

Morgan Hill Metropolitan District

December 1, 2016

Mr. Marty Ostholthoff
Director of Community Development
Town of Erie
645 Holbrook Street
Erie, CO 80516

Dear Mr. Ostholthoff:

The Morgan Hill Metropolitan District is requesting your approval of the annexation of additional land into the District. This land encompasses 16 horizontal oil/gas wells.

As many of you know, Metro Districts are financed by assessed value within the District boundaries. The purpose of the District is to finance and construct public improvements that benefit the new owners as well as the existing residents of the area. In an effort to minimize the oil and gas impacts, SUAs were entered into that consolidated the wells into two primary areas. One well location was within the District while the other was just outside of the current boundary. However, land ownership and public improvements required by the project are consistent and required for both well locations.

The major benefit to the Morgan Hill residents by this annexation is increased assessed value within the District, which over time will likely decrease the mill levy needed to service the debt thereby reducing the homeowners' taxes. There are no increased costs or improvements required to service this well location as a result of the annexation. Denial of this annexation would result in these same tax revenues from the oil/gas production going to the State of Colorado rather than the benefits of the Morgan Hill residents.

We ask for your support of this annexation.

Sincerely,

MORGAN HILL METROPOLITAN DISTRICT



Jon Lee
President

MORGAN HILL METROPOLITAN DISTRICT NO. 3

October 18, 2016

Mr. A.J. Krieger
Town Manager
Town of Erie
645 Holbrook Street
Erie, CO 80516

Re: Request for Consent for Inclusion of Land

Dear Mr. Krieger:

The District has been approached by Mary Alice Billings and the Mary Alice Billings Trust (the landowner), with a request to include certain property located in unincorporated Weld County into the District. Pursuant to the Service Plan for Morgan Hill Metropolitan District No. 3 (the "District"), Town of Erie consent is required for this inclusion.

Although the land to be included (see attached inclusion petition) is in unincorporated Weld County, the Colorado Special District Act (32-1-401(1)(a), C.R.S.) allows the owners of "any" land being capable of being served by the District to petition for inclusion ("any" land can be annexed or unincorporated land).

There are statutory provisions dealing with the formation of special districts and determination of jurisdiction between a county and town/city when the initial land to be included within a new district is either fully annexed or not (100% of the initial land at formation must be annexed to give jurisdiction to the town/city). However, since the District is already formed and is and will remain under the Town's jurisdiction, it may include any real property (even unincorporated land) into its boundary if the District is capable of serving such property, and if (1) the requisite Town consent is obtained as required by the Service Plan; and (2) no objection is made by Weld County (said objection would indicate that the County will instead provide services directly to the area within a reasonable time and on a comparable basis to the District). The failure of Weld County to file written objection in a timely manner will result in "an assent to the inclusion..." (32-1 401(1)(b), C.R.S.).

The District has published notice stating that an inclusion petition has been submitted and will be heard by the District's Board of Directors at a public meeting on October 20, 2016.

As for Town consent, 32-1-207(2)(a), C.R.S., states that approval for modification (of the service plan) shall not be required for changes in the boundary of the District. Further, the requested inclusion is not a change of the basic or essential nature of the District nor does it change its purpose. Therefore, the Town's consent may be given administratively.

MORGAN HILL METROPOLITAN DISTRICT NO. 3

Please consider this correspondence as the District's formal request, as required by its Service Plan, for Town consent of the inclusion of area described in the attached Petition for Inclusion. The District further request that consent be given administratively.

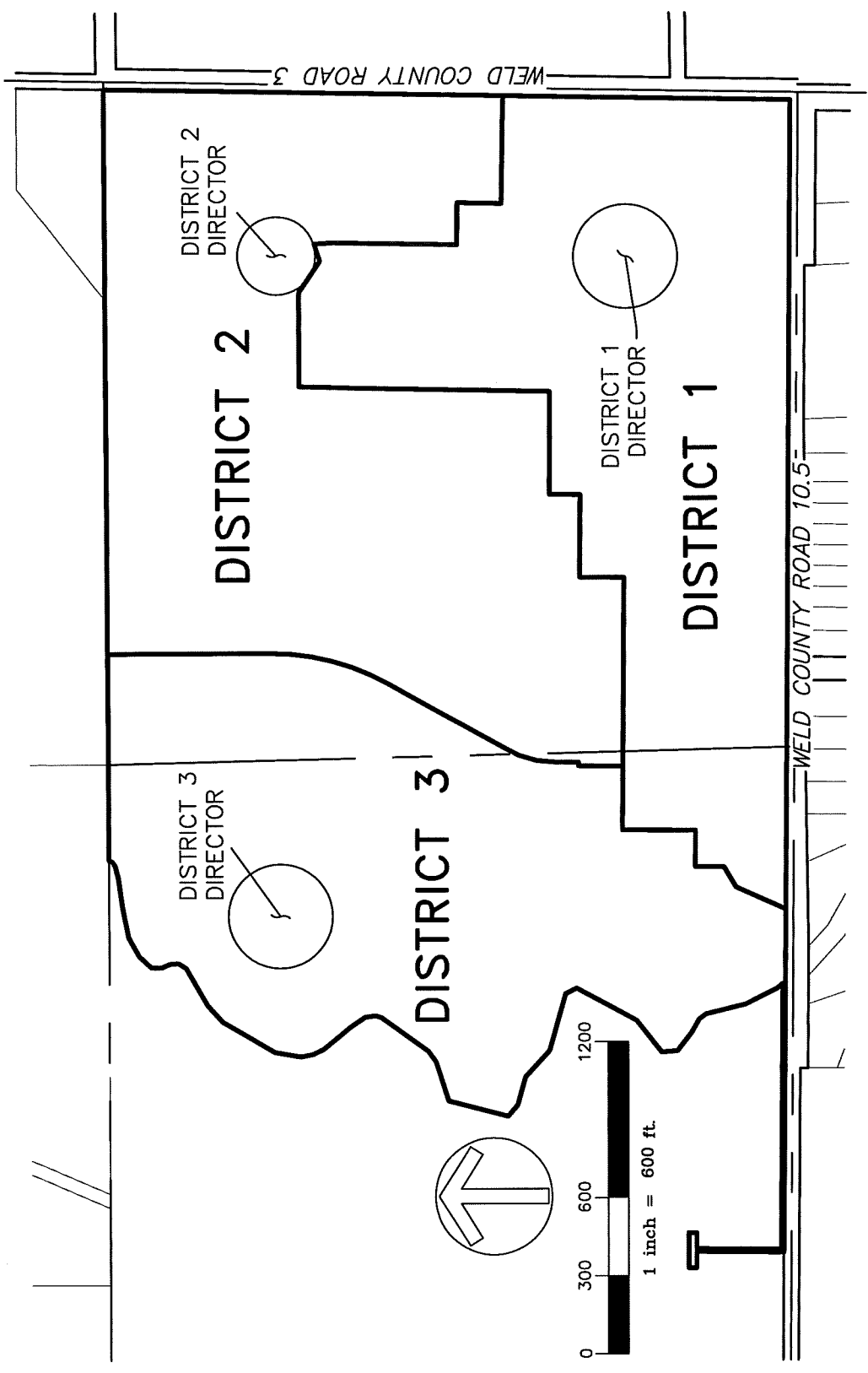
Respectfully,



Morgan Hill Metropolitan District No. 3
Jon Lee, President

Enclosures: (Petition for Inclusion)
 (District boundary map)

EXHIBIT



NOTE: THIS IS NOT A LAND SURVEY PLAT OR AN IMPROVEMENT SURVEY PLAT. THIS EXHIBIT IS ONLY INTENDED TO DEPICT THE ACCOMPANYING DESCRIPTION.

ORG: 07/26/08
REV: 10/17/16

HURST
CIVIL ENGINEERING
PLANNING
SURVEYING

MORGAN HILL METROPOLITAN
DISTRICTS OVERALL MAP
ERIE, COLORADO

2500 Broadway, Suite B
Boulder, CO 80304
303.449.9105
www.hurst-assoc.com

SCALE: HOR. 1"=600'
VERT. N/A
DESIGN/APPR.
DRAWN BY: BO
DATE: 10/17/16
SHEET 1 OF 1

FILE: G:\2020\46\SURVEY\LEGAL\046-DISTRICTS-REV.OCT2016

EXHIBIT

DISTRICT NO. 3 DESCRIPTION:

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 7, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 7 FROM WHENCE THE NORTHEAST CORNER LIES N89°42'31"E, 2,627.25 (BASIS OF BEARINGS);

THENCE N89°42'31"E, 424.98 FEET ALONG THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF SECTION 7;

THENCE S00°15'32"E, 627.97 FEET;

THENCE S02°23'26"W, 79.35 FEET;

THENCE S07°19'17"W, 79.05 FEET;

THENCE S12°14'45"W, 79.05 FEET;

THENCE S17°10'14"W, 79.05 FEET;

THENCE S22°05'42"W, 79.05 FEET;

THENCE S26°57'08"W, 78.03 FEET;

THENCE S28°49'52"W, 514.69 FEET;

THENCE S26°25'52"W, 59.05 FEET;

THENCE S16°26'26"W, 71.15 FEET;

THENCE S05°06'55"W, 71.50 FEET;

THENCE S00°22'56"W, 89.93 FEET;

THENCE N89°51'00"W, 14.03 FEET;

THENCE S00°23'08"W, 170.00 FEET;

THENCE N89°35'02"W, 245.51 FEET;

THENCE S00°19'01"W, 280.00 FEET;

THENCE N89°35'02"W, 140.00 FEET;

THENCE S00°19'01"W, 110.40 FEET;

THENCE S59°30'59"W, 90.75 FEET;

THENCE S23°45'48"W, 210.22 FEET;

THENCE N89°35'04"W, 1,318.70 FEET ALONG THE NORTHERLY LINE OF WELD COUNTY ROAD 10.5

THENCE N00°24'56"E, 335.27 FEET;

THENCE N89°59'28"W, 62.51 FEET;

THENCE N00°00'32"E, 30.00 FEET;

THENCE S89°59'28"E, 135.01 FEET;

THENCE S00°00'32"W, 30.00 FEET;

THENCE N89°59'28"W, 62.51 FEET;

THENCE S00°24'56"W, 325.34 FEET;

THENCE S89°35'04"E, 1,021.97 FEET ALONG A LINE PARALLEL WITH AND 10.00 FEET NORTH OF THE NORTHERLY RIGHT OF WAY LINE OF WELD COUNTY ROAD 10.5 TO THE APPROXIMATE CENTERLINE OF THE COTTONWOOD EXTENSION IRRIGATION DITCH;

THENCE NORTH ALONG THE APPROXIMATE CENTERLINE OF SAID COTTONWOOD EXTENSION DITCH THE FOLLOWING THIRTY-NINE COURSES:

- 1) N39°24'29"W, 27.76 FEET;
- 2) N26°38'23"W, 135.20 FEET;
- 3) N13°53'36"W, 158.68 FEET;
- 4) N36°23'43"W, 31.70 FEET;
- 5) N59°52'05"W, 62.16 FEET;
- 6) N53°03'38"W, 85.80 FEET;
- 7) N04°51'35"W, 61.01 FEET;
- 8) N51°35'28"E, 155.73 FEET;
- 9) N28°20'58"E, 261.76 FEET;
- 10) N26°39'54"W, 47.96 FEET;
- 11) N74°15'05"W, 227.61 FEET;
- 12) N47°24'48"W, 137.09 FEET;
- 13) N74°40'43"W, 112.08 FEET;
- 14) N49°11'34"W, 56.76 FEET;

(CONTINUED)

ORG: 06/16/08
REV: 10/17/16

HURST		2500 Broadway, Suite B Boulder, CO 80304 303.449.9105 www.hurst-assoc.com		SCALE	HOR. N/A VERT. N/A
				DESIGN/APPR.	
CIVIL ENGINEERING		DRAWN BY	BO		
PLANNING		DATE	10/17/16		
SURVEYING		SHEET	1 OF 2		
FILE G:\202046\SURVEY\LEGAL\046-DISTRICTS-REV OCT2016					

EXHIBIT

DISTRICT NO. 3 DESCRIPTION (CONTINUED):

- 15) N14°32'25"E, 235.64 FEET;
- 16) N72°08'01"E, 158.71 FEET;
- 17) N53°54'06"E, 50.99 FEET;
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- 25) N09°53'00"E, 101.59 FEET;
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- 37) N75°47'10"E, 52.30 FEET;
- 38) N53°02'56"E, 18.25 FEET;
- 39) N28°58'49"E, 15.57 FEET;

THENCE N89°50'02"E, 366.91 FEET ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 7 TO THE POINT OF BEGINNING, CONTAINING 67.52 ACRES, MORE OR LESS.

DESCRIPTION BY:

BO BAIZE, COLORADO PLS 37990
FOR AND ON BEHALF OF HURST & ASSOCIATES, INC.

**MORGAN HILL METROPOLITAN
DISTRICT NO. 3 DESCRIPTION
ERIE, COLORADO**

HURST	CIVIL ENGINEERING PLANNING SURVEYING	2500 Broadway, Suite B Boulder, CO 80304 303.449.9105 www.hurst-assoc.com	SCALE	HOR. N/A VERT. N/A
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FILE G:\202046\SURVEY\LEGAL\046-DISTRICTS-REV OCT2016			SHEET	2 of 2

PETITION FOR INCLUSION OF PROPERTY

(Woolley Becky Sosa Well Site)

TO: THE BOARD OF DIRECTORS OF THE
MORGAN HILL METROPOLITAN DISTRICT NO. 3,
IN TOWN OF ERIE, WELD COUNTY, COLORADO

Pursuant to the provisions of §§ 32-1-401, *et seq.*, C.R.S., **MARY ALICE BILLINGS AND MARY ALICE BILLINGS TRUST** (together, the "Petitioner") hereby respectfully requests that the **MORGAN HILL METROPOLITAN DISTRICT NO. 3** (the "District"), by and through its Board of Directors, include the real property described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), into the boundaries of the District.

The Petitioner hereby represents and warrants to the District that collectively it is the one hundred percent (100%) fee owner of the Property and that no other person, persons, entity or entities own an interest therein except as beneficial holders of encumbrances, if any. The Petitioner hereby assents to the inclusion of the Property into the boundaries of the District and to the entry of an Order by the District Court in and for Weld County, including the Property into the boundaries of the District.

The Petitioner hereby acknowledges that, without the consent of the Board of Directors of the District, it cannot withdraw its Petition once the notice of the public hearing on the Petition has been published.

The name and address of the Petitioner is as follows:

Remainder of page intentionally left blank. Signature pages follow.

PETITIONER:

Printed Name: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The above and foregoing instrument was acknowledged before me this ____ day of _____, 2016, by _____, as _____ of _____.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires: _____

*Signature Page to Petition for Inclusion of Real Property
(Woolley Becky Sosa Well Site)*

PETITIONER:

Printed Name: _____

Title: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The above and foregoing instrument was acknowledged before me this ____ day of _____, 2016, by _____, as _____ of _____.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires: _____

EXHIBIT A
(The Property)

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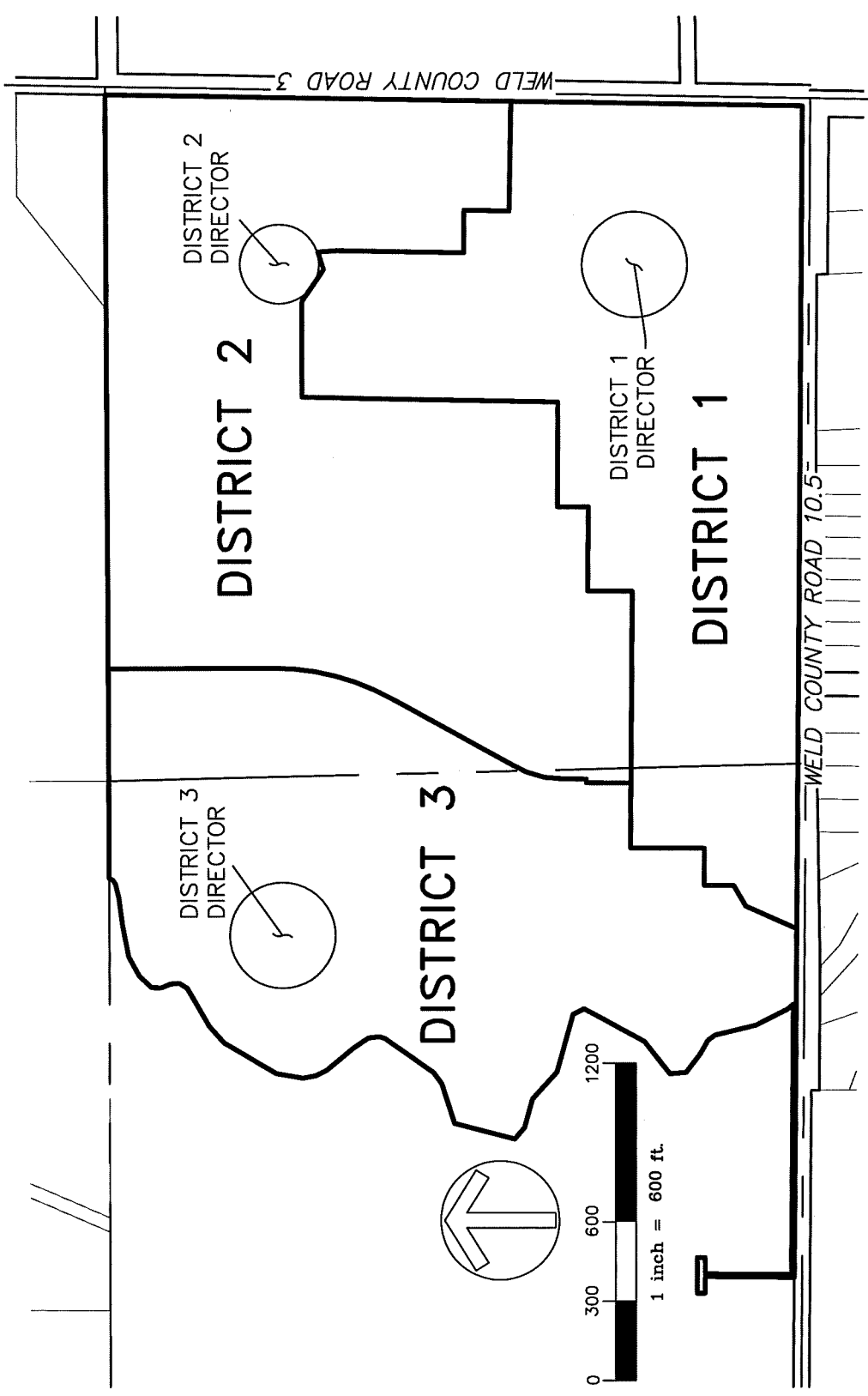
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