

MINUTES OF THE JOINT SPECIAL MEETING OF THE  
BOARDS OF DIRECTORS OF

HESS RANCH METROPOLITAN DISTRICT NOS. 1-3

Held: Wednesday, May 29, 2019, at 3:00 p.m. at: 7353 S.  
Alton Way, Suite A100, Englewood, CO

**Attendance**

The joint special meeting of the Boards of Directors of the Hess Ranch Metropolitan District Nos. 1-3, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Boards, were in attendance:

Chris Elliott  
Christian Matt Janke  
Corey Elliott  
Sarah Hunsche

All director absences are deemed excused unless otherwise specified.

Also present: Megan J. Murphy, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel.

**Call to Order**

It was noted that a quorum of the Boards were present, the continued meeting was formally called to order

**Combined Meeting**

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

**Conflict of Interest  
Disclosures**

Ms. Murphy advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Ms. Murphy noted that a quorum was present and inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. Each director noted he was a member of the Board of the Trails at Crowfoot

Owner's Association, a homeowner's association located within the boundaries of the Districts. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

**Agenda**

Ms. Murphy presented the Boards with the agenda for the meeting for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as amended, adding a discussion on the Mahoney Easement.

**Legal Matters**

Discuss Status of Amended and Restated Service Plans

Ms. Murphy informed the Board that the Service Plans were submitted to the Town of Parker on May 21<sup>st</sup>. It was noted that the first reading for the Intergovernmental Agreements is June 3<sup>rd</sup>, and the second reading and public hearing on the Service Plan are on June 17<sup>th</sup>.

Conduct Public Hearing and Consider Adoption of Resolution and Order Regarding the Inclusion of Real Property into District No. 2 owned by the following entities: Taylor Morrison of Colorado, Inc., TRI Pointe Homes, Inc., Polestar Hess Ranch, LLC, Hess Ranch Metropolitan District No. 1, HR935, LLC, Trails at Crowfoot Master Association, Inc.

Director Janke opened the public hearings on the inclusion of property owned by Taylor Morrison of Colorado, Inc., TRI Pointe Homes, Inc., Polestar Hess Ranch, LLC, Hess Ranch Metropolitan District No. 1, HR935, LLC, Trails at Crowfoot Master Association, Inc. into District No. 2. Ms. Murphy noted that notice for the public hearings was made in accordance with Colorado statutes and published in the *Douglas County News Press* on May 16, 2019. A copy of the Affidavit of Publication is attached to these minutes and incorporated herein by reference. No written objections were received prior to the public hearings. After no public comment was made, the public hearings were closed.

Ms. Murphy presented the Board of District No. 2 with the Resolutions and Orders regarding the Inclusion of Real Property owned by Taylor Morrison of Colorado, Inc., TRI Pointe Homes, Inc., Polestar Hess Ranch, LLC, Hess Ranch Metropolitan District No. 1, HR935, LLC, and Trails at Crowfoot Master Association, Inc., into the District. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolutions.

Conduct Public Hearing and Consider Adoption of Resolution and Order Regarding the Exclusion of Real Property from District No. 1 owned by the following entities: Taylor Morrison of Colorado, Inc., TRI Pointe Homes, Inc.,

Director Janke opened the public hearings on the exclusion of property owned by Taylor Morrison of Colorado, Inc., TRI Pointe Homes, Inc., Polestar Hess Ranch, LLC, Hess Ranch Metropolitan District No. 1, HR935, LLC, Trails at Crowfoot Master Association, Inc. from District No. 1. Ms. Murphy noted that notice for the public hearings was made in accordance with Colorado statutes and published in the *Douglas County News Press* on May 16, 2019. A copy of the Affidavit of Publication is attached to these minutes and incorporated herein by reference. No written

Polestar Hess Ranch, LLC,  
Hess Ranch Metropolitan  
District No. 1, HR935, LLC,  
Trails at Crowfoot Master  
Association, Inc.

objections were received prior to the public hearings. After no public comment was made, the public hearings were closed. Ms. Murphy presented the Petitions and Resolutions and Orders Regarding the Exclusion of Real Property to the Board of District No. 1. Following discussion, upon a motion duly made and seconded, the Board unanimously made the following findings and adopted the resolutions:

- Exclusion of the Properties is in the best interests of the Properties.
- The extraordinary benefits to excluding the Properties outweigh the costs of the exclusions.
- The District's ability to provide economical and sufficient service to the Properties and all of the properties within the District's boundaries will not be diminished following exclusion of the Properties.
- After exclusion, economical and sufficient services will still be available to the Properties from Hess Ranch Metropolitan District No. 2.
- After exclusion from the District, the Petitioners intend to include the Properties within the boundaries of Hess Ranch Metropolitan District No. 2, which other special district will provide similar services to the Properties at a reasonable cost and will be able to pace the development of public improvements and services, and financing of the same, based on the needs of the community.
- The denial of the Petitions will result in the inability of the Petitioners to proceed with their development plans, which will result in the inability to create construction jobs and will have a negative economic impact on the region, the District, the surrounding area, and the State as a whole.
- There is economically feasible alternative service available to the Properties from Hess Ranch Metropolitan District No. 2.
- There will be no additional costs levied on other property within the District if the exclusion is granted.

Conduct Public Hearing and  
Consider Adoption of  
Resolution and Order  
Regarding the Inclusion of  
Real Property into District  
No. 3 owned by HR935,  
LLC

Director Janke opened the public hearing on the inclusion of property owned by HR935, LLC into District No. 3. Ms. Murphy noted that notice for the public hearing was made in accordance with Colorado statutes and published in the *Douglas County News Press* on May 16, 2019. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Ms. Murphy presented the Board of District No. 3 with the Resolution and Order regarding the Inclusion of Real Property owned by HR935, LLC, into the District. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Conduct Public Hearing and Consider Adoption of Resolution and Order Regarding the Exclusion of Real Property from District No. 2 owned by HR935, LLC

Director Janke opened the public hearing on the exclusion of property owned by HR935, LLC from District No. 2. Ms. Murphy noted that notice for the public hearing was made in accordance with Colorado statutes and published in the *Douglas County News Press* on May 16, 2019. A copy of the Affidavit of Publication is attached to these minutes and incorporated herein by reference. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed. Mr. Elliott and Mr. Janke on behalf of the petitioner, HR935, LLC, presented the Petition for Exclusion to the Board.

Ms. Murphy presented the Board of District No. 2 with the Resolution and Order Regarding the Exclusion of Real Property. Following discussion, upon a motion duly made and seconded, the Board unanimously made the following findings and adopted the resolution:

- Exclusion of the Property is in the best interests of the Property.
- The extraordinary benefits to excluding the Property outweigh the costs of the exclusions.
- The District's ability to provide economical and sufficient service to the Property and all of the properties within the District's boundaries will not be diminished following exclusion of the Property.
- After exclusion, economical and sufficient services will still be available to the Property from Hess Ranch Metropolitan District No. 3.
- After exclusion from the District, the Petitioner intends to include the Property within the boundaries of Hess Ranch Metropolitan District No. 3, which other special district will provide similar services to the Property at a reasonable cost and will be able to pace the development of public improvements and services, and financing of the same, based on the needs of the community.
- The denial of the Petition will result in the inability of the Petitioner to proceed with its development plans, which will result in the inability to create construction jobs and will have a negative economic impact on the region, the District, the surrounding area, and the State as a whole.
- There is economically feasible alternative service available to the Property from Hess Ranch Metropolitan District No. 3.
- There will be no additional costs levied on other property within the District if the exclusion is granted.

**Financial Matters**

Discuss status of 2019 Bond Issuance

Ms. Hunsche informed the Boards that the bond issuance is proceeding, the PLOM should be distributed next week, and the developer is working on the cost certification process.

Approve Engagement of CLA for Financial Forecast

The Boards engaged in a discussion regarding engaging CLA for a financial forecast. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the engagement.

**Other Business**

The Boards engaged in a discussion regarding the Mahoney Easement. Ms. Murphy informed the Board that she spoke to Mr. Krisor, Mahoney's counsel, and there are still outstanding issues related to the easement. Director Janke is going to talk to Kelley Trucking and Meritage Homes regarding the issues and provide an update.

Adjournment

There being no further business to come before the Boards, and following discussion and upon motion duly made, seconded, and unanimously carried, the Boards determined to adjourn the meeting.

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



Secretary for the Meeting