

MINUTES OF THE JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS OF

HESS RANCH METROPOLITAN DISTRICT NOS. 1-3

Held: Thursday, November 2, 2017, at 2:00 p.m. at: 7353 S.
Alton Way, Suite A100, Englewood, CO

Attendance

The joint regular 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

All director absences are deemed excused unless otherwise specified.

Also present: Kristin Tompkins, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; and Sarah Hunsche, CliftonLarsonAllen LLP, District Accountant.

Call to Order

It was noted that a quorum of the Boards were present and the meeting was 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. Tompkins advised the Boards that pursuant to Colorado law, certain disclosures by the directors may be required prior to taking official action at the meeting. The Directors 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 Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

Written disclosures of conflicts of interest were filed with the Secretary of State at least 72 hours prior to the meeting.

Agenda Ms. Tompkins 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.

Approval of Minutes from September 11, 2017 Special Meeting Ms. Tompkins presented the Boards with the minutes from the September 11, 2017 special meeting for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the minutes.

Public Comment None.

Legal Matters

Annual Administrative Matters

Consider Adoption of 2018 Annual Administrative Resolution Ms. Tompkins presented the Boards with the 2018 Joint Annual Administrative Resolution for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Consider Adoption of Amended and Restated Public Records Request Policy Ms. Tompkins presented the Boards with the Amended and Restated Public Records Request Policy for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the policy.

Consider Adoption of Resolution Calling Election Ms. Tompkins presented the Boards with the Resolution Calling the May 2018 Election for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Consider Approval of Special District Disclosure Pursuant to § 32-1-809, C.R.S. Ms. Tompkins presented the Boards with the Special District Disclosure Pursuant to § 32-1-809, C.R.S. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the disclosure notice.

Insurance Matters

Consider Approval of Property and Liability Schedule and Limits Ms. Tompkins presented the Boards with the Property and Liability Schedule and Limits for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the schedule and limits with the addition of a \$5,000,000 umbrella coverage.

Discussion regarding Crime Coverage/Fidelity Bond/Designated Agent Endorsement Ms. Tompkins presented the Boards with a memorandum regarding crime coverage, fidelity bonds, and designated agent endorsements. Following discussion, the Boards determined that additional coverage was not necessary at this time.

Consider Approval of Public Ms. Tompkins presented the Boards with the Public Improvement

Improvement Maintenance Agreement with Trails at Crowfoot Master Owner's Association, Inc.

Maintenance Agreement with Trails at Crowfoot Master Owner's Association, Inc. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agreement, subject to final review by legal counsel.

Developer Agreements

Consider Ratification of Funding and Reimbursement Agreement (O&M) with HR 935, LLC

Ms. Tompkins presented the Boards with the Funding and Reimbursement Agreement with HR 935, LLC. Following discussion, upon a motion duly made and seconded, the Boards unanimously ratified the agreement.

Consider Ratification of Infrastructure Acquisition and Reimbursement Agreement with HR 935, LLC

Ms. Tompkins presented the Boards with the Infrastructure Acquisition and Reimbursement Agreement with HR 935, LLC. Following discussion, upon a motion duly made and seconded, the Boards unanimously ratified the agreement.

Easement Matters

Discuss Status of Acquisition of Mahoney Easement

Director Chris Elliott provided the Boards with an update on the Mahoney easement acquisition. It was noted that the immediate possession hearing is scheduled for November 8, 2017. No action was necessary at this time.

Discuss Status of Acquisition of Van Kooten Easement

Director Chris Elliott provided the Boards with an update on the Van Kooten easement acquisition. No action was necessary at this time.

Financial Matters

Financials/Claims Payable

None.

Conduct 2017 Budget Amendment Hearing and Consider Adoption of Resolution to Amend 2017 Budget

Director Janke opened the public hearing for the 2017 budget amendments. Ms. Tompkins noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Following discussion, the Boards of District Nos. 1&2 determined that an amendment to the 2017 budget was not needed. Upon a motion duly made and seconded, the Board of District No. 3 determined to amend the 2017 capital projects fund to \$200,000.

Conduct 2018 Budget Hearing and Consider Adoption of Resolution to Adopt 2018 and Set Mill Levies

Director Janke opened the public hearing for the 2018 budgets. Ms. Tompkins noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Ms. Hunsche presented the proposed 2018 budgets to the Boards for

consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the 2018 budgets and budget resolutions and each certified a capital projects mill levy of 35.000 mills. The Board directed legal counsel and the district accountant to file the mill levy certification by December 15, 2017 and to file the budget by January 31, 2018.

Consider Ratification of 2016
Audit Exemption
Applications

Ms. Tompkins presented the Boards with the 2016 Audit Exemption Applications for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously ratified the applications.

Consider Approval of Cash
Access Addendums –
CliftonLarsonAllen, LLP

Ms. Tompkins presented the Boards with the Cash Access Addendums from CliftonLarsonAllen, LLP for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the addendums.

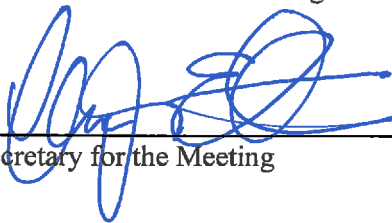
Other Business

The Boards engaged in a discussion regarding the commercial element of the project. The Developer noted they anticipate submitting exclusion and inclusion petitions so that all commercial property is located within District No. 2 and all residential property is within District Nos. 1&3, as required by the service plan.

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