

MINUTES OF THE JOINT REGULAR MEETING OF THE
BOARDS OF DIRECTORS

SWEETGRASS METROPOLITAN DISTRICT NOS. 1, 2 AND 3

Held: April 28, 2016, at 11:30 a.m. at 2500 Arapahoe Avenue,
Suite 220, Boulder, Colorado.

Attendance

A joint meeting of the Boards of Directors of Sweetgrass Metropolitan District Nos. 1, 2 and 3 was held as shown above and in accordance with the applicable statutes of the State of Colorado. The following Directors were in attendance:

Jon R. Lee
Jessica Brothers
David G. Rhodes

All Director absences, if any, are deemed excused unless a contrary notation is recorded in these minutes.

Also present for the Districts: Steve Rane, District secretary/accountant; and K. Sean Allen, White, Bear, Ankele, Tanaka & Waldron, Professional Corporation, District general counsel.

Director Qualification

The Directors in attendance confirmed their qualification to serve.

Combined Meeting

The Boards have determined to hold a joint meeting 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.

Call to Order

Director Lee noted that a quorum of each of the Boards was present and called the meetings to order.

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, having been reviewed by the Directors, were made part of the official minutes of the meeting by reference. The boards Determined that participation by the Directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Approval of Agenda The Directors reviewed and approved the agenda.

Approval of Minutes The minutes of the October 22, 2016, meeting were submitted to the Boards for approval. A motion was made by Director Brothers and seconded by Director Rhodes, to approve the minutes as presented. The motion passed unanimously.

Project Update

Approval Ratification of Public Improvement Construction Director Brothers updated the Boards regarding Public Improvement Construction Contracts from October 2015 to March 2016. She also presented the Boards with change orders for the pool and entry island for the Boards consideration. Following discussion, upon motion duly made by Director Rhodes, and seconded by Director Brothers, the Boards accepted and approved the two change orders.

Contract Report – Bids and Awards, Construction Budgets It was noted that a more contracts will be coming for ditch crossing, roadways, and the parking lot for the amenity center.

Financial

Payables and Financial Statements Mr. Rane presented financial statements and the current and interim payables to the Boards for approval. After further discussion of the statements and payables, motion by Director Lee, second by Director Brothers to accept the financial statements, and approve the payables as presented passed unanimously.

2015 Audits Mr. Rane reported that the 2015 Audits for District Nos. 1 and 2 and an Audit Exemption for District No. 3 had been completed and filed. Following discussion, upon motion duly made by Director Brothers and seconded by Director Rhodes, the Boards unanimously approved and ratified the 2015 Audits and exemption and their filing.

Other Business

2016 Annual Administration Resolution Mr. Allen presented the 2016 Annual Administrative Resolution and noted that the Resolution covered various administrative matters that were required to be attended to by Districts’ consultants throughout the year. After further discussion of the Resolution, motion by Director Lee, second by Director Brothers to approve the resolution passed unanimously.

2016 Accounting and The construction management and accounting services call for

Construction Management Rates

hourly rates is to be determined annually. Mr. Rane presented the 2016 hourly rates to the Boards for consideration. Following discussion, upon motion duly made by Director Brothers and seconded by Director Rhodes, the Boards unanimously accepted the 2016 rates.

Ratify Outlot A, Filing 1, Replat C: District No. 1 Special Warranty Deed to DP, LLC

The Boards engaged in general discussion. Following discussion, upon motion duly made by Director Brothers and seconded by Director Rhodes, the Board unanimously ratified Outlot A, Filing 1, Replat C: District No. 1 Special Warranty Deed to DP, LLC to rectify inadvertent prior conveyance of a developable lot.

HOA/District Recreation Improvements Operations Agreements

The Boards determined to table this agenda item until the October meeting.

Public Access Policy

The Boards engaged in general discussion. No action was taken.

Master IGA/Amendment for Termination/ Capital Financing/ Coordination/Pledge Agreement/Reimbursement Resolution/Administrative Services IGA (Transaction Informed Consent)

The Boards engaged in general discussion regarding the three district structure in light of the current IRS view of a "control district". Mr. Allen noted that the IRS opinion impacts potential district restructuring, the master IGA, capital financing intergovernmental cooperation and administrative service provisions.

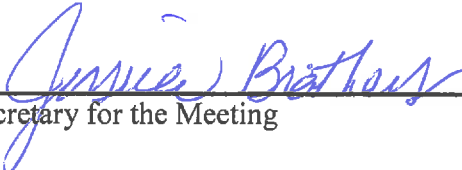
Next Regular Meeting

The Boards acknowledged the next regular meeting would be held on October 27, 2016.

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 October 20, 2016, and the foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.


Secretary for the Meeting