

MINUTES OF THE JOINT MEETING OF THE BOARDS OF DIRECTORS

SWEETGRASS METROPOLITAN DISTRICT NOS. 1, 2 AND 3

Held: April 19, 2017, at 11:30 p.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  
Steve Rane

*Also present for the Districts: K. Sean Allen, Esq., White, Bear, Ankele, Tanaka & Waldron, Attorneys at Law, 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 It was 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 the agenda. Following discussion, upon motion duly made by Director Brothers and seconded by Director Rane, the Board unanimously approved the agenda.

Approval of Minutes

The minutes from the April 27, 2017 were submitted to the Boards for consideration and approval. A motion was made by Director Brothers and seconded by Director Rane, to approve the minutes as presented. The motion passed unanimously.

### **Construction Update**

Approval/Ratification of  
Public Improvement  
Construction Contract(s)

Directors Brothers provided the Boards with a summary report of public improvements construction contracts/projects. It was noted that work under the existing contracts is expected to be completed soon. It was also noted that that over 200 more lots will be approved for development which will trigger approximately \$6,000,000 of public infrastructure construction.

Contract Report—Bids and  
Awards, Construction  
Budgets

Director Lee gave a report on the contracts and change orders, trail construction and landscaping. Following discussion, upon motion duly made by Director Brothers and seconded by Director Lee, the Boards approved the contracts and change orders.

### **Financial Matters**

Financial Statements and  
Payables

Director Rane presented financial statements dated March 31, 2018 and payables for approval. After further discussion of the statements and payables, motion by Director Lee, second by Director Brothers, the Boards unanimously accepted the financial statements, and approved the payables.

2017 Audits

Mr. Rane presented the 2017 Audits for District Nos. 1 & 2 and the Audit Exemption Application for District No. 3 to the Boards. Following discussion, upon motion duly made by Director Rane and seconded by Director Lee, the Boards unanimously approved the 2017 Audits and Audit exemption.

2018 Debt; Vectra Term  
Sheet Proposal; Other Debt  
Options

Director Rane recommended to amend or replace the current Vectra Loan, 2016 Series Note with new Series 2018 \$10,000,000 Note at reduced interest rate and maturity term and removal of District No. 3's pledge to the 2016 Series Note. After discussion, the Board directed Director Rane to pursue the Series 2016 debt restructure.

### **General Matters**

Consider Approval of 2018  
Annual Administrative  
Resolution

Mr. Allen presented the 2018 Annual Administrative Resolution to the Boards. Following discussion, upon motion duly made by Director Rane and seconded by Director Lee, the Boards

unanimously adopted the resolution.

Consider Approval of 2018 Accounting and Construction Management Renewal and Hourly Rates

Mr. Allen presented the 2018 Accounting and Construction Management Renewal and Hourly rates to the Boards. Following discussion, upon motion duly made by Director Rane and seconded by Director Brothers, the Boards unanimously approved the renewal and hourly rates.

Consider Approval of Developer Capital Advance and Reimbursement Agreements

Director Rane discussed moving away from use of Bond Anticipation Notes (BANs) in favor of creating Advance and Reimbursement arrangements with the developer and issuing fill up notes instead of BANs with a future debt issuance to pay down the developer notes.

Next Regular Meeting

The next meeting of the Boards of Directors will be held on October 25, 2018.

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 25, 2018, and the foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.



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Secretary for the Meeting