

RECORD OF PROCEEDINGS

**MINUTES OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
PARKER JORDAN METROPOLITAN DISTRICT
HELD
October 29, 2012**

A special budget workshop meeting of the Board of Directors (the "Board") of the Parker Jordan Metropolitan District (the "District") was held on October 29, 2012 at 12:00 p.m. at CliftonLarsonAllen LLP, located at 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111.

Attendance

In attendance were Directors:

Norman A. Sheldon
Mike Cornelsen
Bill Lamberton (by phone)
Clint Waldron
Cal Lennon

Also in attendance were:

Bob Blodgett and Kevin Collins; CliftonLarsonAllen LLP
Pat Mulhern and Bill Hayne; Mulhern MRE
Dan Sheldon; United Development Companies, LLC
Scott Higa; G3 Architecture
John R. Feters III; Resident
Jeff Howell; City of Centennial

Call to Order

Director Sheldon called the meeting to order at 12:00 p.m.

Pledge of
Allegiance

Mr. Mulhern led the Board and audience in the pledge of allegiance.

Declaration of
Quorum/Director
Qualifications
Disclosure Matters

The Board was advised that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosure previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the

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participation of members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Sheldon reported that he had disclosed his interest as an owner of property located in the District. These disclosures are in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Lamberton reported that he had disclosed his interest as an owner of property located in the District. The disclosure is in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Director Waldron reported that he had disclosed his interest as an owner of property located in the District. Director Waldron is also an associate attorney with White, Bear & Ankele, which serves as general counsel to Cornerstar Metropolitan District. The disclosure is in association with the consideration and/or approval of agenda items which may affect his interests. A written disclosure of his interests was filed with the Secretary of State prior to the meeting.

Mr. Cornelsen presented information on his disclosure as an owner of a home in the Southcreek Subdivision. He stated his home backs up to the 27-Acre Open Space. His address is 16161 E. Otero Avenue.

Director Lennon reported that he had disclosed his interest as the owner of the home at 16224 E. Phillips Drive within the District.

Consideration
of Agenda

Director Waldron will provide an update on insurance at the end of the meeting.

Public
Comment

Mr. John R. Fetters III indicated he would provide his comments to the Board after the presentation on the potential community center and pool project.

Discussion and
Possible Action
On Letter of Intent
From Southcreek
Investors, LLC

Mr. Sheldon summarized his proposal to the District regarding the sale of 2 acres of property at the northwest corner of East Jamison Drive and

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Broncos Parkway for \$500,000. The District would use the 2 acre tract for a community center, pool, and associated parking. Mr. Sheldon indicated he understood the District has had an interest in a community center and pool for the Southcreek neighborhood and the remainder of the District for some time. These 2 acres are part of a 5 acre tract owned by Southcreek Commons, LLC. Mr. Sheldon and Mr. David Goldberg are partners and are willing to consider the sale of 2 of these acres to the District.

Mr. Sheldon distributed copies of a revised site plan. He reported the initial site plan on 2 acres, with a 10,000 square foot building contained only 70 spaces. The county's requirement is 10 spaces per 1,000 square feet, which would be 100 spaces for a 10,000 square foot building. He distributed a site plan with 3 acres for District consideration.

The Board expressed an interest in keeping the site at 2 acres. Director Waldron asked that the District and property owner consider shared parking to minimize the requirement for each of them on the site. Mr. Sheldon said he would discuss this with Arapahoe County.

Mr. Mulhern reported that he was requested to provide a proposal for due diligence for the project. He reported that typically due diligence would review the water and sewer availability, tap fees and other charges to connect to the water and sewer system, other utilities such as gas electric and telephone, soils (Mr. Sheldon indicated he has completed a report), land use issues with Arapahoe County related to required parking and any off-site improvements, other county fees and charges, flood plain issues or requirements, easements and existing utilities on site. He would prepare a report for the Board of Directors indicating what infrastructure issues needs to be addressed so that the property is suitable for constructing the community center and pool. Mulhern MRE would do this for a not to exceed a fee of \$3,000 on a time and materials basis. The Board thanked Mr. Mulhern for his proposal.

Director Cornelsen stated he had a number of questions he would like to address with the Board and attorney in Executive Session.

Executive Session

Upon a unanimous vote at 12:50 p.m., the Board voted to go into Executive Session pursuant to Section 24-6-402(4)(b) and (e) to consult with the attorney on specific legal questions and to develop negotiating positions, strategy, and instruct negotiators concerning the offer from Southcreek Investors, LLC.

Upon a unanimous vote, the Board adjourned out of Executive Session at 1:40 p.m.

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Director Cornelsen stated the Board has decided that Director Waldron will coordinate the issues associated with acquiring the property and constructing a community center and pool on behalf of the Board. He will direct Mr. Blodgett and Mr. Kron regarding other consultants and issues that need to be addressed as the Board deliberates on this project.

The Board will also hire an independent appraiser to appraise the value of the property. Mr. Blodgett will coordinate with Director Waldron on the proposals from an appraiser.

Director Waldron stated the Board would like Mr. Sheldon to disclose the amount of his commission on the sale of the property to the District. Mr. Sheldon indicated he would include that in the revised Letter of Intent document at the November 13th Board meeting.

Upon a unanimous vote, the Board approved the Letter of Intent subject to the revision indicating the amount of the commission to be received by Mr. Sheldon and price subject to appraisal. Director Sheldon abstained from the vote on the authorization to move forward with the Letter of Intent.

Director Waldron reported that he made a presentation to the Special District Property & Liability Pool recently, regarding the District's desire to participate in the Pool again. The Pool agreed to accept a proposal from the District for insurance coverage in 2013. This could free up some funds in the present Insurance Reserve within the General Fund.

Mr. Collins briefed the Board on the options related to a \$2,000,000 bank loan over twenty years, \$2,000,000 bank loan over fifteen years and a \$2,000,000 bank loan over ten years. The impact to the District on the first option is no net increase in the mill levy, the second option a 1 mill increase and the third 1.75 mill increase. The Board will determine in the 2013 Budget the amount of the Debt Service Mill Levy for 2013.

After discussion, the Board unanimously decided to hire Mulhern MRE to perform due diligence on the potential purchase of this 2 acre tract at the not to exceed amount of \$3,000 on a time and materials basis.

After discussion, the Board unanimously authorized Mr. Sheldon to prepare the first draft of the purchase contract for review and approval by Mr. Kron. This will be presented at the November 13 Board meeting.

After discussion, the Board unanimously decided to authorize Director Waldron to work with Mr. Blodgett to obtain a list of potential appraisers for approval by the Board at the November 13 Board meeting.

After discussion, the Board authorized Director Waldron to work with Mr. Collins, Mr. Kron, and Mr. Jordan regarding the various financing options

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for the purchase and construction of the future community center and pool. The Board noted there will also be operating and maintenance cost to be projected in 2013 and beyond to maintain the facility adequately.

After discussion, the Board unanimously agreed that Director Waldron will work with Mr. Blodgett regarding proposals from architects to do the site design, layout and cost estimates for the construction of the project.

Director Waldron recommended that a letter be sent to HOAs within the District inviting them to the November 13 Board meeting to provide input on the community center and pool. The Board concurred. Mr. Blodgett will draft a letter to the HOAs for Director Waldron's review and transmittal to them.

Director Waldron noted that Mr. Sheldon should review shared parking options with Arapahoe County that might benefit his remaining 3 acres and the 2 acres the District may purchase to minimize the amount of parking to be constructed.

Director Sheldon noted that the District could set a fee schedule for both residents and non-residents for use of the future community center and pool to provide additional revenue to the District for operating the facility.

Discuss 2013
Debt Service
Mill Levy


Mr. Collins will present options for the Debt Service Mill Levy at the November 13 public hearing on the 2013 Budget.

Other Business

Mr. Fetters commented that he believed that President Sheldon has a conflict of interest regarding the District's potential purchase of property from Southcreek Investors, in which his son, Dan Sheldon, has an ownership interest. Mr. Fetters stated that Mr. Sheldon's group recently paid \$290,000 for the 5 acre parcel, and he urged the Board not to go forward with the purchase.

Adjournment

Upon a unanimous vote, the Board adjourned the meeting at 2:15 p.m.


Secretary for the Meeting