

April 29, 2021

Merlin Klotz, Douglas County Clerk and Recorder
Nancy Sotomayor, Deputy of Recording

Via Email: klotz@douglas.co.us; recording@douglas.co.us

Re: Sterling Ranch Colorado Metropolitan District No. 3, Order for Exclusion of
Property, Reception No. 2021054466

Clerk and Recorder:

The attached certified Order Re Exclusion of Property (“Order”) was recorded in the
Douglas County Public Records at Reception No. 2021054466.

Pursuant to §§ 32-1-503(3) and 105, C.R.S., please notify the Douglas County Assessor
that such action has taken place, and file a copy of the Order with the Division of Local
Government.

Thank you for your time, and please contact me at rnewton@svwpc.com if you have any
questions.

Sincerely,

SETER & VANDER WALL, P.C.



Russell Newton

DISTRICT COURT, DOUGLAS COUNTY STATE OF COLORADO 4000 Justice Way Ste. 2009 Castle Rock, CO 80109 Telephone: (720) 437-6200	DATE FILED: April 22, 2021 5:31 PM
IN RE: THE MATTER OF STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3, COUNTY OF DOUGLAS, STATE OF COLORADO	▲ COURT USE ONLY ▲
	Case No.: 2013CV30439 Div.: 5 Ctrm.:
ORDER RE: MOTION FOR ORDER FOR EXCLUSION OF PROPERTY	

THIS MATTER, having come before this Court on a Motion for Exclusion of Property (“Motion”) filed by the Board of Directors of the Sterling Ranch Colorado Metropolitan District No. 3, Douglas County, State of Colorado (the “District”) pursuant to § 32-1-501(4)(b), C.R.S., and being otherwise duly informed:

HEREBY GRANTS the MOTION and FINDS and ORDERS as follows:

1. This Court has jurisdiction over this matter pursuant to §§ 32-1-501, *et seq.* and 32-1-105, C.R.S.

2. One hundred percent of the fee owners of property known as:

Lot 324, Sterling Ranch Filing No. 3A, County of Douglas, State of Colorado, recorded in the Douglas County Public Records at Reception No. 2019083357 (the “Property”)

submitted to the District a Petition for Exclusion of Property pursuant to § 32-1-501(1), C.R.S. (the “Petition”).

3. Notice of the Petition’s submission, and the place, time and date of the public meeting of the Board of Directors of the District when the Petition would be heard was published

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pursuant to § 32-1-501(2), C.R.S. A copy of the publisher's Affidavit of Publication for said notice is attached as **Exhibit A**.

4. On April 21, 2021, the Board of Directors of the District held an uncontested public hearing on the Petition, and upon making the findings prescribed by § 32-1-501(3), C.R.S., thereafter granted the Petition and ordered the Property excluded from the District pursuant to § 32-1-501(4)(a)(1), C.R.S. A certified copy of the District resolution granting the Petition and ordering the Property excluded from the District's boundaries is attached hereto as **Exhibit B**.

5. Pursuant to § 32-1-503(1), C.R.S., for purposes of retiring the District's outstanding indebtedness and the interest thereon existing the date hereof, the District shall remain intact, and the Property shall be obligated to the same extent as all other property within the District to pay taxes, fees, and other rates and charges pledged to such indebtedness. Pursuant to § 32-1-501(4)(d), C.R.S., the bonded indebtedness in existence immediately preceding the effective date of this Order consists of:

a. Pledge Agreement with Sterling Ranch Community Authority Board to finance public infrastructure for the CAB's Limited Tax Supported and Special Revenue Senior Bonds, Series 2017A (CAB is the issuer) in the principal amount of \$75,030,000; and

b. Pledge Agreement with Sterling Ranch Community Authority Board to finance public infrastructure for the CAB's Limited Tax Supported and Special Revenue Subordinate Bonds, Series 2017B (CAB is the issuer) in the principal amount of \$14,090,000.

6. It is in the best interest of the District that this Court order the Property to be excluded from the District pursuant to § 32-1-501(4)(b), C.R.S.

7. The Property is hereby excluded from the District boundaries pursuant to §32-1-501(4)(b), C.R.S., and a certified copy of this Order shall be issued herewith

8. Pursuant to §§ 32-1-503(3) and 105, C.R.S., notice of this Order Re: Motion for Exclusion of Property shall be given by filing a copy of this Order with the Clerk and Recorder of Douglas County, State of Colorado, identifying the Property excluded from the District. The Clerk and Recorder shall then notify the Douglas County Assessor of such action and file a certified copy of the notice with the Division of Local Government in the Department of Local Affairs.

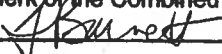
DONE this 21st day of April 2021.

COMBINED COURT
STATE OF COLORADO } ss.
Douglas County
CERTIFIED to be a full, true and correct copy of the original in my custody.

APR 27 2021




District Court Judge

CHERYL A. LAYNE
Clerk of the Combined Court
By  Deputy

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Sterling Ranch CO Metro Dist (Seter) **
c/o Seter & Vander Wall, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood Village CO 80111

Description: No. 938995 EXCLUSION

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Douglas } ss

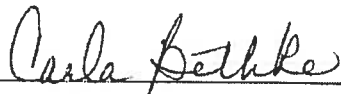
This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 4/15/2021, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



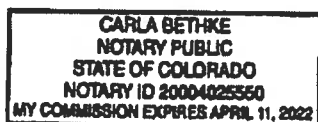
For the Douglas County News-Press

State of Colorado }
County of Douglas } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 4/15/2021. Gerard Healey has verified to me that he has adopted an electronic signature to function as his signature on this document.



Carla Bethke
Notary Public
My commission ends April 11, 2022



Public Notice

NOTICE OF HEARING ON EXCLUSION OF PROPERTY

DATE FILE

NOTICE IS HEREBY GIVEN that there has been filed with the Board of Directors of the Sterling Ranch Colorado Metropolitan District No. 3, County of Douglas, State of Colorado, a petition requesting the exclusion of certain real property from the boundaries of Sterling Ranch Metropolitan District No. 3.

The name and address of the petition and description of the property contained in the petition is as follows:

PETITIONER: STERLING RANCH, LLC
8155 Piney River Avenue, Suite 200
Littleton, CO 80125

LEGAL DESCRIPTION:
Lot 324 Sterling Ranch Subdivision Filing 3A
County of Douglas, State of Colorado

Accordingly notice is hereby given to all interested persons that they may appear at the public hearing to be held, at 12:00 p.m. on Wednesday, April 21, 2021 via video/teleconference to show cause in writing why the petition should not be granted.

Video/Teleconference Information:
<https://global.gotomeeting.com/join/185981013>

You can also dial in using your phone.
(For supported devices, tap a one-touch number below to join instantly.)

United States: +1 (872) 240-3212
-One-touch: tel.+18722403212.185981013#
Access Code: 185-981-013

**BY ORDER OF THE BOARD OF DIRECTORS
STERLING RANCH COLORADO
METROPOLITAN DISTRICT NO. 3**

By: Seter & Vander Wall, P.C.
Attorneys for the District

Legal Notice No. 938995
First Publication: April 15, 2021
Last Publication: April 15, 2021
Publisher: Douglas County News-Press

RESOLUTION NO. 21-04-03

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS

DATE FILED: April 21, 2021 4:18 PM

OF THE

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 3

REGARDING A PETITION FOR EXCLUSION OF PROPERTY

A. The Sterling Ranch Colorado Metropolitan District No. 3 (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado, located in Douglas County, Colorado; and

B. The District is governed by its board of directors (“Board”) and operates pursuant to a service plan approved by the Douglas County Board of County Commissioners (“Service Plan”) and §§ 32-1-101, *et seq.*, C.R.S. (the “Act”); and

C. The District was organized pursuant to the Act in conjunction with Sterling Ranch Colorado Metropolitan District Nos. 1 through 7 (the “Districts”) to provide public improvements, facilities, services and programs to a master planned community known as “Sterling Ranch;” and

D. Pursuant to their respective service plans, the Districts formed the Sterling Ranch Community Authority Board (“CAB”), a public corporation and political subdivision of the State of Colorado created pursuant to §§ 29-1-203 and 203.5, C.R.S.; and

E. The CAB operates pursuant to the Second Amended and Restated Sterling Ranch Community Authority Board Establishment Agreement, dated March 18, 2020, and with an original effective date of January 6, 2014, as may be amended from time to time by the Districts (the “CABEA”); and

F. Pursuant to the CABEA, the Districts pay to CAB revenues generated by fees and taxes in order for CAB to provide public improvements, facilities, services, and programs on behalf of and to property within the Districts; and

G. The Service Plan provides that the Districts are authorized to include and exclude property in their respective boundaries, provided the property is within the “Inclusion Area,” as defined in the Service Plan; and

H. The CABEA includes the Districts’ acknowledgment that boundaries of the Districts may change in the future and provides that each of the Districts shall support an exclusion/inclusion of the subject property from and into the respective Districts; and

I. The District is comprised of property within the Inclusion Area, including certain unplatted property and property within Sterling Ranch Subdivision Filing Nos. 2, 3A, 3B, 4C, 4A, 4C, and 5A, which property is primarily being developed as single family homes; and

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J. Lot 324, Sterling Ranch Filing No. 3A, County of Douglas, State of Colorado, recorded in the Douglas County Public Records at Reception No. 2019083357, is a 12.3 acre parcel of property that is commercial and being developed as multifamily apartments (the "Property"); and

K. The owner of the Property submitted to the District a Petition for Exclusion of Property requesting exclusion of the Property from the District's boundaries pursuant to § 32-1-501(1), C.R.S. (the "Petition"); and

L. In conjunction with the Petition's submittal, the owner of the Property submitted to Sterling Ranch Colorado Metropolitan District No. 7 ("District No. 7") a Petition for Inclusion of Property requesting inclusion of the Property into District No. 7's boundaries pursuant to § 32-1-401(1)(a), C.R.S. (the "Inclusion Petition"); and

M. The CAB furnishes certain public services, programs, and facilities on behalf of the District, which are directed to and intended to benefit single family residential property within the District, including but not limited to state park passes and other homeowner community programs, covenant enforcement and design review, recreation centers, clubhouses and pools; and

N. The Property is anticipated to have its own private recreation amenities for the multifamily residents; and

O. The Inclusion Petition requests that District No. 7 create one or more subdistricts pursuant to §§ 32-1-1101(1)(f) and (1.5), C.R.S. to divide commercial property within its boundaries into one or more areas consistent with the services, programs, and facilities furnished by CAB to such property; and

P. District No. 7 is comprised entirely of commercial property, and through the proposed subdistricts, will be able to impose an operations and maintenance mill levy that is commensurate with the level of services, programs, and facilities CAB furnishes to the Property and other commercial property within the District; and

Q. The District published notice of a public hearing on the Petition on April 15, 2021, in the *Douglas County News-Press* pursuant to § 32-1-501(2), C.R.S.; and

R. The District held a public hearing pursuant to § 32-1-501(2), C.R.S. on April 21, 2021, where the Board considered the factors set forth in § 32-1-502(3), C.R.S. and no interested parties appeared to show cause in writing why the Petition should not be granted; and

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD AS FOLLOWS:

1. Findings of the Board. The Board has considered the information presented in the Petition and the factors set forth in § 32-1-501(3), C.R.S., and hereby finds as follows:

a. Exclusion of the Property from the District, predicated upon the inclusion of the Property into District No. 7 and formation of the proposed subdistricts, is in the best

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interest of the Property, as it will facilitate the Property's multifamily apartment development, and align the Property within taxing boundaries which include commercial property that do not receive the level of public services, programs, and facilities furnished by CAB to single family residential property. Exclusion of the Property from the District will not impact the CAB's level of services, programs, and facilities provided to property remaining in the District, and it is consistent with both the Districts' service plans and the CABEA. Exclusion of the Property is in the best interest of Douglas County, as it will facilitate development of a multifamily project and promote further development of commercial property within the region; and

b. The relative cost to the Property upon its exclusion from the District and inclusion into District No. 7 is nominal, if any, as it will continue to be furnished services, programs, and facilities by CAB on behalf of District No. 7. The relative benefit to the Property is that it will exist within the boundaries of District No. 7 and the proposed subdistrict, which will more appropriately align the property with other commercial property that is not furnished CAB services, programs, and facilities furnished to single family residents and property owners.

c. The CAB provides public services, programs, and facilities on behalf of the Districts, and the CAB will remain capable of providing economical and sufficient service to the Property and the property remaining within the District.

d. There are no other feasible providers of public services, programs, and facilities necessary for the development of Sterling Ranch, and the cost to CAB to serve the Property does not differ upon its location within the boundaries of the District or District No. 7.

e. Denying the Petition will render the Property less developable for multifamily uses, delay or prevent growth, and thereby negatively impact employment and other economic conditions in the District and surrounding areas. The District's operation and maintenance mill levy is calculated to fund the CAB's provision of certain services, programs and facilities that are provided to residential single family property and not furnished to the Property. Remaining subject to an operations and maintenance mill levy that is larger than necessary to serve the Property could prevent or delay the Property's development and result in: (a) the Property not reaching its potential assessed value, thereby lowering property tax revenue to be generated by the Property; (b) a lack of development within the surrounding area that may otherwise occur if the Property is developed, and (c) a lack of employment growth within the surrounding area.

f. Denying the Petition will render the Property less developable for multifamily uses, delay or prevent growth, and thereby have a negative economic impact on the District, CAB, Sterling Ranch, the surrounding area, Douglas County, and the State of Colorado.

g. There is no economically feasible alternative service provider for the Property other than the Districts and CAB.

h. The Property's assessed value for tax year 2020 is \$42,970. The Property will remain subject to the District's debt service mill levy for debt that is outstanding as of the effective date of the exclusion, and the value of its payment thereof will increase as the Property is developed and its assessed value increases. The Property is subject to payment of \$1,429.10 in

District operations and maintenance mill levy for tax year 2020. Upon exclusion, the District will no longer receive such revenue. The loss of revenue is a nominal 0.4% of the District's operations and maintenance revenue, and should be offset by the District no longer needing to fund the CAB's services, programs, and facilities furnished to the Property, which will be funded through District 7 and the proposed subdistrict.

2. Determination of the Board. Having made the foregoing findings pursuant to § 32-1-501(3), C.R.S., the Board hereby orders that the Petition is granted in full pursuant to § 32-1-501(4)(I), C.R.S., with such order conditioned on District No. 7's grant of the Inclusion Petition and adoption of a resolution forming a subdistrict for the Property.

3. Follow up Actions. Upon the conditions stated above being satisfied, the Board directs the District's consultants to file a certified copy of this resolution ordering the property excluded from the District with the Douglas County District Court pursuant to § 32-1-502(4)(b), C.R.S., and upon issuance of a court order ordering the Property excluded from the District (the "Court Order"), to provide notice of the Court Order pursuant to § 32-1-503(3), C.R.S. by recording the Court Order pursuant to § 32-1-105, C.R.S.

4. District Indebtedness. Pursuant to § 32-1-503(1), C.R.S., for purposes of retiring the District's outstanding indebtedness and the interest thereon existing at the effective date of the Court Order, the District shall remain intact, and the Property shall be obligated to the same extent as all other property within the District to pay taxes, fees, and other rates and charges pledged to such indebtedness. Pursuant to § 32-1-501(4)(d), C.R.S., the bonded indebtedness in existence immediately preceding the effective date of this resolution and the forthcoming Court Order consists of:

a. Pledge Agreement with Sterling Ranch Community Authority Board to finance public infrastructure for the CAB's Limited Tax Supported and Special Revenue Senior Bonds, Series 2017A (CAB is the issuer) in the principal amount of \$75,030,000; and

b. Pledge Agreement with Sterling Ranch Community Authority Board to finance public infrastructure for the CAB's Limited Tax Supported and Special Revenue Subordinate Bonds, Series 2017B (CAB is the issuer) in the principal amount of \$14,090,000.

ADOPTED AND SO ORDERED THIS 21ST DAY OF APRIL 2021.

STERLING RANCH COLORADO
METROPOLITAN DISTRICT NO. 3

DocuSigned by:
Kim Koch
74P15CF37E5195
By: _____
Its: _____

ATTEST:
DocuSigned by:
Mary Lawson
23272DE101964A2
Secretary/Asst. Secretary

I, Mary Lawson, hereby certify that I am the duly appointed Secretary of the Sterling Ranch Colorado Metropolitan District No. 3, and that the foregoing is a true and correct copy of the Resolution and Order of the Board of Directors for the Sterling Ranch Colorado Metropolitan District No. 3 Regarding a Petition for Exclusion of Property, duly adopted at a meeting of the Board of Directors of the Sterling Ranch Colorado Metropolitan District No. 3 held on April 21, 2021.

DocuSigned by:

Mary Lawson

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Secretary