



February 21, 2019

By Email: FVisciano@SennLaw.com

Frank W. Visciano, Esq.
Senn Visciano Cagnes P.C.
1700 Lincoln Street, Suite 4300
Denver, CO 80203

RE: Arcis Golf/Clayton Early Learning/Park Hill Golf Course

Dear Mr. Visciano:

We wanted to take a moment to thank you for meeting with us on January 31, 2019. We think it was a productive meeting and believe it is always helpful to keep the lines of communication open.

You requested the meeting to discuss your client's interest in exploring the terms under which the City might consider relinquishing the use restrictions it holds on the Park Hill Golf Course property. As you know, the use restrictions constitute a separate real estate interest which the City acquired from Clayton in 1997 for \$2,000,000. At the meeting, although you did not present a specific proposal, you described a transaction that would have called for the City to sell and relinquish the use restrictions in an arrangement that would have resulted in Arcis (or its corporate parent, Fortress) taking ownership and control of the property.

We understand that your client seeks to obtain a release of the use restrictions as a required element of its proposed purchase of the property under its Lease with Clayton. Of course, the City is not a party to that Lease and is not otherwise obligated to sell or release its interest in the property under any particular terms or conditions. Based on the description provided by Mr. Siddons, we understand that a golf course operation is not part of the future plans for the property envisioned by Arcis as a potential owner.

Generally, the City is not interested in selling this asset. The City was willing to consider the proposed transaction with Clayton because it presented a fundamentally different and unique opportunity to the City. Specifically, that transaction would have resulted in the City acquiring undivided fee simple title to the property. As such, the City would have had the control necessary to ensure that any future use of the property would give effect to the purpose and intent of the use restrictions. In fact, having ownership of the property would have significantly enhanced the City's ability to control the long-term future of the property beyond the scope of

any zoning regulations or use restrictions. Relinquishing the use restrictions without that element of long-term control is not something the City is currently willing to consider.

Finally, as discussed at the meeting, we recognize the need to continue coordinating maintenance and operational matters at the property while the City's project is under construction.

The following individuals will facilitate all communications for the City relating to the operational aspects of the project:

Steve Coggins, Project Manager
(P) 720865-3943
(C) 303-500-9030
steve.coggins@denvergov.org

John McGrath, Assistant City Attorney
(P) 720-913-8408
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You indicated that members of your on-site management team might be available to provide assistance on operational matters. If that's correct, please provide contact information for those individuals.

Again, thank you for taking the time to meet with us.

Respectfully,



Kristin M. Bronson

cc: Diane Barrett
Jeffrey Steinberg
John McGrath