in writing by the District Representative. The Trustee may conclusively rely on such written direction as being a Permitted Investment of the District under then current State statutes. Such investments shall be deemed to be a part of said Fund, and any loss shall be charged thereto. Except as otherwise provided in Article VI hereof, any profit (including interest earnings) from investments of moneys in the Funds (other than the Rebate Fund, the Senior Subordinate Obligations Fund, the Subordinate Obligations Fund, the Junior Subordinate Obligations Fund, and the Junior Lien Obligations Fund, to which respective Funds any profit (including interest earnings) from investments therein shall be credited) shall be credited to the Revenue Fund as the same is received. In computing the amount in any such Fund for any purpose hereunder, except as otherwise expressly provided herein, such obligation shall be valued at the cost thereof, exclusive of the accrued interest or other gain; provided however, that any obligation purchased at a premium may initially be valued at the cost thereof, but in each year after such purchase shall be valued at a lesser amount determined by ratably amortizing the premium over the remaining term

of the obligation. The Trustee shall present for redemption or sale on the prevailing market at the best price obtainable any investments in any Fund whenever it shall be necessary to do so in order to provide moneys to meet any withdrawal, payment or transfer from such Fund. The Trustee shall not be liable for any loss resulting from any such investment, if diligently executed, made in accordance with this Indenture and at the direction of the District Representative.

The District acknowledges that, to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the District the right to receive brokerage confirmations of the security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District with periodic cash transaction statements that include the detail for all investment transactions made by the Trustee.

Section 6.03. Tax Covenant

The District hereby covenants for the benefit of each owner of any Series of Bond that it shall not (i) make any use of the proceeds of any Series of Bonds, any fund reasonably expected to be used to pay the principal of or interest on any Series of Bonds, or any other funds of the District; (ii) make any use of the facilities comprising the Project; or (iii) take (or omit to take) any other action with respect to any Series of Bonds, the proceeds thereof, or otherwise, if such use, action or omission would under the Code, cause the interest on any Series of Bonds to be included in gross income for federal income tax purposes or be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, trusts, estates and corporations (except, with respect to corporations, as such interest is required to be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations).

In particular, the District hereby covenants for the benefit of each owner of any Series of Bonds that it shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same would cause any Series of Bonds to be (i) "arbitrage bonds" within the meaning of Section 148 of the Code, including for such purposes, to the extent applicable, the rebate requirements of Section 148(f) of the Code; or (ii) "private activity bonds" within the meaning of Section 141 of the Code. Such covenants of the District shall survive the payment of the Series of Bonds until all rebate requirements related to the Series of Bonds have been satisfied.

To the extent permitted by law, all moneys received by the Trustee under this Indenture shall, except as hereinafter provided, be deposited as trust funds with the Trustee, and until or unless invested or deposited as provided in Section 6.02 hereof, shall be secured as required by law. The Trustee may deposit such moneys with any other depository which is authorized to receive them and is subject to supervision by public banking authorities.

ARTICLE VII

REDEMPTION

Section 7.01. Redemption

(a) Optional Redemption. All or any portion of the Bonds of any Series may be subject to prior redemption, at the District's option, as the District may determine by Supplemental Indenture.

(b) Mandatory Redemption. All or any portion of the Bonds of any Series may be subject to mandatory redemption, as the District may determine by Supplemental Indenture.

Section 7.02. District Direction of Optional Redemption

Notice of any optional redemption from the District to the Trustee shall specify the principal amount of Bonds to be redeemed and the redemption date. The District will give the notice to the Trustee at least 15 days (or such lesser number of days as may be acceptable to the Trustee) prior to the day on which the Trustee is required to give notice of such optional redemption to the Bondholders.

Section 7.03. Selection of Bonds to be Called for Redemption

Except as otherwise provided herein, in the Bonds or in a Supplemental Indenture, if less than all of any Series of Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected by any method determined by the Trustee to be fair and reasonable. The Trustee shall treat any Bond of a denomination greater than the minimum authorized denomination as representing that number of separate Bonds each of that minimum authorized denomination (and, if any Bond is not in a denomination that is an integral multiple of the minimum authorized denomination, one separate Bond of the remaining principal amount of the Bond) as can be obtained by dividing the actual principal amount of such Bond by that minimum authorized denomination; provided that no Bond shall be redeemed in part if it results in the unredeemed portion of the Bond being in a principal amount other than an authorized denomination.

Section 7.04. Notice of Redemption

(a) Unless otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, the notice of the call for redemption of Bonds shall identify (i) the complete official name of the issue, (ii) the Bonds or portions thereof to be redeemed by designation, letters, CUSIP numbers, numbers or other distinguishing marks, interest rate, maturity date and principal amount, (iii) the redemption price to be paid, (iv) the date fixed for redemption, (v) the place or places, by name and address, where the amounts due upon redemption are payable and (vi) the name and telephone number of the person to whom inquiries regarding the redemption may be directed; provided, however, that the failure to identify a CUSIP number for said Bonds in

the redemption notice, or the inclusion of an incorrect CUSIP number, shall not affect the validity of such redemption notice. The notice shall be given by the Trustee on behalf of the District by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 20 days but no more than 60 days prior to the date fixed for redemption, to the owner of each Bond subject to redemption in whole or in part at the owner's address shown on the Bond Register on the 15th day preceding that mailing. A second notice shall be sent in the same manner described above not more than 60 days after the redemption date to the owner of any redeemed Bond which was not presented for payment on the redemption date. Failure to receive notice pursuant to this Section, or any defect in that notice, as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. Notices of redemption shall also be mailed to the Paying Agents.

(b) The Trustee shall take the following additional actions with respect to such redemption notice, but no defect in the following actions or any failure to take the same shall defeat the effectiveness of the foregoing redemption notice:

(i) At least 16 days prior to the date fixed for redemption, such redemption notice shall be given by (i) registered or certified mail, postage prepaid, (ii) legible facsimile transmission or (iii) overnight delivery service, to all registered securities depositories then in the business of holding substantial amounts of obligations similar to the Bonds (such depositories now being The Depository Trust Company of New York, New York, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania), to one or more national information services that disseminate notices of redemption of obligations such as the Bonds, and to *The Bond Buyer*.

(ii) In undertaking the requirements of this subsection (b), the Trustee does so as a courtesy to the institutions listed herein and the Trustee shall not incur any liability as a result of the failure to provide such notice to any such institution or as a result of any defect therein.

(c) If at the time of mailing of notice of any optional redemption the District shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, if the District shall so direct, such notice may state that it is conditional in that it is subject to the deposit of sufficient moneys with the Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 7.05. Bonds Redeemed in Part

Any Bond which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Bonds called for redemption in the notice provided for in Section 7.04 (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the owner thereof or his attorney duly authorized in writing) and the District shall execute and the Trustee shall authenticate and deliver to the owner of such Bond without service charge, a new Bond or Bonds, of the same series, of any authorized denomination as requested by such owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Section 7.06. Payment of Redemption Price

If (a) unconditional notice of redemption has been duly given or duly waived by the holders of all Bonds called for redemption or (b) conditional notice of redemption has been so given or waived and the redemption moneys have been duly deposited with the Trustee, then in either such case the Bonds called for redemption shall be payable on the redemption date at the applicable redemption price. Payment of the redemption price together with accrued interest shall be made by the Trustee, out of Pledged Revenues or other funds deposited for the purpose, to the holders of the Bonds called for redemption upon surrender of such Bonds.

ARTICLE VIII

COVENANTS OF THE DISTRICT

Section 8.01. General

The District makes the following covenants for the benefit of the owners of the Bonds, which covenants shall be a part of its contract with such owners to the effect and with the purpose set forth in the following provisions and sections of this Article.

Section 8.02. Performance of Duties

The District will faithfully and punctually perform or cause to be performed all its duties required hereunder, including but not limited to the collection of the Pledged Revenues and application thereof in accordance with this Indenture.

Section 8.03. Further Assurances

At any and all times, the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Pledged Revenues and other moneys hereby pledged or assigned, or intended so to be, or which the District may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Indenture and to comply with law. The District shall at all times, to the extent permitted by law, use commercially reasonable efforts to defend, preserve and protect the pledge of the Pledged Revenues and other moneys pledged hereunder and all the rights of every owner of the Bonds against all claims and demands of all persons whomsoever. The District shall use commercially reasonable efforts to enforce, and shall cooperate fully with the Trustee in enforcing, the rights to receive payments under the District Cooperation Agreement, the City Redevelopment Agreement, the City Cooperation Agreement and the Park Creek/Westerly Creek Intergovernmental Agreement; provided that the District and the Trustee acknowledge that payments under the City Redevelopment Agreement are subject to annual appropriation by the City. To the extent that amounts constituting Tax Increment Revenues

attributable to the District's or Westerly Creek's current and future ad valorem taxes on real and personal property under the District Cooperation Agreement are received by the District other than under the District Cooperation Agreement or the Park Creek/Westerly Creek Intergovernmental Agreement or the City Redevelopment Agreement, the District shall take all actions reasonably necessary to include such amounts as Pledged Revenues hereunder and to pledge and assign such amounts to the Trustee for payment of the Bonds.

Section 8.04. Conditions Precedent

Upon the date of issuance of any Series of Bonds, all conditions, acts and things required by the Constitution or statutes of the State, by the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the Service Plan or by this Indenture or other instrument authorizing the issuance of such Series of Bonds to exist, to have happened and to have been performed precedent to or upon the issuance of such Series of Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the District, shall be within every applicable debt and other limitation prescribed by the State Constitution or statutes.

Section 8.05. Budgets

There shall be prepared and adopted annually and at such other times as may be provided by law a budget for the District, which budget shall be available to the Trustee and the holders of the Bonds.

Section 8.06. Compliance with Certain Agreements

The District hereby covenants that it is currently not in default under the provisions of the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the City Redevelopment Agreement, the MFDA, any IFDA or the Service Plan and that there is no existing circumstance which, with the passage of time, or because of the failure by the District to take some action, or either, will result in a default by the District under the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the City Redevelopment Agreement, the MFDA, any IFDA or the Service Plan. The District hereby further covenants that it will, at all times, comply with all material provisions of the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the City Redevelopment Agreement, the MFDA, each IFDA and the Service Plan and will take no action which may result in, nor fail to take any action necessary to prevent, any noncompliance with or default by the District under any material provision of such documents.

Section 8.07. Surety Bonds

Each official of the District or other person having custody of any Pledged Revenues or amounts available to pay costs of any project financed with proceeds of the Bonds, or responsible for their handling, shall be fully bonded at all times, which bond shall be

conditioned upon the proper application of said moneys; provided that the requirement of this Section shall be deemed satisfied by a blanket employee dishonesty insurance policy.

Section 8.08. District Records

So long as any of the Bonds remain Outstanding, proper books of record and account will be kept by the District showing complete and correct entries of all transactions relating to the Pledged Revenues and the Project.

Section 8.09. Right to Inspect

Any owner of any of the Bonds, or any duly authorized agent or agents of such owner, shall have the right at all reasonable times to inspect all public records, accounts and data relating to the Pledged Revenues.

Section 8.10. Annual Statements and Audits; Other Information

The District, while any Bonds are Outstanding and unpaid, will cause an annual audit of its revenues and expenditures to be made by an independent accountant. The District agrees to deliver without request a copy of such audits promptly after completion to the Trustee, who shall deliver copies to any owner of any Bond who requests same.

The District shall, to the extent required by applicable laws and regulations of the State, file or cause to be filed with the Securities Commissioner of the State its annual budget and annual audit as provided in Section 11-59-104(6)(a) and (b), Colorado Revised Statutes, as amended.

The District shall file with the Trustee copies of each of the following promptly following receipt by the District: notification of litigation involving the District, the Project or the Bonds; environmental regulatory notices; notification from the City of any material failure to comply with the MFDA or any IFDA; any information received by the District of the type described in Section 5.6 of the City Cooperation Agreement.

Section 8.11. No Other Liens

Other than with respect to the Bonds and as provided hereby and with respect to the Senior Subordinate Obligations, Subordinate Obligations, Junior Subordinate Obligations, and Junior Lien Obligations, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

Section 8.12. District Existence

The District will maintain its legal identity and existence so long as any of the Bonds remain Outstanding, unless another legal entity by operation of law succeeds to the

liabilities and rights of the District hereunder and under the Bonds without materially adversely affecting the privileges and rights of any owner of any Bonds.

Section 8.13. Protection of Security

The District shall not take any action in such manner or to such extent as might materially prejudice the security for the payment of the Bonds and the interest thereon according to the terms thereof, including, without limitation, giving consents to actions by others to amend the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement and the Service Plan. The Trustee, on behalf of the District, shall cause all financing statements and continuation statements related to this Indenture and the Pledged Revenues hereunder, and such other documents as may be necessary, in the opinion of Counsel acceptable to the Trustee, to be kept and filed in manner and such places as may be required by law in order to preserve and protect fully the security of the owners of the Bonds and the rights of the Trustee hereunder.

Section 8.14. Continuing Disclosure

In the event that any of the Bonds are subject to provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the District will take all action necessary to enable compliance with the applicable provisions of Rule 15c2-12, including the preparation of a disclosure document, "deeming final" such disclosure document as provided in Rule 15c2-12, providing sufficient copies of such disclosure document within the time required by Rule 15c2-12 (together with such certificates with respect to the accuracy and completeness of such disclosure document as may be reasonably requested), and entering into an undertaking to provide continuing information as required by Rule 15c2-12.

Section 8.15. Notices to Trustee

The District shall notify the Trustee in writing of any failure by DURA to make a payment of Pledged Revenues as contemplated under the District Cooperation Agreement, specifying the reason or reasons for such failure of payment by DURA. Such notice shall be provided by the District as soon as practicable following the District's learning of such failure and in any event not less than 60 days prior to the next scheduled payment of principal of or interest on the Bonds.

Section 8.16. Compliance with Developer Management Agreement

The District shall comply with the provisions of the Developer Management Agreement relating to the encumbering of funds and the processing and payment of Costs of the Project.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default Defined

Each of the following shall be an "Event of Default" hereunder:

A. If payment of the principal or redemption price of any Bond is not made when it becomes due and payable at maturity or upon call for redemption; or

B. If payment of any interest on any Bond is not made, when it becomes due and payable; or

C. If the District shall fail to observe or perform any covenant or agreement on its part under this Indenture for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the District by the Trustee, or to the District and the Trustee by the Holders of at least 25% in aggregate principal amount of Bonds of a Series then Outstanding; provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the District has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy; or

D. If the District shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the federal Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the District or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

E. Such other events of default as are provided for any Series of Bonds in any Supplemental Indenture.

Section 9.02. No Acceleration

Except as may be provided in a Supplemental Indenture applicable to all Series of Bonds Outstanding hereunder, there shall be no rights of acceleration with respect to the Bonds.

Section 9.03. Other Remedies

Following the occurrence of an Event of Default, the Trustee may enforce each and every right granted to the District or the Trustee hereunder. In exercising such rights and the rights given the Trustee under this Article IX, the Trustee shall take such action as, in the judgment of the Trustee applying the standards described in Section 10.06 hereof, would best serve the interests of the Bondholders.

Section 9.04. Legal Proceedings by Trustee

If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the holders of 25% in aggregate principal amount of all Bonds then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name:

A. By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the District to enforce any rights under the District Cooperation Agreement and to require the District to carry out any other provisions of this Indenture for the benefit of the Bondholders;

B. Bring suit upon the Bonds and the Credit Facility, if any, provided that the Trustee and the Bondholders shall have no right of action for consequential, exemplary or punitive damages; and

C. By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Notwithstanding the foregoing provisions of this Section 9.04 or any other provision of this Indenture, the obligation of the District shall be absolute and unconditional to pay the principal or redemption price of, purchase price of and interest on, the Bonds to the respective holders thereof on the respective due dates thereof, but solely from the Pledged Revenues and other funds pledged under this Indenture, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such holders to enforce such payment.

Further, the District shall not be deemed to have waived the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S.

Section 9.05. Discontinuance of Proceedings by Trustee

If any proceeding commenced by the Trustee on account of any default is discontinued or is determined adversely to the Trustee, the Credit Facility Provider, if any, the District, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceedings had been commenced.

Section 9.06. Bondholders May Direct Proceedings

The holders of a majority in principal amount of the Bonds Outstanding hereunder, shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Bondholders and provided further that the Trustee may decline to follow such directions if the Trustee, upon advice of Counsel, determines that the taking of the action specified in such directions would involve it in personal liability against which indemnity would not be satisfactory.

Section 9.07. Limitations on Actions by Bondholders

No Bondholder shall have any right to pursue any remedy hereunder or under any Credit Facility unless:

- A. the Trustee shall have been given written notice of an Event of Default;
- B. the holders of at least 25% in aggregate principal amount of all Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names;
- C. the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities; and
- D. the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions of this Section 9.07 or any other provision of this Indenture, the obligation of the District shall be absolute and unconditional to pay the principal or redemption price of, purchase price of and interest on, the Bonds to the respective holders thereof on the respective due dates thereof, but solely from the Pledged Revenues and other funds pledged under this Indenture, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such holders to enforce such payment.

Section 9.08. Trustee May Enforce Rights Without Possession of Bonds

All rights under the Indenture and the Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds.

Section 9.09. Delays and Omissions Not to Impair Rights

No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article IX may be exercised from time to time and as often as may be deemed expedient.

Section 9.10. Application of Moneys in Event of Default

During the continuance of an Event of Default, all moneys held and received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings which result in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be applied according to the accrued debt service deposits or payments with respect to each Series as follows; provided, however, that any moneys drawn under a Credit Facility, if any, and amounts held in Accounts in the Reserve Fund shall be applied solely to pay interest or principal, as applicable, on the related Series of Bonds:

(a) Unless the principal of all such Outstanding Bonds shall have become due and payable:

First: To the payment to the Bondholders entitled thereto of all installments of interest then due on such Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Bondholders entitled thereto, without any discrimination or preference; and

Second: To the payment to the Bondholders entitled thereto of the unpaid principal amounts of any such Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions hereof), whether at maturity or by proceedings for redemption or otherwise or upon the tender of any Bond pursuant to the terms of the Supplemental Indenture providing for the issuance of such Bond, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds of such Series due on any date, then to the payment thereof ratably, according to the principal amounts due on such date, to the Bondholders entitled thereto, without any discrimination or preference.

(b) If the principal of all such Outstanding Bonds shall have become due and payable, to the payment of the principal and interest then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the Bondholders entitled thereto without any discrimination or preference.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the

Trustee shall determine in accordance with the Indenture, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix a Special Record Date in accordance with Section 2.09 (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such Special Record Date interest on the principal amounts to be paid on such Special Record Date shall cease to accrue if so paid. The Trustee shall give such notice as it may deem appropriate in accordance with the Indenture of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all installments of interest then due on the Bonds and all unpaid principal amounts of any Bonds that shall have become due have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, and each Credit Facility Provider (except a provider of a Credit Facility for purposes of Section 3.02(b)(ii)), if any, has been reimbursed for all amounts drawn under the applicable Credit Facility, if any, and used to pay principal, premium, if any, and interest on the Bonds, the Trustee shall resume making the transfers from the Revenue Fund in the amounts and according to the priority set forth in Article V hereof. If all Bonds and the interest thereon have been paid in full, together with all expenses and charges of the Trustee and amounts owing to any Credit Provider for draws under its Credit Facility (except a provider of a Credit Facility for purposes of Section 3.02(b)(ii) or 5.04(d)), and no credit enhancement or liquidity support shall be outstanding, any balance remaining shall be paid first to each such Credit Facility Provider to the extent any other amounts are then owing to each such Credit Facility Provider, then the balance shall be paid by the Trustee, *first*, to the extent required to be paid to a Credit Facility Provider providing a Credit Facility for purposes of Section 5.04(d) for any amount due to such Credit Facility Provider, *second* to the extent required to be paid to the paying agent or agents with respect to the Senior Subordinate Obligations Fund for payment on the Senior Subordinate Obligations and for any amounts due to a Credit Facility Provider providing a Credit Facility for purposes of Section 3.02(b)(ii), pursuant to Article V hereof, *third* to the extent required to be paid to the paying agent or agents with respect to the Subordinate Obligations Fund for payment on the Subordinate Obligations and for any amounts due to a Credit Facility Provider providing a Credit Facility for purposes of Section 3.02(b)(ii), pursuant to Article V hereof, *fourth* to the extent required to be paid to the paying agent or agents with respect to the Junior Subordinate Obligations Fund for payment on the Junior Subordinate Obligations and for any amounts due to a Credit Facility Provider providing a Credit Facility for purposes of Section 3.02(b)(ii), pursuant to Article V hereof, *fifth* to the extent required to be paid to the paying agent or agents with respect to the Junior Lien Obligations Fund for payment on the Junior Lien Obligations, pursuant to Article V hereof, and any resulting balance shall be paid as otherwise required by Article V hereof, and if not so required, to the District or as a court of competent jurisdiction may direct.

Section 9.11. Trustee's Right to Receiver

The Trustee shall be entitled as of right to the appointment of a receiver.

ARTICLE X

THE TRUSTEE

Section 10.01. Acceptance of Trust

The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Bondholders agree.

Section 10.02. No Responsibility for Recitals, etc.

The recitals, statements and representations in the Indenture, in the Bonds, excepting the Trustee's Certificate upon the Bonds, and in any official statement or other disclosure document relating to the Bonds, have been made by the District and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof, or for the validity, priority, or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the District of this Indenture or of any supplements thereto or instruments of further assurance, or for the validity or sufficiency of the security afforded by this Indenture or the Bonds or intended to be secured hereby, or as to the maintenance of the security hereof. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the District hereunder, except as expressly provided herein. With respect to the Trustee's Certificate, the Trustee shall have no responsibility for the opinion of Bond Counsel referred to therein, except to confirm that the text of said opinion is identical to the text of the written opinion delivered to it.

The Trustee shall not be accountable for the application of the proceeds of any Bonds authenticated or delivered hereunder which has been made by or on behalf of the District.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

Section 10.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence

The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of counsel concerning all questions hereunder. The Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatever in connection with the trust hereunder, except only its own willful misconduct or negligence.

Section 10.04. Compensation

The District shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements. If the District shall have failed to make any such payment, the Trustee shall have, in addition to any other rights hereunder, a claim, prior to the Bondholders, for the payment of its compensation and indemnification and the reimbursement of its expenses and any advances made by it upon the moneys and obligations in the Bond Fund, except for moneys or obligations held by the Trustee for the payment of particular Bonds. As security for the performance of the District under this Section, the Trustee also shall have a lien prior to the Bonds upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest or premiums on the Bonds.

Section 10.05. Notice of Default; Right to Investigate

The Trustee shall, within 30 days after the occurrence thereof, give written notice by first class mail and to registered holders of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "**defaults**" for purpose of this Section and Section 10.06 being defined to include the events specified in Clauses A through E of Section 9.01, not including any notice or periods of grace provided for therein); provided that the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee may at any time require of the District full information as to the performance of any covenant hereunder; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the District, an investigation into the affairs of the District related to this Indenture.

Section 10.06. Obligation to Act on Defaults

Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in their exercise as a prudent man would exercise or use in the circumstances in the conduct of his own affairs; provided, that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action (other than the Trustee's obligation to draw under a Credit Facility, of any, to make payments when due to Bondholders from funds available under the Indenture) unless it is furnished with indemnity satisfactory to it.

Section 10.07. Reliance

The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture; and the

Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, the Trustee may request and such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the District signed in the name of the District by an authorized officer of the District and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 10.08. Trustee May Deal in Bonds

The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District; provided that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee.

Section 10.09. Construction of Ambiguous Provisions

The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and any construction by the Trustee shall be binding upon the Bondholders.

Section 10.10. Resignation of Trustee

The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the District not fewer than 60 days before the date when it is to take effect; provided notice of such resignation is mailed to registered owners of the Bonds not fewer than three weeks prior to the date when the resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor trustee.

Section 10.11. Removal of Trustee

Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the holders of a majority in principal amount of the Bonds then Outstanding and filed with the Trustee and the District. Such removal shall take effect only upon the appointment of a successor trustee.

Section 10.12. Appointment of Successor Trustee

If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall mail notice of such appointment to registered owners of the Bonds. If the District fails to make such appointment promptly, the owners of a majority in principal amount of the Bonds then Outstanding may do so. If the District or the owners shall fail to appoint a successor Trustee within 90 days after the Trustee has given notice of its resignation, the Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor trustee hereunder.

Section 10.13. Qualification of Successor

A successor trustee shall be a national banking association with trust powers or a bank and trust company or a trust company having capital and surplus of at least \$50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

Section 10.14. Instruments of Succession

Any successor trustee shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and the District shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

Section 10.15. Merger of Trustee

Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, any corporation to which substantially all the business and assets of the Trustee may be transferred, any corporation to which substantially all the Trustee's corporate trust business may be transferred, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.16. Appointment of Co-Trustee

It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State of Colorado) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture and in particular in case of the enforcement

of such document in default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or Co-Trustee. The following provisions of this Section are adopted to these ends.

The Trustee may appoint an additional individual or institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, indemnity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the District be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the District. In case any separate or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercisable by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

Section 10.17. Intervention by Trustee

In any judicial proceeding to which the District or the Credit Facility Provider, if any, is a party and which in the opinion of the Trustee and its Counsel has a substantial bearing on the interests of holders of the Bonds, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the holders of at least 25% in aggregate principal amount of Bonds then Outstanding and such holders have furnished indemnity satisfactory to the Trustee. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 10.18. Privileges and Immunities of Paying Agent and Authenticating Agent

The Paying Agents and the Authenticating Agents shall, in the exercise of their duties hereunder, be afforded the same rights, discretions, privileges and immunities as the Trustee in the exercise of such duties.

Section 10.19. Expenditure of Trustee Funds

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. If it shall have reasonable grounds for believing that repayment of advanced funds or adequate indemnity against such risk or liability is reasonably assured to it, the Trustee may, in its sole discretion, expend its own funds in the performance of any of its duties hereunder.

Section 10.20. Application of Article X

Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

Section 10.21. Consultation with Counsel

The Trustee may consult with counsel and the written advice of such counsel or any opinion of Counsel or Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

ARTICLE XI

ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

Section 11.01. Acts of Bondholders; Evidence of Ownership

Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by agent appointed in writing. The fact and date of the execution by any person of any such instrument may be proved by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The ownership of Bonds shall be proved by the Bond Register. Any action by the owner of any Bond shall bind all future owners of the same Bond in respect of anything done or suffered by the District or the Trustee in pursuance thereof.

ARTICLE XII

AMENDMENTS AND SUPPLEMENTS

Section 12.01. Amendments and Supplements to Indenture Without Bondholders' Consent

This Indenture may be amended or supplemented at any time and from time to time, without the consent of the Bondholders, by a Supplemental Indenture between the District and the Trustee, for one or more of the following purposes:

- (a) to add additional covenants of the District or to surrender any right or power herein conferred upon the District;
- (b) to cure any ambiguity or formal defect or omission herein;
- (c) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder that shall not materially adversely affect the interests of the Holders;
- (d) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity or to correct or supplement any provision contained herein or in any Supplemental Indenture which may be defective or inconsistent with any other provision contained herein or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture and which shall not adversely affect the interests of the holders of the Bonds, including the appointment and duties of a Co-Paying Agent, Bond Registrar or Authenticating Agent;
- (e) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the Trust Indenture Act of 1939 or under any similar federal statute hereafter enacted, and to add to this Indenture such other provisions as may be expressly permitted by the Trust Indenture Act of 1939, as from time to time amended;
- (f) to provide details in connection with the issuance of any Additional Parity Bonds under Section 3.02 hereof;
- (g) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to obtain an investment grade rating on the Bonds;
- (h) to grant to or confer or impose upon the Trustee for the benefit of the owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Indenture as theretofore in effect, including to provide for a debt service reserve fund;

- (i) to permit the appointment of a Co-Trustee under this Indenture;
- (j) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to this Indenture regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;
- (k) to modify, alter, supplement or amend this Indenture to comply with changes in the Code affecting the status of interest on the Bonds as excluded from gross income for federal income tax purposes or the obligations of the District in respect of Section 148 of the Code;
- (l) to make any amendments appropriate or necessary to provide for any insurance policy, irrevocable transferable letter of credit, guaranty, surety bond, line of credit, revolving credit agreement or other agreement or security device delivered to the Trustee and providing for (i) payment of the principal, interest and redemption premium on the Bonds or a portion thereof, or (ii) payment of the purchase price of the Bonds, or (iii) both (i) and (ii); and
- (m) to remove the Trustee in accordance with the Section 10.11 hereof;
- (n) to add requirements the compliance with which is required by a Rating Agency in connection with issuing a rating with respect to any Series of Bonds;
- (o) to accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate bond anticipation notes, commercial paper, auction Bonds, Hedge Facilities, Short-Term/Demand Obligations and other variable rate or adjustable rate Bonds, Capital Appreciation Bonds, Original Issue Discount Bonds and other discounted or compound interest Bonds or other forms of indebtedness which the District from time to time deems appropriate to incur;
- (p) to accommodate the use of a Credit Facility for specific Bonds or a specific Series of Bonds; provided that the use of such Credit Facility does not materially adversely affect the interests of the Holders of any other Outstanding Bonds;
- (q) to confirm to the Trustee amounts pledged hereunder as Pledged Revenues, including amounts payable to the District as a result of the creation of additional service districts in accordance with the Service Plan;
- (r) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondholders.

Before the District and the Trustee shall enter into any Supplemental Indenture pursuant to this Section 12.01, there shall have been delivered to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by law and is

authorized under this Indenture, that such Supplemental Indenture will, upon the execution and delivery thereof, be valid and binding upon the District in accordance with its terms and will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

Section 12.02. Amendments to Indenture With Bondholders' Consent

This Indenture may be amended from time to time, except with respect to (1) the principal or interest payable upon any Bonds, (2) the Interest Payment Dates, the dates of maturity or the redemption or purchase provisions of any Bonds, and (3) this Article XII, by a Supplemental Indenture consented to by the District, and approved by the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding which would be affected by the action proposed to be taken. This Indenture may be amended with respect to the matters enumerated in clauses (1) through (3) of the preceding sentence with the unanimous consent of all Bondholders, the Credit Facility Provider, if any, and the District.

Before the District and the Trustee shall enter into any Supplemental Indenture pursuant to this Section 12.02 following the issuance of the Series 2015A Senior Bonds, there shall have been delivered to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by law and is authorized under this Indenture, that such Supplemental Indenture will, upon the execution and delivery thereof, be valid and binding upon the District in accordance with its terms and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 12.03. Amendments to District Cooperation Agreement, Park Creek/Westerly Creek Intergovernmental Agreement, City Redevelopment Agreement, City Cooperation Agreement and Service Plan

The District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the City Redevelopment Agreement, the City Cooperation Agreement and the Service Plan may be supplemented and amended as necessary to facilitate the issuance from time to time of the Bonds as provided herein. The District may amend or consent to the amendment of the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the City Redevelopment Agreement or the Service Plan in such a way as would not adversely affect the interests of the Bondholders, as determined by the District and the Trustee.] Written notice of any such proposed amendments shall be provided to the Trustee by the District. The Trustee shall notify the Bondholders of all such proposed amendments and shall consent thereto unless, if such amendment is proposed prior to the Special Mandatory Redemption Date, within 20 days following such notice to Bondholders, the Trustee receives written communication from the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding objecting to such amendments; provided, however, that owners of the Bonds shall not be entitled to object to any such amendments proposed in connection with the issuance of Additional Parity Bonds in accordance with the provisions of Section 3.02. If the District and DURA (and the City, if applicable) propose to amend the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the City Redevelopment

Agreement, the City Cooperation Agreement or the Service Plan in such a manner as would adversely affect the interests of the Bondholders, the Trustee shall not consent thereto without the written consent of the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding. Notwithstanding anything in this Indenture to the contrary, no amendment to the District Cooperation Agreement, the Park Creek/Westerly Creek Intergovernmental Agreement, the City Cooperation Agreement or the Service Plan which affects the rights, duties, obligations or immunities of the Trustee may be effected without the express written consent of the Trustee.

**Section 12.04. Trustee Authorized to Join in Amendments and Supplements;
Reliance on Counsel**

The Trustee is authorized to join with the District in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article XII and in so doing shall be fully protected by an opinion of Counsel that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the District and that all things necessary to make it a valid and binding agreement have been done; provided that certain amendments may, by agreement between the Trustee and the Credit Facility Provider, if any, require the prior consent of such Credit Facility Provider. The Trustee may, but shall not be required to, enter into any Supplemental Indenture which affects the Trustee's own rights, duties, obligations or immunities under the Indenture or otherwise.

ARTICLE XIII

DEFEASANCE

Section 13.01. Defeasance

(a) When the principal or redemption price (as the case may be) of, and interest on, all Bonds have been paid, or provision has been made for payment of the same, together with the compensation of the Trustee and all other sums payable hereunder by the District, the right, title and interest of the Trustee shall thereupon cease, and the Trustee, on demand of the District, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the District and shall turn over to the District or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder, not required for the payment of the Bonds. If payment or provision therefor is made with respect to less than all of the Bonds of a given Series, the particular Bonds of such Series (or portion thereof) for which provision for payment shall have been considered made shall be selected by lot by the Trustee, and thereupon the Trustee shall take similar action for the release of this Indenture with respect to such Bonds; provided, however, that prior to the release of this Indenture with respect to such Bonds, the Trustee shall also have received (i) a report of an independent public accounting firm that the moneys and Governmental Obligations set aside exclusively for such payment are sufficient to meet all payments of principal, interest or purchase price on the Bonds, except to the extent this is established by the District depositing sufficient funds to pay the principal or redemption price (as

the case may be) of, and interest on, the such Bonds and (ii) an opinion of Counsel that the conditions precedent to such release have been met.

(b) Provision for the payment of Bonds shall be deemed to have been made when the Trustee holds in trust and irrevocably set aside exclusively for such payment, any combination of (i) moneys sufficient to make such payment and (ii) Governmental Obligations maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys (without consideration of any reinvestment thereof) to make such payment, and which Governmental Obligations are not subject to prepayment, redemption or call prior to their stated maturity; provided that the Trustee shall have received an opinion of Bond Counsel to the effect that such deposit will not adversely affect the exclusion from gross income of the interest on any of the Bonds or cause any of such Bonds to be classified as "arbitrage bonds" within the meaning of the Code.

No Bonds in respect of which a deposit under clause (i) or (ii) above, or any combination thereof, has been made shall be deemed paid within the meaning of this Article unless the Trustee is satisfied that the amounts deposited are sufficient to make all payments that might become due on the Bonds. Notwithstanding the foregoing, no delivery to the Trustee under this subsection (b) shall be deemed a payment of any Bonds which are to be redeemed prior to their stated maturity until such Bonds shall have been irrevocably called or designated for redemption on a date thereafter on which such Bonds may be redeemed in accordance with the provisions of this Indenture and prior notice of such redemption shall have been given in accordance with Article VII or the District shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give, in the manner and at the times prescribed by Article VII, notice of redemption. Neither the obligations nor moneys deposited with the Trustee pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal of, redemption price of and interest on the Bonds with respect to which such deposit has been made. In the event that such moneys or obligations are to be applied to the payment of principal or redemption price of any Bonds more than 60 days following the deposit thereof with the Trustee, the Trustee shall publish once in an Authorized Newspaper a notice stating that such moneys or obligations have been deposited and identifying the Bonds for the payment of which such moneys or obligations are being held and shall mail copies of all such notices to all owners of Bonds for the payment of which such moneys or obligations are being held at their registered addresses and to any Rating Agency then rating the Bonds, or their respective successors, if any; provided, however, that the Trustee shall have no liability or obligation to such Rating Agency if it shall fail to give such organization such notice.

(c) Anything in Article XII to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of the principal or redemption price of the Bonds and the interest thereon and the principal or redemption price of such Bond and the interest thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the owner of each of the Bonds affected thereby.

Notwithstanding the foregoing, those provisions relating to the Bonds, the maturity of Bonds, interest payments and dates thereof, drawings upon the Credit Facility, if any, and the Trustee's remedies with respect thereto, and provisions relating to exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments to the Credit Facility Provider, if any, and the duties of the Trustee in connection with all of the foregoing and the fees, expenses and indemnities of the Trustee, shall remain in effect and shall be binding upon the Trustee, the District and the Bondholders notwithstanding the release and discharge of the lien of this Indenture.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.01. No Personal Recourse

No recourse shall be had for any claim based on the Indenture or the Bonds against any director, member, officer, agent or employee, past, present or future, of the District or of any successor body as such, either directly or through the District or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 14.02. Provision of Information to Bondholders

Upon the written request of the owners of not less than 25% in principal amount of the Bonds at the time Outstanding, the Trustee shall provide to such owners copies of documents, reports or other information filed with or delivered to the Trustee or otherwise in the possession of the Trustee pursuant to the provisions of this Indenture.

Section 14.03. Deposit of Funds for Payment of Bonds

If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with Section 13.01, all interest on such Bonds shall cease to accrue on the due date and all liability of the District with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the holders of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatever nature with respect to such Bonds, and the Trustee shall hold such funds in trust for such holders. Moneys so deposited with the Trustee which remain unclaimed two years after the date payment thereof becomes due shall, at the request of the District and if (i) the District is not at the time to the knowledge of the Trustee in default with respect to any covenant in the Indenture or the Bonds and (ii) the District has provided adequate indemnification, the Trustee shall pay such moneys to the District; and the Holders of the Bonds for which the deposit was made shall thereafter be limited to a claim against the District; provided, however, that the Trustee, before making payment to the District, may, at the expense of the District, cause a notice to be published once in an Authorized

Newspaper, stating that the moneys remaining unclaimed will be returned to the District after a specified date.

Section 14.04. No Rights Conferred on Others

Nothing herein contained shall confer any right upon any person other than the parties hereto and the owners of the Bonds.

Section 14.05. Illegal, etc. Provisions Disregarded

In case any provision in this Indenture or the Bonds shall for any reason be held invalid, illegal or unenforceable in any respect, this Indenture shall be construed as if such provision had never been contained herein.

Section 14.06. Substitute Notice

If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or newspapers, then such publication or other notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient giving of such notice.

Section 14.07. Notices

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to the District, addressed to:

Park Creek Metropolitan District
Attention: President
7350 E. 29th Ave., Suite 200
Denver, Colorado 80238
Telephone: 303-393-7700
Facsimile: 303-393-6805

with a copy to:

Paul L. Cockrel
Collins, Cockrel & Cole
390 Union Boulevard, Suite 400
Denver, Colorado 80228
Telephone: 303-986-1551
Facsimile: 303-986-1755

- (ii) If to the Trustee, sent by registered or certified mail addressed to:

U.S. Bank National Association
Attention: Corporate Trust Services
950 Seventeenth Street, Suite 300
Denver, Colorado 80202
Telephone: 303 585-4592
Facsimile: 303 585-6865

- (iii) If to DURA, addressed to:

Denver Urban Renewal Authority
Attention: Executive Director
1555 California Street, Suite 200
Denver, Colorado 80202
Telephone: 303 534-3872
Facsimile: 303 534-7303

- (iv) If to the registered Holder of a Bond, addressed to such Holder at the address shown on the books of the Registrar kept pursuant hereto.

(b) The District, the Trustee and DURA may from time to time by notice in writing to all parties to the Indenture designate a different address or addresses for notice hereunder.

Section 14.08. Successors and Assigns

All the covenants, promises and agreements in this Indenture contained by or on behalf of the District, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 14.09. Headings for Convenience Only

The descriptive headings in this Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 14.10. Counterparts

This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 14.11. Applicable Law

This Indenture shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 14.12. Payments Due On Days Which are Not Business Days

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a day which is not a Business Day, then payment of interest or principal or redemption price need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest on such payment shall accrue for the period after such date.

Section 14.13. Notice of Change

The Trustee, as a matter of courtesy and accommodation, shall give notice to the Rating Agencies then rating the Bonds, of any of the following events:

- (a) a change in the Trustee;
- (b) the expiration, cancellation, extension or substitution of any Credit Facility;
- (c) a material amendment to the Indenture or any Credit Facility (or related Reimbursement Agreement); and
- (d) payment or provision therefor of all the Bonds.

The Trustee shall have no liability or obligation to the Rating Agencies or to any other person if it shall fail to give such notice.

Section 14.14. Limitation of Liability of District and its Officers, Employees and Agents.

No covenant, provision or agreement of the District herein or in the Bonds or in any other document executed by the District in connection with the issuance, sale and delivery of the Bonds, or any obligation herein or therein imposed upon the District or breach thereof, shall give rise to a pecuniary liability of the District or a charge against its general credit or taxing powers or shall obligate the District financially in any way except with respect to this Indenture and the application of Pledged Revenues and the proceeds of the Bonds. No failure of the District to comply with any term, condition, covenant or agreement therein shall subject the District to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from the Pledged Revenues or proceeds of the Bonds. No execution on any claim, demand, cause of action or judgment shall be levied on or collected from the general credit, general funds or taxing powers of the District. The

Bonds constitute special obligations of the District, payable solely from the revenues pledged to the payment thereof pursuant to this Indenture, and do not now and shall never constitute an indebtedness or a loan of the credit of the District, the State or any political subdivision thereof or a charge against general taxing powers within the meaning of any constitutional or statutory provision whatsoever.

Section 14.15. Election under Supplemental Public Securities Act

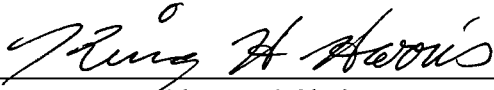
By execution of this Indenture, the District hereby elects to have all provisions of part 2 of Colorado Revised Statutes §11-57 apply to the issuance of the Senior Bonds; provided, however, that such election shall not operate to modify or limit the rights conferred on the District or the members of its Board by any other provisions of Colorado law.


IN WITNESS WHEREOF, **PARK CREEK METROPOLITAN DISTRICT** has caused this Indenture to be executed by its President and Chairman and its corporate seal to be hereunto affixed and attested to by the Secretary/Treasurer, and **U.S. BANK NATIONAL ASSOCIATION**, as Trustee, has caused this Indenture to be executed by its Vice President, all as of the day and year first above written.

[S E A L]

PARK CREEK METROPOLITAN DISTRICT

Attest:

By 
President and Chairman


Secretary/Treasurer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By 
Vice President

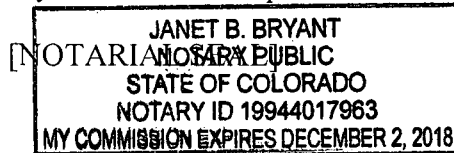
STATE OF COLORADO :
: SS.
CITY AND COUNTY OF DENVER:

On this, the 16th day of December, 2015, before me, the undersigned notary public, personally appeared King H. Harris, who acknowledged himself to be the President and Chairman of PARK CREEK METROPOLITAN DISTRICT and that as such official, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said District as such official.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Janet B. Bryant
Notary Public

My Commission Expires: 12/2/18



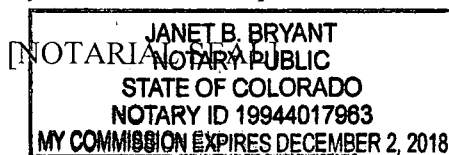
STATE OF COLORADO :
: SS.
CITY AND COUNTY OF DENVER:

On this, the 16th day of December, 2015, before me, the undersigned notary public, personally appeared James D. Chrisman, who acknowledged himself to be Secretary/Treasurer of PARK CREEK METROPOLITAN DISTRICT and that as such official, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said District as such official.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Janet B. Bryant
Notary Public

My Commission Expires: 12/2/18



STATE OF COLORADO :
: ss.
CITY AND COUNTY OF DENVER:

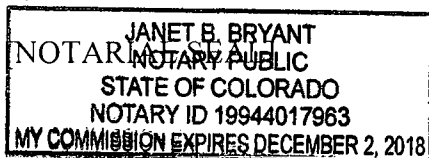
On this, the 16th day of December, 2015, before me, the undersigned notary public, personally appeared Gretchen L. Middents, who acknowledged herself to be a Vice President of U.S. BANK NATIONAL ASSOCIATION, a national banking association, and that she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said bank by himself as such officer.

I hereby certify that I am not a director or officer of the above named bank.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Janet B. Bryant
Notary Public

My Commission Expires: 12/2/18



**EXHIBIT A
THE PROJECT**

<u>Infrastructure Category</u>	<u>Electoral Authorization*</u>
Streets	\$679,415,000
Water	\$679,415,000
Sewer	\$679,415,000
Parks and Recreation	\$679,415,000
Fire Protection	\$679,415,000
TV Relay	\$679,415,000
Transportation	\$679,415,000
Traffic and Safety Controls	\$679,415,000
Mosquito Control	\$1,000,000

* Amounts shown represent the total debt authorized by the eligible voters of the District for each Infrastructure Category. However, the Service Plan currently restricts the total debt incurred by the District for all Infrastructure Categories in the aggregate to \$679,415,000.

(THIS PAGE INTENTIONALLY LEFT BLANK)

PARK CREEK METROPOLITAN DISTRICT

TO

U.S. BANK NATIONAL ASSOCIATION

as Trustee

**THIRD SUPPLEMENT TO AMENDED AND RESTATED
SENIOR MASTER TRUST INDENTURE**

DATED AS OF DECEMBER 1, 2017

IN CONNECTION WITH

**\$48,610,000 SENIOR LIMITED PROPERTY TAX SUPPORTED
REVENUE BONDS
TAX-EXEMPT SERIES 2017A**

**\$18,000,000 SENIOR LIMITED PROPERTY TAX SUPPORTED
REVENUE BONDS
TAXABLE SERIES 2017B**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.01. Definitions	2
ARTICLE II THE BONDS	4
Section 2.01. Amounts, Terms and Issuance of Series 2017A-B Senior Bonds.....	4
Section 2.02. Interest Rates and Maturity of Series 2017A-B Senior Bonds.....	5
Section 2.03. Book-Entry Bonds; Bond Registrar and Bond Register	6
Section 2.04. Registration, Transfer and Exchange of Series 2017A-B Senior Bonds.....	8
ARTICLE III SERIES 2017A-B SENIOR BONDS DETAILS	9
Section 3.01. Series 2017A-B Senior Bond Form	9
ARTICLE IV SERIES 2017A-B SENIOR BONDS PROCEEDS	17
Section 4.01. Accounts for the Series 2017A-B Senior Bonds.....	17
Section 4.02. Disposition of Series 2017A-B Senior Bond Proceeds	18
ARTICLE V TAX COVENANTS	18
Section 5.01. Tax Covenants	18
ARTICLE VI REDEMPTION OF SERIES 2017A-B SENIOR BONDS.....	19
Section 6.01. Series 2017A-B Senior Bonds Subject to Redemption	19
Section 6.02. District Direction of Optional Redemption.....	22
Section 6.03. Selection of Series 2017A-B Senior Bonds to be Called for Redemption	22
Section 6.04. Notice of Redemption	22
Section 6.05. The Series 2017A-B Senior Bonds Redeemed in Part.....	23
Section 6.06. Payment of Redemption Price	23
ARTICLE VII MISCELLANEOUS PROVISIONS	24
Section 7.01. Third Supplement to Master Indenture Effective	24
Section 7.02. Confirmation of Third Supplement to Master Indenture	24
Section 7.03. No Rights Conferred on Others	24
Section 7.04. Illegal, etc. Provisions Disregarded	24
Section 7.05. Counterparts.....	24
Section 7.06. Applicable Law.....	24
Section 7.07. Election under Supplemental Public Securities Act.....	24
Section 7.08. Section Headings	25

THIRD SUPPLEMENT TO AMENDED AND RESTATED SENIOR MASTER TRUST INDENTURE dated as of December 1, 2017 ("**Third Supplement**") by and between **PARK CREEK METROPOLITAN DISTRICT** (the "**District**"), a quasi-municipal corporation and political subdivision of the State of Colorado operating within the City and County of Denver, Colorado and **U.S. BANK NATIONAL ASSOCIATION**, Denver, Colorado, as Trustee (the "**Trustee**"), a national banking association duly organized under the laws of the United States of America.

RECITALS

A. The District has been duly organized pursuant to Article 1, Title 32, Colorado Revised Statutes, as amended, for the purpose of assisting in the financing and development as a mixed-use development, of a portion of the former Stapleton International Airport.

B. The District is authorized pursuant to Article 1, Title 32, Colorado Revised Statutes, as amended, to issue revenue bonds for any of its corporate purposes and, pursuant to the Service Plan, is authorized to issue indebtedness to finance the construction of In-Tract Infrastructure (as defined in the Service Plan) and Trunk Infrastructure (as defined in the Service Plan) in amounts not to exceed \$679,415,000 and \$706,905,000, respectively.

C. At a regular election held on November 7, 2000, the eligible voters of the District authorized the issuance by the District of indebtedness in an amount equal to \$679,415,000 for certain In-Tract Infrastructure Categories set forth on Exhibit A to the Trust Indenture dated as of May 1, 2001, as amended and supplemented from time to time, entered into between the District and the Trustee, as amended (the "**Prior Indenture**"), except for Mosquito Control debt which has been authorized in the amount of \$1,000,000.

D. Pursuant to the terms of the Prior Indenture, the District issued its: (i) "Limited Property Tax Supported Revenue Bonds, Series 2001"; (ii) "Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2005"; (iii) "Senior Limited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2009"; and (iv) "Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2011A".

E. The District entered into an Amended and Restated Senior Master Trust Indenture dated December 1, 2015 with the Trustee (as amended and supplemented, the "**Indenture**"), which amended and restated the Prior Indenture, and a First Supplement to Master Indenture (as defined herein), pursuant to which the District issued its "Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2015A" (the "**Series 2015A Senior Bonds**") in the aggregate principal amount of \$231,290,000, the proceeds of which were used to refund all of the Bonds then Outstanding under the Prior Indenture.

F. The District entered into a Second Supplement to Master Indenture (as defined herein), pursuant to which the District issued its "Senior Limited Property Tax Supported Revenue Bonds, Series 2016A" (the "**Series 2016A Senior Bonds**") in the aggregate principal amount of \$28,000,000, the proceeds of which were used to repay certain Developer Advances (as defined in the Second Supplement to Master Indenture) and/or Reimbursement Notes (as defined in Second Supplement to Master Indenture).

G. The District has determined that it is necessary and in the best interests of the District that the District issue under the Indenture its "Senior Limited Property Tax Supported Revenue Bonds, Tax-Exempt Series 2017A Bonds," in the aggregate principal amount of \$48,610,000 (the "**Series 2017A Senior Bonds**") and its "Senior Limited Property Tax Supported Revenue Bonds, Taxable Series 2017B Bonds," in the aggregate principal amount of \$18,000,000 (the "**Series 2017B Senior Bonds**" and together with the Series 2017A Senior Bonds, the "**Series 2017A-B Senior Bonds**"), the proceeds of which shall be used to (i) repay certain Developer Advances (as defined herein) and/or Reimbursement Notes (as defined herein) and (ii) pay the costs of issuance relating to the Series 2017A-B Senior Bonds.

H. The District has provided to the City's Manager of Finance a Certification of Compliance with the minimum criteria set forth in the District's Service Plan at least fifteen days before the date of issuance of the Series 2017A-B Senior Bonds.

I. The District has taken all necessary action to make the Series 2017A-B Senior Bonds, when authenticated by the Trustee and issued by the District, valid and binding revenue obligations of the District.

J. The execution and delivery of this Third Supplement to Master Indenture (as defined herein) have been authorized by the Board of Directors of the District and all things necessary to make this Third Supplement to Master Indenture a valid and binding obligation of the District have been done.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions

Words and terms defined in the recitals hereof or in the Indenture, as hereby supplemented and amended, shall have the same meanings herein or therein assigned to them, unless the context or use indicates another meaning or intent, except as specifically provided herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

The following terms shall have the following meaning in this Third Supplement to Master Indenture:

"Authorized Denomination" means, with respect to all Series 2017A-B Senior Bonds, \$5,000 and integral multiples thereof.

"Beneficial Owner" is defined in Section 2.03 hereof when the Series 2017A-B Senior Bonds are Book-Entry Bonds and otherwise means the Bondholder.

"Bond" or **"Bonds"** means the Series 2015A Senior Bonds, the Series 2017A-B Senior Bonds, and any bonds or any other evidences of indebtedness for borrowed money issued from time to time pursuant to Section 3.02 of the Indenture. The terms "Bond" or "Bonds" shall

include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments (as such terms are defined in the Indenture), and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by the Indenture; provided that Hedge Termination Payments (as such term is defined in the Indenture) to be made by the District shall not be secured by the Indenture on a parity with the Bonds.

"Bond Register" and **"Bond Registrar"** shall have the respective meanings specified in Section 2.03 hereof.

"Book-Entry System" is defined in Section 2.03 hereof.

"Developer" means Forest City Realty Trust, Inc., a Maryland corporation, and certain of its affiliates, including Stapleton Land, LLC, a Colorado limited liability company, and Forest City Stapleton, Inc., a Colorado corporation.

"Developer Advances" means certain reimbursable advances which the Developer has made to the District in respect of projects within the District's service area pursuant to certain reimbursement agreements between the Developer and the District.

"District" means the Park Creek Metropolitan District (formerly, Stapleton Metropolitan District), its successor and assigns.

"DTC" means The Depository Trust Company, New York, New York.

"First Supplement to Master Indenture" means the First Supplement to Amended and Restated Senior Master Trust Indenture dated December 1, 2015, which supplemented and amended the Indenture.

"Indenture" means the Amended and Restated Senior Master Trust Indenture dated as of December 1, 2015, between the District and the Trustee, as amended or supplemented from time to time, including by this Third Supplement to Master Indenture.

"Interest Payment Date" means, with respect to the Series 2017A-B Senior Bonds, each June 1 and December 1, commencing June 1, 2018.

"Paying Agent" means the Trustee or any national banking association, bank and trust company appointed by the District to serve as paying agent for the Series 2017A-B Senior Bonds.

"Pricing Certificate" means one or more certificates executed by an authorized officer of the District evidencing the applicable determinations as specified in the resolution authorizing the issuance of the Series 2017A-B Senior Bonds.

"Prior Indenture" means the Trust Indenture dated as of May 1, 2001 between the District and the Trustee, as amended or supplemented from time to time.

"Regular Record Date" means, with respect to the Series 2017A-B Senior Bonds, the 15th day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Reimbursement Notes" means certain reimbursement notes issued by the District to the Developer to memorialize Developer Advances under certain reimbursement agreements between the Developer and the District.

"Second Supplement to Master Indenture" means the Second Supplement to Amended and Restated Senior Master Trust Indenture dated December 1, 2016, which supplemented and amended the Indenture.

"Series 2017A Cost of Issuance Account" means the trust account so designated which is established pursuant to Section 4.01 hereof.

"Series 2017A Project Account" means the trust fund so designated which is established pursuant to Section 4.01 hereof.

"Series 2017B Cost of Issuance Account" means the trust account so designated which is established pursuant to Section 4.01 hereof.

"Series 2017B Project Account" means the trust fund so designated which is established pursuant to Section 4.01 hereof.

"Trustee" means U.S. Bank National Association, Denver, Colorado, and any successor thereto appointed pursuant to the Indenture.

ARTICLE II

THE BONDS

Section 2.01. Amounts, Terms and Issuance of Series 2017A-B Senior Bonds

(a) The Series 2017A-B Senior Bonds shall be limited to the respective aggregate principal amounts set forth below and shall contain substantially the terms recited in the form of Series 2017A-B Senior Bond set forth in Section 3.01 hereof and in the resolution of the Board authorizing the issuance of the Series 2017A-B Senior Bonds and the execution of the Pricing Certificate. No Series 2017A-B Senior Bonds may be issued under this Third Supplement to Master Indenture except in accordance with this Article II and Article III hereof.

(b) The Series 2017A Senior Bonds shall be dated as of the date of issuance and shall be designated "Senior Limited Property Tax Supported Revenue Bonds, Tax-Exempt Series 2017A." The total aggregate principal amount of the Series 2017A Senior Bonds shall be \$48,610,000.

(c) The Series 2017B Senior Bonds shall be dated as of the date of issuance and shall be designated "Senior Limited Property Tax Supported Revenue Bonds, Taxable Series

2017B." The total aggregate principal amount of the Series 2017B Senior Bonds shall be \$18,000,000.

(d) The District may issue the Series 2017A-B Senior Bonds upon the execution of this Third Supplement to Master Indenture, and the Trustee shall, at the District's request, authenticate the Series 2017A-B Senior Bonds and deliver them as specified in the request.

Section 2.02. Interest Rates and Maturity of Series 2017A-B Senior Bonds

(a) The Series 2017A Senior Bonds shall mature on the dates and in the aggregate principal amounts, and shall bear interest at the per annum interest rates to their maturity date, unless redeemed prior thereto, as follows:

<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2032	\$ 700,000	5.000%
2033	1,535,000	5.000
2034	1,615,000	5.000
2035	1,695,000	5.000
2036	1,780,000	5.000
2037	3,905,000	5.000
2041	17,750,000	5.000
2046	17,130,000	5.000
2051	2,500,000	5.000

(b) The Series 2017B Senior Bonds shall mature on the dates and in the aggregate principal amounts, and shall bear interest at the per annum interest rates to their maturity date, unless redeemed prior thereto, as follows:

<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$2,045,000	2.400%
2020	1,660,000	2.625
2021	1,000,000	2.850
2022	1,025,000	3.050
2023	1,060,000	3.150
2024	1,095,000	3.300
2025	1,130,000	3.450
2026	1,165,000	3.600
2027	1,215,000	3.700
2032	6,105,000	4.000
2051	500,000	5.000

(c) The Series 2017A-B Senior Bonds shall be dated the date of the delivery of the Series 2017A-B Senior Bonds. The Series 2017A-B Senior Bonds shall bear interest from the last Interest Payment Date to which interest has accrued and has been paid or duly provided for, or if no interest has been paid or duly provided for, from the dated date of the Series 2017A-B Senior Bonds, until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of this Third Supplement to Master Indenture, whether upon maturity, redemption or otherwise.

Section 2.03. Book-Entry Bonds; Bond Registrar and Bond Register

The Series 2017A-B Senior Bonds shall be issued in fully registered form as Book-Entry Bonds and shall be deposited in the book-entry system ("**Book-Entry System**") maintained by The Depository Trust Company, New York, New York ("**DTC**") and registered in the name of Cede & Co., as nominee of DTC as Securities Depository for the Series 2017A-B Senior Bonds in accordance with the terms of a letter of representations from the District to DTC. The Series 2017A-B Senior Bonds shall be registered upon subsequent transfer or exchange as provided in this Third Supplement to Master Indenture.

A single certificate for each maturity of the Series 2017A-B Senior Bonds shall be issued and delivered to the Securities Depository for the Bonds. The actual purchasers of the Series 2017A-B Senior Bonds (the "**Beneficial Owners**") will not receive physical delivery of Series 2017A-B Senior Bond certificates except as provided herein. So long as there exists a Securities Depository as provided herein, all transfers of beneficial ownership interests in the Series 2017A-B Senior Bonds shall be made by book entry only, and no person purchasing, selling or otherwise transferring beneficial ownership interests in the Series 2017A-B Senior Bonds will be permitted to receive, hold or deliver any Series 2017A-B Senior Bond certificate. The District and the Trustee shall treat the Securities Depository or its nominee as the sole and exclusive Bondholder for all purposes, including payments of principal of, premium, if any, and interest on the Series 2017A-B Senior Bonds, notices and voting.

The District and the Trustee covenant and agree, so long as DTC shall continue to serve as Securities Depository for the Series 2017A-B Senior Bonds, to meet the requirements of DTC with respect to required notices and other provisions of any letter of representations with DTC.

The District and the Trustee may conclusively rely upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Series 2017A-B Senior Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 2017A-B Senior Bonds beneficially owned by, the Beneficial Owners.

Whenever Series 2017A-B Senior Bonds remain Outstanding and the beneficial ownership thereof must be determined by the books of the Securities Depository, the requirements in this Third Supplement to Master Indenture for holding, delivering, tendering or transferring Series 2017A-B Senior Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository with respect to such actions to produce the same effect. Any provision hereof permitting or requiring delivery of Series 2017A-

B Senior Bonds shall, while the Series 2017A-B Senior Bonds are in the Book-Entry System, be satisfied by notation on the books of the Securities Depository in accordance with State law.

The Trustee and the District may from time to time appoint a successor Securities Depository and enter into any agreement with such Securities Depository to establish procedures with respect to the Series 2017A-B Senior Bonds not inconsistent with the provisions of this Third Supplement to Master Indenture. Any successor Securities Depository shall be a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

Neither the District nor the Trustee shall have any responsibility or obligation to any Securities Depository, any Participant in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount (including premium) or redemption or purchase price of, or interest on, any Series 2017A-B Senior Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2017A-B Senior Bonds; or (v) any other action taken by the Securities Depository or any Participant in connection with the Series 2017A-B Senior Bonds.

Series 2017A-B Senior Bond certificates shall be delivered to and registered in the name of the Beneficial Owners only under the following circumstances:

(a) The Securities Depository determines to discontinue providing its service with respect to the Series 2017A-B Senior Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving reasonable notice to the District or the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(b) The District determines not to continue the Book-Entry System through any Securities Depository.

If at any time the Securities Depository ceases to hold the Series 2017A-B Senior Bonds, all references herein to the Securities Depository shall be of no further force or effect.

The District shall designate one or more persons to act as "**Bond Registrar**" for the Series 2017A-B Senior Bonds provided that the Bond Registrar appointed for the Series 2017A-B Senior Bonds shall be either the Trustee or a person which would meet the requirements for qualification as a Trustee imposed by Section 10.13 of the Indenture. The District hereby appoints the Trustee its Bond Registrar in respect of the Series 2017A-B Senior Bonds. Any person other than the Trustee undertaking to act as Bond Registrar shall first execute a written agreement, in form satisfactory to the Trustee, to perform the duties of a Bond Registrar under this Third Supplement to Master Indenture, which agreement shall be filed with the Trustee.

The Bond Registrar shall act as registrar and transfer agent for the Series 2017A-B Senior Bonds. As provided herein, the District shall cause to be kept at an office of the Bond Registrar a register (herein sometimes referred to as the "**Bond Register**") in which, subject to such reasonable regulations as it, the Trustee or the Bond Registrar may prescribe, the District shall

provide for the registration of the Series 2017A-B Senior Bonds and for the registration of transfers of the Series 2017A-B Senior Bonds. The District shall cause the Bond Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. The principal corporate trust office of the Trustee shall be deemed to be such office in respect of the Series 2017A-B Senior Bonds for which the Trustee is acting as Bond Registrar.

The Bond Registrar shall at such time as reasonably requested by the Trustee, certify and furnish to the Trustee and any Paying Agent as the Trustee shall specify, the names, addresses, and holdings of Bondholders and any other relevant information reflected in the Bond Register, and the Trustee and any such Paying Agent shall for all purposes be fully entitled to rely upon the information so furnished to them and shall have no liability or responsibility in connection with the preparation thereof except to the extent that any such information was furnished or supplied to the Bond Registrar by any such entity.

Section 2.04. Registration, Transfer and Exchange of Series 2017A-B Senior Bonds

As provided in Section 2.03 hereof, the District shall cause a Bond Register to be kept at the designated office of the Bond Registrar. Upon surrender for transfer of a Series 2017A-B Senior Bond at such office, the District shall execute and the Trustee or its Authenticating Agent shall authenticate and deliver in the name of the transferee or transferees, one or more new fully registered Series 2017A-B Senior Bonds of Authorized Denominations for the aggregate principal amount which the registered owner is entitled to receive.

At the option of the holder, Series 2017A-B Senior Bonds may be exchanged for other Series 2017A-B Senior Bonds of any other Authorized Denomination, of a like aggregate principal amount, upon surrender of the Series 2017A-B Senior Bonds to be exchanged at any such office or agency. Whenever any Series 2017A-B Senior Bonds are so surrendered for exchange, the District shall execute, and the Trustee shall authenticate and deliver, the Series 2017A-B Senior Bonds which the Bondholder making the exchange is entitled to receive.

All Series 2017A-B Senior Bonds presented for transfer or exchange, redemption or payment (if so required by the District, the Bond Registrar or the Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the holder or by his attorney duly authorized in writing.

The Bond Registrar may require payment of a sum sufficient to cover any reasonable fees, taxes or other governmental charges that may be imposed in relation thereto.

Neither the District nor the Bond Registrar on behalf of the District shall be required (i) to register the transfer of or exchange any Series 2017A-B Senior Bond during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Series 2017A-B Senior Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Series 2017A-B Senior Bond so selected for redemption in whole or in part.

New Series 2017A-B Senior Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Series 2017A-B Senior Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits thereof to the same extent as the Series 2017A-B Senior Bonds surrendered.

ARTICLE III

SERIES 2017A-B SENIOR BONDS DETAILS

Section 3.01. Series 2017A-B Senior Bond Form

Subject to the provisions of this Third Supplement to Master Indenture, each Series 2017A-B Senior Bond shall be in substantially the following form (provided that any of the text on the face of the Series 2017A-B Senior Bond may, with appropriate reference, be printed on the back of the Series 2017A-B Senior Bond), with such omissions, insertions, endorsements and variations as may be required by the circumstances and as shall be consistent with this Third Supplement to Master Indenture:

[FORM OF SERIES 2017A-B SENIOR BOND]

CEDE & CO. HAS AN INTEREST HEREIN: UNLESS THIS SERIES 2017[A/B] SENIOR BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE DISTRICT OR THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2017[A/B] SENIOR BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY OTHER PERSON IS WRONGFUL.

No. R-____

\$_____

UNITED STATES OF AMERICA
STATE OF COLORADO

PARK CREEK METROPOLITAN DISTRICT
SENIOR LIMITED PROPERTY TAX SUPPORTED REVENUE BONDS
[TAX-EXEMPT/TAXABLE] SERIES 2017[A/B]

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>ORIGINAL DATE</u>	<u>CUSIP</u>
December 1, ____	____%	_____, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

PARK CREEK METROPOLITAN DISTRICT, its successors or assigns (the "**District**"), a quasi-municipal corporation and political subdivision of the State of Colorado, for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner (specified above), or registered assigns, on the maturity date hereof unless this Series 2017[A/B] Senior Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, upon surrender hereof, the principal sum hereof and to pay to the registered owner hereof (but only out of the sources hereinafter mentioned) interest thereon from the date hereof until payment of said principal sum has been made or provided for, at the per annum Interest Rate (specified above). Interest on this Series 2017[A/B] Senior Bond shall accrue from the Interest Payment Date next preceding the date of authentication to which interest shall have been paid, (i) unless such date of authentication is an Interest Payment Date to which interest shall have been paid, in which case, from such authentication date, or (ii) unless authenticated after a Record Date and prior to an Interest Payment Date with respect to such Record Date, in which case, from such Interest

Payment Date, or (iii) unless this Series 2017[A/B] Senior Bond is authenticated prior to the first Interest Payment Date, in which case, interest on this Series 2017[A/B] Senior Bond shall accrue from its Original Date shown above. Interest on this Series 2017[A/B] Senior Bond shall be payable on June 1 and December 1 in each year, commencing June 1, 2017, at the per annum Interest Rate (specified above), until payment of said principal sum and (to the extent payment of such interest shall be legally enforceable and only as provided below and in the Indenture) on any overdue installment of interest. Interest is computed on the basis of a 360-day year of twelve 30-day months. Principal and interest shall be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person in whose name this Series 2017[A/B] Senior Bond is registered at the close of business on the Regular Record Date for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Series 2017[A/B] Senior Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, referred to below, notice whereof shall be given to registered owners not less than ten days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture referred to below. Principal shall be paid at the principal corporate trust office of U.S. Bank National Association, as Paying Agent, in St. Paul, Minnesota, or at the duly designated office of any duly appointed alternate or successor paying agent. Interest on this Series 2017[A/B] Senior Bond shall be payable by wire transfer or by check mailed to the registered owner hereof at the address as it appears on the Bond Register of the District.

This Series 2017[A/B] Senior Bond is one of a duly authorized series of bonds (the "**Series 2017[A/B] Senior Bonds**") in the aggregate principal amount of \$[48,610,000/18,000,000] issued and executed under an Amended and Restated Senior Master Trust Indenture dated as of December 1, 2015, as supplemented and amended from time to time, including by a Third Supplement to Amended and Restated Senior Master Trust Indenture dated as of December 1, 2017 (the "**Third Supplement to Master Trust Indenture**"), all between the District and U.S. Bank National Association, as Trustee (the "**Trustee**") (collectively, the "**Indenture**"). The terms of the Series 2017[A/B] Senior Bonds include those terms specified in the Indenture. Bondholders are referred to the Indenture for a statement of those terms. *Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.*

This Series 2017[A/B] Senior Bond is issued by the District, upon its behalf and upon the credit thereof, for the purpose of defraying wholly or in part the refunding of certain outstanding obligations of the District and paying the costs of issuance relating to the Series 2017[A/B] Senior Bonds, all under the authority of and in full conformity with the Constitution and laws of the State of Colorado and pursuant to resolution of the Board duly adopted and made a law of the District prior to the issuance of this Series 2017[A/B] Senior Bond. This Series 2017[A/B] Senior Bond is also issued pursuant to Title 11, Article 57, Part 2, Colorado Revised Statutes (the "**Supplemental Act**"). Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Series 2017[A/B] Senior Bond after its delivery for value.

THIS SERIES 2017[A/B] SENIOR BOND SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES OF THE DISTRICT RECEIVED BY THE DISTRICT EACH YEAR. THIS SERIES 2017[A/B] SENIOR BOND SHALL NOT CONSTITUTE A DEBT OR FINANCIAL OBLIGATION OF THE CITY, DURA, THE WESTERLY CREEK DISTRICT, THE STAPLETON DEVELOPMENT CORPORATION ("SDC"), OR FOREST CITY REALTY TRUST, INC., AND CERTAIN OF ITS AFFILIATES, INCLUDING STAPLETON LAND, LLC AND FOREST CITY STAPLETON, INC. (TOGETHER THE "DEVELOPER"), OR THE UNDERWRITERS AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY, THE WESTERLY CREEK DISTRICT, SDC, THE DEVELOPER, OR THE UNDERWRITERS OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE DISTRICT FROM THE PLEDGED REVENUES) OR A CHARGE AGAINST THE GENERAL CREDIT OF DURA OR THE GENERAL CREDIT AND TAXING POWERS OF THE CITY OR THE WESTERLY CREEK DISTRICT (OTHER THAN WITH RESPECT TO THE REQUIRED MILL LEVY OF THE WESTERLY CREEK DISTRICT UNDER THE PARK CREEK/WESTERLY CREEK INTERGOVERNMENTAL AGREEMENT). THIS SERIES 2017[A/B] SENIOR BOND IS NOT SECURED BY ANY LIEN OR MORTGAGE ON OR SECURITY INTEREST IN ANY PROPERTY OF THE CITY, DURA, THE DISTRICT, THE WESTERLY CREEK DISTRICT, THE SDC OR THE DEVELOPER OTHER THAN THE PLEDGED REVENUES. NO SUCH ENTITY HAS GUARANTEED THE OBLIGATIONS OF THE DISTRICT WITH RESPECT TO THIS SERIES 2017[A/B] SENIOR BOND.

The Series 2017[A/B] Senior Bonds are payable solely from (i) certain Tax Increment Revenues and the Maximum SO Tax Amount (as such terms are defined in the Indenture) received by the District under the District Cooperation Agreement dated as of March 1, 2001 (the "**District Cooperation Agreement**") between the District and the Denver Urban Renewal Authority, the Intergovernmental Financing and Construction Agreement dated as of April 30, 2001 (the "**Park Creek/Westerly Creek Intergovernmental Agreement**") between the District and the Westerly Creek Metropolitan District, and (ii) the Funds created under the Indenture (except the Rebate Fund, the Senior Subordinate Obligations Fund, the Subordinate Obligations Fund, the Second-Lien Subordinate Bonds Fund, the Junior Subordinate Obligations Fund and the Junior Lien Obligations Fund) and any moneys held by the Trustee thereunder for such purpose, and there shall be no other recourse against the District or any other property now or hereafter owned by the District. Except as otherwise specified in the Indenture, this Series 2017[A/B] Senior Bond is entitled to the benefits of the Indenture equally and ratably both as to principal (and redemption price) and interest with all other Bonds issued under the Indenture, to which reference is made for a description of the rights of the owners of the Series 2017[A/B] Senior Bonds; the rights and obligations of the District; the rights, duties and obligations of the Trustee; and the provisions relating to amendments to and modifications of the Indenture. **The owner of this Series 2017[A/B] Senior Bond shall have no right to enforce the provisions of the Indenture, the District Cooperation Agreement or the Park Creek/Westerly Creek Intergovernmental Agreement or to institute action to enforce the covenants thereof or rights or remedies thereunder except as provided in the Indenture.**

OPTIONAL REDEMPTION

The Series 2017[A/B] Senior Bonds maturing on and after December 1, 20__ are subject to redemption prior to maturity at the option of the District, on and after December 1, 20__, in whole or in part on any date, at a redemption price equal to 100% of the principal amount so redeemed, plus accrued interest thereon to the redemption date.

MANDATORY SINKING FUND REDEMPTION

The Series 2017[A/B] Senior Bonds maturing on December 1, 20__, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal to be</u> <u>Redeemed</u>
	(1)

(1) Final Maturity

On or before the 30th day prior to each sinking fund payment date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) from all Outstanding Series 2017[A/B] Senior Bonds maturing on the applicable date a principal amount of such Series 2017[A/B] Senior Bonds equal to the aggregate principal amount of such Series 2017[A/B] Senior Bonds redeemable with the required sinking fund payment, and shall call such Series 2017[A/B] Senior Bonds or portions thereof (in Authorized Denominations) for redemption from the sinking fund on the next December 1, and give notice of such call. At the option of the District to be exercised by delivery of a written certificate to the Trustee on or before the 45th day next preceding any sinking fund redemption date, it may (i) deliver to the Trustee for cancellation Series 2017[A/B] Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, in an aggregate principal amount desired by the District or (ii) specify a principal amount of Series 2017[A/B] Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Trustee at the request of the District and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Series 2017[A/B] Senior Bonds or portion thereof so delivered or previously redeemed shall be credited by the Trustee, at 100% of the principal amount thereof, on a pro rata basis against all subsequent sinking fund redemption obligations. In the event the District shall avail itself of the provisions of clause (i) of the second sentence of this paragraph, the certificate required by the second sentence of this paragraph shall be accompanied by the Series 2017[A/B] Senior Bonds or portions thereof to be canceled (except with respect to Series 2017[A/B] Senior Bonds registered to DTC or its nominee or to any substitute securities depository).

Any notice of redemption, identifying the Series 2017[A/B] Senior Bonds or portions thereof to be redeemed, shall be given by first class mail to the registered owner of Bonds to be redeemed in whole or in part at the address shown on the Bond Register of the District not more

than 60 days and not fewer than 20 days prior to the redemption date. Notice of optional redemption may be conditioned upon the deposit of moneys sufficient to redeem all the Series 2017[A/B] Senior Bonds with the Trustee before the date fixed for redemption and such notice shall be of no effect unless such moneys are so deposited. All Series 2017[A/B] Senior Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption and any accrued interest payable on the redemption date are on deposit at the principal place of payment at that time.

If at the time of mailing of notice of any optional redemption the District shall not have deposited with the Trustee moneys sufficient to redeem all the Series 2017[A/B] Senior Bonds called for redemption, if the District shall so direct, such notice may state that it is conditional in that it is subject to the deposit of sufficient moneys with the Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

The Series 2017[A/B] Senior Bonds are issuable only as fully registered Bonds in Authorized Denominations. Subject to the limitations provided in the Indenture and upon payment of any reasonable fees, taxes or governmental charges, if any, Series 2017[A/B] Senior Bonds may be exchanged for a like aggregate principal amount of Series 2017[A/B] Senior Bonds of other Authorized Denominations.

This Series 2017[A/B] Senior Bond is transferable by the registered owner hereof or his duly authorized attorney at the principal corporate trust office of the Trustee, as Bond Registrar, upon surrender of this Series 2017[A/B] Senior Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, subject to such reasonable regulations as the District, the Trustee or the Bond Registrar may prescribe, and upon payment of any tax or other governmental charge incident to such transfer. Upon any such transfer, a new Series 2017[A/B] Senior Bond or Series 2017[A/B] Senior Bonds in the same aggregate principal amount will be issued to the transferee. Except as set forth in this Series 2017[A/B] Senior Bond and as otherwise provided in the Indenture, the person in whose name this Series 2017[A/B] Senior Bond is registered shall be deemed the owner hereof for all purposes, and the District, any Paying Agents, the Bond Registrar and the Trustee shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal or redemption price of, or premium or interest on, this Series 2017[A/B] Senior Bond, or for any claim based hereon or on the Indenture, against any director, member, officer, agent or employee, past, present or future, of the District or of any successor body, as such, either directly or through the District or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

This Series 2017[A/B] Senior Bond is not valid unless the Trustee's Certificate of Authentication endorsed hereon is duly executed.

IN WITNESS WHEREOF, the District has caused this Series 2017[A/B] Senior Bond to be executed in its name by the manual or facsimile signature of its District Representative and its

corporate seal or a facsimile to be affixed hereto or printed hereon and attested to by the manual or facsimile signature of its Secretary/Treasurer [Assistant Secretary].

[DISTRICT SEAL]

PARK CREEK METROPOLITAN DISTRICT

Attest:

District Representative

Secretary/Treasurer [Assistant Secretary]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: December __, 2017

This Series 2017[A/B] Senior Bond is one of the Series 2017[A/B] Senior Bonds described in the within mentioned Indenture. Annexed hereto or printed on the reverse hereof are true and correct copies of the text of the opinion of Bond Counsel to the District, Hogan Lovells US LLP, signed originals of which are on file with the undersigned.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Representative

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Tax Identification Number or Social Security Number _____) the within Series 2017[A/B] Senior Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Series 2017[A/B] Senior Bond on the Bond Register, with full power of substitution in the premises.

Dated: _____

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2017[A/B] Senior Bond in every particular without alteration or any change whatever; NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Signature Program ("MSP").

Signature guaranteed:

[FORM OF ABBREVIATIONS]

The following abbreviations, when used in the inscription on the face of the within Series 2017[A/B] Senior Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

[TEXT OF 2017[A/B] BOND COUNSEL OPINION]

[END OF FORM OF SERIES 2017[A/B] SENIOR BOND]

ARTICLE IV

SERIES 2017A-B SENIOR BONDS PROCEEDS

Section 4.01. Accounts for the Series 2017A-B Senior Bonds

(a) There is hereby created and established with the Trustee a separate and segregated account in the Project Fund which is hereby referred to as the "Series 2017A Cost of Issuance Account." There shall be deposited into the Series 2017A Cost of Issuance Account, pursuant to Section 4.02 hereof from the proceeds of the Series 2017A Senior Bonds, the amount designated in Section 4.02(a)(ii) hereof. The Trustee shall issue its checks or wire funds from the Series 2017A Cost of Issuance Account for each payment in accordance with Section 4.02 hereof as directed by the District. Upon the earlier of March 21, 2018, or receipt by the Trustee of a certificate signed by the District stating that all expenses incurred in connection with the issuance of the Series 2017A Senior Bonds have been paid, any moneys remaining in the Series 2017A Cost of Issuance Account shall be transferred into the Bond Fund, and the Series 2017A Cost of Issuance Account shall be closed by the Trustee.

(b) There is hereby created and established with the Trustee a separate and segregated account in the Project Fund which is hereby referred to as the "Series 2017B Cost of Issuance Account." There shall be deposited into the Series 2017B Cost of Issuance Account, pursuant to Section 4.02 hereof from the proceeds of the Series 2017B Senior Bonds, the amount designated in Section 4.02(b)(ii) hereof. The Trustee shall issue its checks or wire funds from the Series 2017B Cost of Issuance Account for each payment in accordance with Section 4.02 hereof as directed by the District. Upon the earlier of March 21, 2018, or receipt by the Trustee of a certificate signed by the District stating that all expenses incurred in connection with the issuance of the Series 2017B Senior Bonds have been paid, any moneys remaining in the Series 2017B Cost of Issuance Account shall be transferred into the Bond Fund, and the Series 2017B Cost of Issuance Account shall be closed by the Trustee.

(c) There is hereby created and established with the Trustee a separate and segregated account in the Project Fund which is hereby referred to as the "Series 2017A Project Account." There shall be deposited into the Series 2017A Project Account, pursuant to Section 4.02 hereof from the proceeds of the Series 2017A Senior Bonds, the amount designated in Section 4.02(a)(i) hereof. The Trustee is hereby authorized and directed by the District outlined in the closing memorandum to pay certain Developer Advances and/or Reimbursement Notes at closing. After the closing or when the Series 2017A Project Account is at a zero balance and the certain Developer Advances and/or Reimbursement Notes have been paid, the Trustee shall close the Series 2017A Project Account.

(d) There is hereby created and established with the Trustee a separate and segregated account in the Project Fund which is hereby referred to as the "Series 2017B Project Account." There shall be deposited into the Series 2017B Project Account, pursuant to Section 4.02 hereof from the proceeds of the Series 2017B Senior Bonds, the amount

designated in Section 4.02(b)(i) hereof. The Trustee is hereby authorized and directed by the District outlined in the closing memorandum to pay certain Developer Advances and/or Reimbursement Notes at closing. After the closing or when the Series 2017B Project Account is at a zero balance and the certain Developer Advances and/or Reimbursement Notes have been paid, the Trustee shall close the Series 2017B Project Account.

Section 4.02. Disposition of Series 2017A-B Senior Bond Proceeds

(a) Proceeds of the Series 2017A Senior Bonds in the amount of \$364,575.00 shall be applied at the time of closing to pay the Underwriter's discount. The remaining proceeds of the Series 2017A Senior Bonds (plus an original issue premium of \$6,774,911.95), upon the receipt thereof by the Trustee, shall be deposited promptly, and shall be accounted for in the following manner and priority:

(i) \$54,627,000.00 shall be deposited to the Series 2017A Project Account of the Project Fund to pay certain Developer Advances and/or Reimbursement Notes; and

(ii) \$393,336.95 shall be deposited to the Series 2017A Cost of Issuance Account and be applied by the District to pay costs of issuance related to the Series 2017A Senior Bonds.

(b) Proceeds of the Series 2017B Senior Bonds in the amount of \$135,000.00 shall be applied at the time of closing to pay the Underwriter's discount. The remaining proceeds of the Series 2017B Senior Bonds (less an original issue discount of \$8,045.00), upon the receipt thereof by the Trustee, shall be deposited promptly, and shall be accounted for in the following manner and priority:

(i) \$17,711,000.00 shall be deposited to the Series 2017B Project Account of the Project Fund to pay certain Reimbursement Notes; and

(ii) \$145,955.00 shall be deposited to the Series 2017B Cost of Issuance Account and be applied by the District to pay costs of issuance related to the Series 2017B Senior Bonds.

ARTICLE V

TAX COVENANTS

Section 5.01. Tax Covenants

The District hereby covenants for the benefit of each owner of any Series 2017A Senior Bond that it shall not (i) make any use of the proceeds of any Series 2017A Senior Bonds, any fund reasonably expected to be used to pay the principal of or interest on any Series 2017A Senior Bonds, or any other funds of the District; (ii) make any use of the facilities financed or refinanced by the Developer Advances and/or Reimbursement Notes that are being refunded by the Series 2017A Senior Bonds; or (iii) take (or omit to take) any other action with respect to any

Series 2017A Senior Bonds, the proceeds thereof, or otherwise, if such use, action or omission would under the Code, cause the interest on any Series 2017A Senior Bonds to be included in gross income for federal income tax purposes or be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, trusts, estates and corporations (except, with respect to corporations, as such interest is required to be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations).

In particular, the District hereby covenants for the benefit of each owner of any Series 2017A Senior Bonds that it shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same would cause the Series 2017A Senior Bonds to be (i) "arbitrage bonds" within the meaning of Section 148 of the Code, including for such purposes, to the extent applicable, the rebate requirements of Section 148(f) of the Code; or (ii) "private activity bonds" within the meaning of Section 141 of the Code. Such covenants of the District shall survive the payment of the Series 2017A Senior Bonds until all rebate requirements related to the Series 2017A Senior Bonds have been satisfied.

To the extent permitted by law, all moneys received by the Trustee under this Third Supplement to Master Indenture shall, except as hereinafter provided, be deposited as trust funds with the Trustee, and until or unless invested or deposited as provided in Section 6.02 of the Indenture, shall be secured as required by law. The Trustee may deposit such moneys with any other depository which is authorized to receive them and is subject to supervision by public banking authorities.

ARTICLE VI

REDEMPTION OF SERIES 2017A-B SENIOR BONDS

Section 6.01. Series 2017A-B Senior Bonds Subject to Redemption

The Series 2017A-B Senior Bonds are subject to redemption prior to maturity as provided herein and in the form of Series 2017A-B Senior Bonds hereinbefore recited. Payment of the redemption price of any Series 2017A-B Senior Bond shall be made on the redemption date only upon the surrender to any Paying Agent of any Series 2017A-B Senior Bond so redeemed.

(a) **Optional Redemption.**

(i) The Series 2017A Senior Bonds are subject to redemption prior to maturity at the option of the District, on and after December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount so redeemed, plus accrued interest thereon to the redemption date.

(ii) The Series 2017B Senior Bonds maturing on and after December 1, 2026 are subject to redemption prior to maturity at the option of the District, on and after December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount so redeemed, plus accrued interest thereon to the redemption date.

(b) Mandatory Sinking Fund Redemption.

(i) The Series 2017A Senior Bonds maturing on December 1, 2041, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

<u>Redemption Date (December 1)</u>	<u>Principal to be Redeemed</u>
2038	\$4,105,000
2039	4,320,000
2040	4,545,000
2041	4,780,000 ⁽¹⁾

⁽¹⁾ Final Maturity

(ii) The Series 2017A Senior Bonds maturing on December 1, 2046, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

<u>Redemption Date (December 1)</u>	<u>Principal to be Redeemed</u>
2042	\$ 100,000
2043	100,000
2044	100,000
2045	545,000
2046	16,285,000 ⁽¹⁾

⁽¹⁾ Final Maturity

(iii) The Series 2017A Senior Bonds maturing on December 1, 2051, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

<u>Redemption Date (December 1)</u>	<u>Principal to be Redeemed</u>
2047	\$500,000
2048	500,000
2049	500,000
2050	500,000
2051	500,000 ⁽¹⁾

⁽¹⁾ Final Maturity

(iv) The Series 2017B Senior Bonds maturing on December 1, 2032, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price

equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal to be</u> <u>Redeemed</u>
2028	\$ 1,255,000
2029	1,305,000
2030	1,360,000
2031	1,415,000
2032	770,000 ⁽¹⁾

⁽¹⁾ Final Maturity

(v) The Series 2017B Senior Bonds maturing on December 1, 2051, are to be redeemed in part in the amounts and on the dates set forth below at a redemption price equal to 100% of the principal amount thereof to be redeemed plus interest accrued to the sinking fund redemption date:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal to be</u> <u>Redeemed</u>
2047	\$100,000
2048	100,000
2049	100,000
2050	100,000
2051	100,000 ⁽¹⁾

⁽¹⁾ Final Maturity

On or before the 30th day prior to each sinking fund payment date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine) from all Outstanding Series 2017A-B Senior Bonds maturing on the applicable date a principal amount of such Series 2017A-B Senior Bonds equal to the aggregate principal amount of such Series 2017A-B Senior Bonds redeemable with the required sinking fund payment, and shall call such Series 2017A-B Senior Bonds or portions thereof (in Authorized Denominations) for redemption from the sinking fund on the next December 1, and give notice of such call. At the option of the District to be exercised by delivery of a written certificate to the Trustee on or before the 45th day next preceding any sinking fund redemption date, it may (i) deliver to the Trustee for cancellation Series 2017A-B Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, in an aggregate principal amount desired by the District or (ii) specify a principal amount of Series 2017A-B Senior Bonds or portions thereof (in Authorized Denominations) maturing on the applicable date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Trustee at the request of the District and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Series 2017A-B Senior Bonds or portion thereof so delivered or previously redeemed shall be credited by the Trustee, at 100% of the principal amount thereof, on a pro rata basis against all subsequent sinking fund redemption obligations. In the event the District shall avail itself of the provisions of clause (i) of the second sentence of this paragraph, the certificate required by the second sentence of this paragraph shall be accompanied by the

Series 2017A-B Senior Bonds or portions thereof to be canceled (except with respect to Series 2017A-B Senior Bonds registered to DTC or its nominee or to any substitute securities depository).

Section 6.02. District Direction of Optional Redemption

Notice of any optional redemption from the District to the Trustee shall specify the principal amount of Series 2017A-B Senior Bonds to be redeemed and the redemption date. The District will give the notice to the Trustee at least 15 days (or such lesser number of days as may be acceptable to the Trustee) prior to the day on which the Trustee is required to give notice of such optional redemption to the Bondholders.

Section 6.03. Selection of Series 2017A-B Senior Bonds to be Called for Redemption

Except as otherwise provided herein or in the Series 2017A-B Senior Bonds, if less than all the Series 2017A-B Senior Bonds are to be redeemed, the particular Series 2017A-B Senior Bonds to be called for redemption shall be selected by any method determined by the Trustee to be fair and reasonable. The Trustee shall treat any Bond of a denomination greater than the minimum Authorized Denomination as representing that number of separate Series 2017A-B Senior Bonds each of that minimum Authorized Denomination (and, if any Bond is not in a denomination that is an integral multiple of the minimum Authorized Denomination, one separate Bond of the remaining principal amount of the Bond) as can be obtained by dividing the actual principal amount of such Bond by that minimum Authorized Denomination; provided that no Bond shall be redeemed in part if it results in the unredeemed portion of the Bond being in a principal amount other than an Authorized Denomination.

Section 6.04. Notice of Redemption

(a) The notice of the call for redemption of the Series 2017A-B Senior Bonds shall identify (i) the complete official name of the issue, (ii) the Series 2017A-B Senior Bonds or portions thereof to be redeemed by designation, letters, CUSIP numbers, numbers or other distinguishing marks, interest rate, maturity date and principal amount, (iii) the redemption price to be paid, (iv) the date fixed for redemption, (v) the place or places, by name and address, where the amounts due upon redemption are payable and (vi) the name and telephone number of the person to whom inquiries regarding the redemption may be directed; provided, however, that the failure to identify a CUSIP number for said Series 2017A-B Senior Bonds in the redemption notice, or the inclusion of an incorrect CUSIP number, shall not affect the validity of such redemption notice. The notice shall be given by the Trustee on behalf of the District by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 20 days but no more than 60 days prior to the date fixed for redemption, to the owner of each Series 2017A-B Senior Bond subject to redemption in whole or in part at the owner's address shown on the Bond Register on the 15th day preceding that mailing. Failure to receive notice pursuant to this Section, or any defect in that notice, as to any Series 2017A-B Senior Bond shall not affect the validity of the proceedings for the redemption of any other Series 2017A-B Senior Bond. Notices of redemption shall also be mailed to the Paying Agents if other than the Trustee.

(b) The Trustee shall take the following additional actions with respect to such redemption notice, but no defect in the following actions or any failure to take the same shall defeat the effectiveness of the foregoing redemption notice:

(i) At least 16 days prior to the date fixed for redemption, such redemption notice shall be given by (i) registered or certified mail, postage prepaid, (ii) legible facsimile transmission or transmission by electronic means, or (iii) overnight delivery service, to all registered securities depositories then in the business of holding substantial amounts of obligations similar to the Series 2017A-B Senior Bonds (such depositories now being The Depository Trust Company of New York, New York, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania), to one or more national information services that disseminate notices of redemption of obligations such as the Series 2017A-B Senior Bonds, and to *The Bond Buyer*.

(ii) In undertaking the requirements of this subsection (b), the Trustee does so as a courtesy to the institutions listed herein and the Trustee shall not incur any liability as a result of the failure to provide such notice to any such institution or as a result of any defect therein.

(c) If at the time of mailing of notice of any optional redemption the District shall not have deposited with the Trustee moneys sufficient to redeem all the Series 2017A-B Senior Bonds called for redemption, if the District shall so direct, such notice may state that it is conditional in that it is subject to the deposit of sufficient moneys with the Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 6.05. The Series 2017A-B Senior Bonds Redeemed in Part

Any Bond which is to be redeemed only in part shall be surrendered at a place stated for the surrender of the Series 2017A-B Senior Bonds called for redemption in the notice provided for in Section 6.04 hereof (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the owner thereof or his attorney duly authorized in writing) and the District shall execute and the Trustee shall authenticate and deliver to the owner of such Bond without service charge, a new Bond or Bonds, of the same series, of any Authorized Denomination as requested by such owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Section 6.06. Payment of Redemption Price

If (a) unconditional notice of redemption has been duly given or duly waived by the holders of all Series 2017A-B Senior Bonds called for redemption or (b) conditional notice of redemption has been so given or waived and the redemption moneys have been duly deposited with the Trustee, then in either such case the Series 2017A-B Senior Bonds called for redemption shall be payable on the redemption date at the applicable redemption price. Payment of the redemption price together with accrued interest shall be made by the Trustee, out of Pledged Revenues or other funds deposited for the purpose, to the holders of the Series 2017A-B Senior Bonds called for redemption upon surrender of such Series 2017A-B Senior Bonds.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.01. Third Supplement to Master Indenture Effective

The Trustee hereby acknowledges receipt of an opinion of Bond Counsel, and all other items required under Article XII of the Indenture in order to make this Third Supplement to Master Indenture effective and binding.

Section 7.02. Confirmation of Third Supplement to Master Indenture

The Indenture, as supplemented and amended, including by this Third Supplement to Master Indenture, is in all respects ratified and confirmed, and the Indenture, as supplemented and amended, including by this Third Supplement to Master Indenture, shall be read, taken and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants and agreements of the Indenture shall apply and remain in full force and effect with respect to this Third Supplement to Master Indenture.

Section 7.03. No Rights Conferred on Others

Nothing herein contained shall confer any right upon any person other than the parties hereto and, the owners of the Bonds.

Section 7.04. Illegal, etc. Provisions Disregarded

In case any one or more of the provisions contained in this Third Supplement to Master Indenture shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of the Indenture, but this Third Supplement to Master Indenture and the Indenture shall be construed as if such provision had never been contained herein or therein.

Section 7.05. Counterparts

This Third Supplement to Master Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and such counterparts shall together constitute but one and the same instrument.

Section 7.06. Applicable Law

This Third Supplement to Master Indenture shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 7.07. Election under Supplemental Public Securities Act

By the execution of this Third Supplement to Master Indenture, the District hereby elects to have all provisions of part 2 of Colorado Revised Statutes §11-57 apply to the issuance of the Series 2017A-B Senior Bonds, provided, however that such election shall not operate to modify

or limit the rights conferred on the District or the members of the Board by any other provisions of Colorado law.

Section 7.08. Section Headings

Section headings have been inserted in this Third Supplement to Master Indenture as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Third Supplement to Master Indenture and will not be used in the interpretation of any provisions hereof.

IN WITNESS WHEREOF, **PARK CREEK METROPOLITAN DISTRICT** has caused this Third Supplement to Master Indenture to be executed by its President and Chairman and its corporate seal to be hereunto affixed and attested to by the Secretary/Treasurer, and **U.S. BANK NATIONAL ASSOCIATION**, as Trustee, has caused this Third Supplement to Master Indenture to be executed by its Vice President, all as of the day and year first above written.

PARK CREEK METROPOLITAN DISTRICT

[S E A L]

Attest:

By: _____
President and Chairman

Secretary/Treasurer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Vice President

STATE OF COLORADO :
 : ss.
CITY AND COUNTY OF DENVER:

On this, the ____ day of December, 2017, before me, the undersigned notary public, personally appeared _____, who acknowledged himself to be the President and Chairman of PARK CREEK METROPOLITAN DISTRICT and that as such official, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said District as such official.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____

[NOTARIAL SEAL]

STATE OF COLORADO :
 : ss.
CITY AND COUNTY OF DENVER:

On this, the ____ day of December, 2017, before me, the undersigned notary public, personally appeared _____, who acknowledged himself to be Secretary/Treasurer of PARK CREEK METROPOLITAN DISTRICT and that as such official, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said District as such official.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____

[NOTARIAL SEAL]

STATE OF COLORADO :
 : ss.
CITY AND COUNTY OF DENVER:

On this, the ____ day of December, 2017, before me, the undersigned notary public, personally appeared _____, who acknowledged herself to be a Vice President of U.S. BANK NATIONAL ASSOCIATION, a national banking association, and that she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said bank by himself as such officer.

I hereby certify that I am not a director or officer of the above named bank.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____

[NOTARIAL SEAL]

APPENDIX F
FORM OF OPINION OF BOND COUNSEL

(THIS PAGE INTENTIONALLY LEFT BLANK)

Hogan Lovells US LLP
1601 Wewatta Street
Suite 900
Denver, CO 80202
T +1 303 899 7300
F +1 303 899 7333
www.hoganlovells.com

December 20, 2017

Park Creek Metropolitan District
7350 East 29th Avenue
Denver, Colorado 80238

RBC Capital Markets, LLC
as Representative of the Underwriters
1801 California Street, Suite 3850
Denver, Colorado 80202-5822

PARK CREEK METROPOLITAN DISTRICT

\$48,610,000
Senior Limited Property Tax Supported
Revenue Bonds,
Tax-Exempt Series 2017A

\$18,000,000
Senior Limited Property Tax Supported
Revenue Bonds,
Taxable Series 2017B

We have acted as bond counsel to the Park Creek Metropolitan District (the "**District**") in connection with the issuance by the District of \$48,610,000 aggregate principal amount of its Senior Limited Property Tax Supported Revenue Bonds, Tax-Exempt Series 2017A (the "**Series 2017A Senior Bonds**") and \$18,000,000 aggregate principal amount of its Senior Limited Property Tax Supported Revenue Bonds, Taxable Series 2017B (the "**Series 2017B Senior Bonds**" and, together with the Series 2017A Senior Bonds, the "**Series 2017 Senior Bonds**"). The Series 2017 Senior Bonds are authorized and issued pursuant to a resolution adopted by the Board of Directors of the District (the "**Board**") on November 16, 2017 (the "**Resolution**"), as supplemented by the Pricing Certificate dated December 7, 2017, and are issued and secured under an Amended and Restated Senior Master Trust Indenture dated as of December 1, 2015 (the "**Senior Master Indenture**"), as supplemented and amended, including by a Third Supplement to Amended and Restated Senior Master Trust Indenture dated as of December 1, 2017 (the "**Third Supplemental Indenture**" and, together with the Senior Master Indenture, the "**Indenture**"), all between the District and U.S. Bank National Association, as Trustee (the "**Senior Trustee**"). **All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Indenture.**

The Series 2017 Senior Bonds are issuable as fully registered Bonds, dated as of the date of their delivery, in minimum denominations of \$5,000 and integral multiples thereof. The Series 2017 Senior Bonds mature, are payable and are subject to redemption prior to maturity, in the manner and upon the terms set forth in the Indenture.

The District, the Westerly Creek Metropolitan District ("**Westerly Creek**"), and the Denver Urban Renewal Authority ("**DURA**") have entered into a Cooperation Agreement (the "**Cooperation Agreement**") dated as of April 30, 2001, pursuant to which DURA agrees to segregate and distribute to the District the portion of *ad valorem* taxes on real and personal property which DURA receives as a result of the tax increment revenues attributable to the District's and Westerly Creek's current and future levy of *ad valorem* taxes on real and personal taxable property within the area encompassed

Hogan Lovells US LLP is a limited liability partnership registered in the District of Columbia. "Hogan Lovells" is an international legal practice that includes Hogan Lovells US LLP and Hogan Lovells International LLP, with offices in: Alicante Amsterdam Baltimore Beijing Brussels Caracas Colorado Springs Denver Dubai Dusseldorf Frankfurt Hamburg Hanoi Ho Chi Minh City Hong Kong Houston Johannesburg London Los Angeles Luxembourg Madrid Mexico City Miami Milan Minneapolis Monterrey Moscow Munich New York Northern Virginia Paris Perth Philadelphia Rio de Janeiro Rome San Francisco São Paulo Shanghai Silicon Valley Singapore Sydney Tokyo Ulaanbaatar Warsaw Washington DC Associated offices: Budapest Jeddah Riyadh Zagreb. For more information see www.hoganlovells.com

by the Stapleton Urban Redevelopment Plan. The District and Westerly Creek also entered into an Intergovernmental Financing and Construction Agreement (the "**Intergovernmental Agreement**") dated as of April 30, 2001, pursuant to which Westerly Creek agrees to impose a limited *ad valorem* mill levy of 50 mills (as adjusted) of which at least 48.5 mills (as adjusted) must be levied for debt service, until all obligations and costs related to the construction of the In-Tract and Trunk Infrastructure, are paid in full or payment thereof has been arranged for.

We have examined the law and such certified proceedings and other instruments as we deem necessary to form an appropriate basis for us to render this opinion letter, including, without limitation, Section 32-1-101 *et seq.*, Colorado Revised Statutes, as amended (the "**Special District Act**"), an order of the District Court for the City and County of Denver, Colorado on April 13, 2000, a certified record of the results of special elections of the eligible electors of the District held on April 11, 2000 and November 7, 2000, a certified transcript of the record of proceedings of the Board taken preliminary to and in the authorization of the Series 2017 Senior Bonds, forms of the Series 2017 Senior Bonds, and certificates of the District (specifically including a tax certificate and a pricing certificate) and of others delivered in connection with the issuance of the Series 2017 Senior Bonds. In our examination of such proceedings, certificates and other instruments, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). We also have assumed the authenticity, accuracy and completeness of the foregoing certifications and statements of fact, on which we are relying, and have made no independent investigations thereof.

We have not been engaged and have not undertaken to consider the adequacy of the Pledged Revenues or other financial resources of the District or its ability to provide for payment of the Series 2017 Senior Bonds, or the enforceability of the Cooperation Agreement or the Intergovernmental Agreement, and we express no opinion herein as to such matters. We also express no opinion herein with respect to the accuracy, completeness or sufficiency of the Preliminary Official Statement dated November 29, 2017 as supplemented on December 4, 2017, or the Final Official Statement dated December 7, 2017, relating to the Series 2017 Senior Bonds or other offering materials relating to the Series 2017 Senior Bonds. As to factual matters, we have relied, without independent investigation, upon the representations of the District and other parties contained in such certified proceedings, including the Resolution and the Indenture, and in the aforesaid certificates and other instruments. We have also reviewed the opinions of Collins Cockrel & Cole, a Professional Corporation, Denver, Colorado, counsel to the District; White Bear Ankele Tanaka & Waldron, counsel to Westerly Creek; Thompson Hine LLP and Kaplan Kirsch & Rockwell LLP, Denver, Colorado, counsel to the Developer; and the Developer's In-House Counsel.

Based on the foregoing, it is our opinion that, as of the date hereof and under existing law:

1. The District validly exists as a separate legal entity under the laws of the State of Colorado (the "**State**") as a quasi-municipal corporation and a political subdivision of the State, with the power to adopt the Resolution, authorize the Indenture and issue the Series 2017 Senior Bonds.
2. The Indenture has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the Senior Trustee, constitutes a valid and binding special, limited obligation of the District enforceable against the District.

3. The Series 2017 Senior Bonds have been duly authorized, executed and delivered by the District and are valid and binding special, limited obligations of the District, payable solely from the Pledged Revenues and the other sources provided therefor in the Indenture.

4. All right, title and interest of the District in and to the Cooperation Agreement and the Intergovernmental Agreement and the moneys paid thereunder (except for amounts due the United States government) have been validly assigned to the Senior Trustee in accordance with Section 11-57-208, Colorado Revised Statutes.

5. The interest on the Series 2017A Senior Bonds is excluded from gross income for federal income tax purposes, and is not included in the computation of the federal alternative minimum tax imposed on individuals, trusts, estates and, except as provided in the following sentence, corporations. For corporations only, interest on the Series 2017A Senior Bonds is taken into account in determining adjusted current earnings for purposes of the adjustment to alternative minimum taxable income used in computing the alternative minimum tax on corporations (as defined for alternative minimum tax purposes). The opinion set forth in the first sentence of this paragraph assumes compliance by the District with requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Series 2017A Senior Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has certified, represented and covenanted its compliance with such requirements. Failure to comply with certain of such requirements could cause the interest on the Series 2017A Senior Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2017A Senior Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2017A Senior Bonds.

6. The interest on the Series 2017B Senior Bonds is not excluded from gross income for federal income tax purposes.

7. Under the Special District Act, the interest on the Series 2017 Senior Bonds is not subject to income taxation by the State. We express no opinion regarding other State or local tax consequences arising with respect to the Series 2017 Senior Bonds, including whether interest on the Series 2017 Senior Bonds is exempt from taxation under the laws of any jurisdiction other than the State.

It is to be understood that the rights of the owners of the Series 2017 Senior Bonds and the enforceability of the Series 2017 Senior Bonds and the Indenture may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to and limited by the exercise of judicial discretion, procedural and other defenses based on particular factual circumstances and equitable principles in appropriate cases, to the reasonable exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State, and to the exercise by the United States of powers delegated to it by the United States Constitution; and while certain remedies and other provisions of the Indenture are subject to the aforesaid exceptions and limitations and, therefore, may not be enforceable in accordance with their respective terms, such unenforceability would not preclude the enforcement of the obligations of the District to pay the principal of, and premium, if any, and interest on, the Series 2017 Senior Bonds from the Pledged Revenues, and the other sources provided therefor in the Indenture.

This opinion is issued as of the date hereof, and we assume no obligation to (i) monitor or advise you or any other person of any changes in the foregoing subsequent to the delivery hereof; (ii) update, revise, supplement or withdraw this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, regulation, or governmental agency guidance, or the interpretation of any of the foregoing, that may hereafter occur, or for any other reason whatsoever; or (iii) review any legal matters incident to the authorization, issuance and validity of the Series 2017 Senior Bonds and to the exemption from federal income tax of interest on the Series 2017A Senior Bonds and from State income tax of interest on the Series 2017 Senior Bonds, or the purposes to which the proceeds thereof are to be applied, after the date hereof.

We call your attention to the fact that the Series 2017 Senior Bonds are special, limited obligations of the District, payable solely from certain Pledged Revenues of the District, consisting of amounts payable to the District from DURA derived from revenues collected pursuant to a limited mill levy imposed on property in the District's Service Area by Westerly Creek and certain other District revenues as set forth in the Indenture. The Series 2017 Senior Bonds do not constitute a debt or financial obligation of the City, DURA, Westerly Creek, the Stapleton Development Corporation or the Developer and shall never constitute nor give rise to a pecuniary liability of the City, Westerly Creek, the Stapleton Development Corporation, the Developer, or any political subdivision of the State (other than the District from Pledged Revenues and certain other District revenues as set forth in the Indenture) or a charge against the general credit of DURA or the general credit or taxing powers of the City or Westerly Creek.

Very truly yours,

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

(THIS PAGE INTENTIONALLY LEFT BLANK)

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of December 20, 2017, is executed and delivered by Park Creek Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

Section 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Assistant Secretary or such other person as the District shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

Section 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the 240 days following the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2017. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Sections 4(a) or 4(b) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - (1) “Principal and interest payment delinquencies”;
 - (2) “Non-Payment related defaults, if material”;
 - (3) “Unscheduled draws on debt service reserves reflecting financial difficulties”;
 - (4) “Unscheduled draws on credit enhancements reflecting financial difficulties”;
 - (5) “Substitution of credit or liquidity providers, or their failure to perform”;
 - (6) “Adverse tax opinions, IRS notices or events affecting the tax status of the security”;
 - (7) “Modifications to rights of securities holders, if material”;
 - (8) “Bond calls, if material”;
 - (9) “Defeasances”;
 - (10) “Release, substitution, or sale of property securing repayment of the securities, if material”;
 - (11) “Rating changes”;
 - (12) “Tender offers”;
 - (13) “Bankruptcy, insolvency, receivership or similar event of the obligated person”;
 - (14) “Merger, consolidation, or acquisition of the obligated person, if material”; and
 - (15) “Appointment of a successor or additional trustee, or the change of name of a trustee, if material”;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b) or Section 2(c) of this Disclosure Agreement;

- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
- (1) “amendment to continuing disclosure undertaking”;
 - (2) “change in obligated person”;
 - (3) “notice to investors pursuant to bond documents”;
 - (4) “certain communications from the Internal Revenue Service”; other than those communications included in the Rule;
 - (5) “secondary market purchases”;
 - (6) “bid for auction rate or other securities”;
 - (7) “capital or other financing plan”;
 - (8) “litigation/enforcement action”;
 - (9) “change of tender agent, remarketing agent, or other on-going party”;
 - (10) “derivative or other similar transaction”; and
 - (11) “other event-based disclosures”;
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
- (1) “quarterly/monthly financial information”;
 - (2) “Timing of annual disclosure (120/150 days)”;
 - (3) “change in fiscal year/timing of annual disclosure”;
 - (4) “change in accounting standard”;
 - (5) “interim/additional financial information/operating data”;
 - (6) “budget”;
 - (7) “investment/debt/financial policy”;
 - (8) “information provided to rating agency, credit/liquidity provider or other third party”;

- (9) “consultant reports”; and
 - (10) “other financial/operating data.”
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

Section 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows:

- (i) Updates for the year of the Park Creek Metropolitan District’s Tax Revenues and Coverage Table and Statement of Specific Ownership Tax (unaudited) found in Appendix B to the Official Statement;
- (ii) Updates for the year of the percentage of collections as show under “AD VALOREM PROPERTY TAXES – Property Tax Collections”;
- (iii) Updates of the data shown on the table titled, “2017 Largest Property Taxpayers Within the Taxing Area as of August 2017” found under the header “AD VALOREM PROPERTY TAXES – Largest Property Taxpayers”;
- (iv) The amount of SO Taxes (as defined in the Indenture) for the latest annual period; and
- (v) A debt service schedule for any parity bonds issued by the District but not publicly offered.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP or otherwise as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

Section 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a

proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB

in accordance with Section 2(e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

Section 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

Section 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

Section 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event

notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

Section 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

Section 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

Section 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

Section 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement.

The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Colorado (other than with respect to conflicts of laws).

Section 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

PARK CREEK METROPOLITAN DISTRICT,
COLORADO, as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: **PARK CREEK METROPOLITAN DISTRICT, COLORADO**

Obligated Person(s): **PARK CREEK METROPOLITAN DISTRICT, COLORADO**

Name of Bond Issue: **Senior Limited Property Tax Supported Revenue Bonds Tax Exempt Series 2017A and Senior Limited Property Tax Supported Revenue Bonds Taxable Series 2017B**

Date of Issuance: **December 20, 2017**

Date of Official Statement: **December 7, 2017**

CUSIP Number: 700387 EP4

CUSIP Number: 700387 EQ2

CUSIP Number: 700387 ER0

CUSIP Number: 700387 ES8

CUSIP Number: 700387 ET6

CUSIP Number: 700387 EU3

CUSIP Number: 700387 EV1

CUSIP Number: 700387 EW9

CUSIP Number: 700387 EX7

CUSIP Number: 700387 FH1

CUSIP Number: 700387 FJ7

CUSIP Number: 700387 EY5

CUSIP Number: 700387 EZ2

CUSIP Number: 700387 FA6

CUSIP Number: 700387 FB4

CUSIP Number: 700387 FC2

CUSIP Number: 700387 FD0

CUSIP Number: 700387 FE8

CUSIP Number: 700387 FF5

CUSIP Number: 700387 FG3

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: **PARK CREEK METROPOLITAN DISTRICT, COLORADO**

Obligated Person: **PARK CREEK METROPOLITAN DISTRICT, COLORADO**

Name(s) of Bond Issue(s): **Senior Limited Property Tax Supported Revenue Bonds Tax Exempt Series 2017A and Senior Limited Property Tax Supported Revenue Bonds Taxable Series 2017B**

Date of Issuance: **December 20, 2017**

CUSIP Number: **700387**

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by [_____].

Dated: _____

Digital Assurance Certificate, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc: **Park Creek Metropolitan District Board of Directors**

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

PARK CREEK METROPOLITAN DISTRICT, COLORADO

Issuer's Six-Digit CUSIP Number: 700387

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies";
2. _____ "Non-Payment related defaults, if material";
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties";
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties";
5. _____ "Substitution of credit or liquidity providers, or their failure to perform";
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security";
7. _____ "Modifications to rights of securities holders, if material";
8. _____ "Bond calls, if material";
9. _____ "Defeasances";
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material";
11. _____ "Rating changes";
12. _____ "Tender offers";
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person";
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material"; and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____

Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2

VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of December 20, 2017 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

PARK CREEK METROPOLITAN DISTRICT, COLORADO

Issuer's Six-Digit CUSIP Number: 700387

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking";
2. _____ "change in obligated person";
3. _____ "notice to investors pursuant to bond documents";
4. _____ "certain communications from the Internal Revenue Service";
5. _____ "secondary market purchases";
6. _____ "bid for auction rate or other securities";
7. _____ "capital or other financing plan";
8. _____ "litigation/enforcement action";
9. _____ "change of tender agent, remarketing agent, or other on-going party";
10. _____ "derivative or other similar transaction"; and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____

Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of December 20, 2017 between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

PARK CREEK METROPOLITAN DISTRICT, COLORADO

Issuer’s Six-Digit CUSIP Number: 700387

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ “quarterly/monthly financial information”;
2. _____ “change in fiscal year/timing of annual disclosure”;
3. _____ “change in accounting standard”;
4. _____ “interim/additional financial information/operating data”;
5. _____ “budget”;
6. _____ “investment/debt/financial policy”;
7. _____ “information provided to rating agency, credit/liquidity provider or other third party”;
8. _____ “consultant reports”; and
9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

(THIS PAGE INTENTIONALLY LEFT BLANK)