

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

HESS RANCH METROPOLITAN DISTRICT NOS. 1-3

Held: Thursday, February 22, 2018, at 2:00 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

All director absences are deemed excused unless otherwise specified.

Also present: Kristin Tompkins, Esq., and Megan J. Murphy, 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 might be required prior to taking official action at the meeting. Ms. Tompkins 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. Tompkins 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. No additional disclosures were noted. 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. 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 November 2, 2017 Regular Meeting Ms. Tompkins presented the Boards with the minutes from the November 2, 2017 regular meeting for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the minutes.

Public Comment None.

Legal Matters

Conduct Public Hearing and Consider Adoption of Resolution and Order Regarding the Inclusion of Real Property owned by HR935, LLC (District No. 3) Director Janke opened the public hearing for the inclusion of property owned by HR935, LLC into District No. 3. Ms. Tompkins noted that notice for the public hearing was made in accordance with the Colorado law and published in the *Douglas County News Press* on February 15, 2018. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed. A copy of the Affidavit of Publication is attached to these minutes and incorporated herein by reference.

Ms. Tompkins presented the Board of District No. 3 with the Resolution and Order Regarding the Inclusion of Real Property. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution approving the inclusion.

Conduct Public Hearing and Consider Adoption of Resolution and Order Regarding the Exclusion of Real Property owned by HR935, LLC (District No. 2) Director Janke opened the public hearing for the exclusion of property owned by HR935, LLC from the boundaries of District No. 2. Ms. Tompkins noted that notice for the public hearing was made in accordance with Colorado law and published in the *Douglas County News Press* on February 15, 2018. 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. Mr. Janke and Mr. Elliott, on behalf of HR935, LLC, presented the Petition for Exclusion to the Board. Mr. Janke and Mr. Elliott presented the following in support of the exclusion:

- Exclusion of the Property is in the best interests of the Property
- The extraordinary benefits to the Property outweigh the costs of the exclusion.
- 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 the Hess Ranch Metropolitan District No. 3 as it develops, 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.

Ms. Tompkins 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 the Property outweigh the costs of the exclusion.
- 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 the Hess Ranch Metropolitan District No. 3 as it develops, 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.

Discuss status of acquisition of Mahoney Easement and Van Kooten Easement

Director Chris Elliott provided the Board with an update on the Mahoney Easement and Van Kooten Easement. It was noted that both easements and an amendment to the Van Kooten Easement have been signed and will be sent for recording shortly. Ms. Tompkins discussed the assignment of both easements to Parker Water and Sanitation District. Following discussion, upon a motion duly made and seconded, the Board of District No. 3 unanimously determined that the easements will be assigned to Parker Water and Sanitation District after construction is completed.

Discuss status of District Operating Agreement and Approval by the Town of Parker

The Board engaged in a general discussion regarding the status of the District Operating Agreement and Approval by the Town of Parker. Ms. Murphy informed the Board that the Town approved the agreement on February 20, 2018. No action was necessary.

Financial Matters

Financials/Claims Payable

Ms. Hunsche presented the Board with check numbers 1000-1015 from November 9, 2017 through February 13, 2018. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the checks

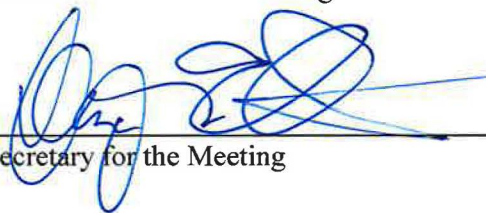
Other Business

None.

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