

MINUTES OF A JOINT MEETING OF THE BOARDS OF
DIRECTORS OF SWEETGRASS METROPOLITAN DISTRICT
NOS. 1, 2 AND 3

Held: 11:30 a.m., October 28, 2010, at 2500 Arapahoe Avenue,
Suite 220, Boulder, Colorado.

Attendance

The meeting referenced above was held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Jon R. Lee
Lewis G. Holtsclaw
David G. Rhodes

Also present Sean Allen, White, Bear & Ankele Professional Corporation, District General Counsel.

Call to Order

A quorum of the boards was present and the directors confirmed their qualification to serve, and therefore, the meeting was called to order.

Combined Meeting

The districts are meeting in a combined board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the action of Sweetgrass Metropolitan District No. 1 (the "District" or "District No. 1") with concurrence by the Sweetgrass Metropolitan District Nos. 2 and 3 ("District No. 2" and "District No. 3" respectively).

Disclosure Matters

Mr. Allen 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 agenda for the meeting was reviewed, following which each director confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The disclosure certificates had been reviewed and were ordered to be made part of the official minutes of the meeting by reference. Additionally, the boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the boards to act.

Agenda

The agenda was reviewed and approved.

Minutes

The minutes of the April 22, 2010, meeting were submitted for approval. A motion was made by Director Rhodes, and seconded by Director Holtsclaw, to approve the minutes as presented. The motion passed unanimously.

Construction

Director Lee indicated that the public infrastructure construction will occur within the R.O.W. on the school site. The board authorized Director Lee to proceed with construction as appropriate.

Director Lee described the well monitoring license agreement with Richmond American Homes whereby Richmond will drill monitoring wells on District owned land. Motion by Director Holtsclaw, second by Director Lee, to ratify the license agreement. Motion passed unanimously.

Financial Matters
and Payables

Director Holtsclaw presented nine month financial statements ending September 30, 2010 and payables for approval. After further discussion of the statements and payables, a motion was made by Director Holtsclaw, and seconded by Director Rhodes to accept the financial statements, and approve the payables as presented. The motion passed unanimously.

Budget Hearings

Mr. Allen noted that publication of the notice of budget hearings was made as required by statute.

2011 Budgets

Director Holtsclaw presented the proposed year-2011 budgets for Districts Nos. 1, 2 and 3 to the boards for consideration. Director Lee opened the public hearing on the year-2011 budgets for public comment. There being no public comment, the public hearing was closed. After further budget discussion as to revenues, expenditures and the mill levy, a motion was made by Director Lee, and seconded by Director Rhodes, to approve the year-2011 budgets for each District, appropriate revenues sufficient for the expenditures noted therein, and certify the mill levy for District Nos. 2 and 3. The motion passed unanimously.

2010 Amendments

Director Holtsclaw reported that a 2010 budget amendment is necessary for District Nos. 1 and 2 in anticipation of the issuance of the Series 2010 Bonds and further necessary for District No. 1's recognition of directional drilling cost reimbursement obligations. Director Lee opened the public hearings on the year-2010 budget amendments for public comment. There being no public comment, the public hearing was closed. Director

Holtsclaw motion, second by Director Lee, to amend the 2010 budgets for District Nos. 1 and 2 sufficient to appropriate additional revenues for the expenditures relative to the projected Series 2010 Bonds, and to further amend District No. 1's budget relative to the appropriation for directional drilling costs. The motion passed unanimously.

Series 2010 Bond Status

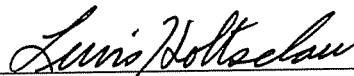
Director Holtsclaw reported the City approved the change in the service plan which will allow for District No. 2's Series 2010 bond issue to proceed. A Series 2010 bond authorization meeting is expected next month.

Real Property

Discussion about certain property located within District No. 2 that was given at no cost to the Districts from the developer that has been used as a well location, but that the use of such property may undergo a change and the Districts anticipate conveying the same back to the developer so that the property may be enhanced by the developer resulting in new assessed valuation and tax revenue benefits to the Districts.

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 minutes were approved by the boards of directors on April 28, 2011. The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.



Secretary for the Meeting