

MINUTES OF THE JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS

SWEETGRASS METROPOLITAN DISTRICT NOS. 2 AND 3

Held: June 28, 2016, at 2:00 p.m. at 2500 Arapahoe Avenue,
Suite 220, Boulder, Colorado.

Attendance

A joint meeting of the Boards of Directors of Sweetgrass Metropolitan District Nos. 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

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

Also present for the Districts: Sean Allen, White, Bear, Ankele, Tanaka & Waldron, Professional Corporation, District general counsel (by phone); Jackie Morrison and K.C. Veio, Kline, Alvarado, Veio, P.C (by phone).

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.

Election of Directors to Office Positions

The Boards engaged in discussion regarding office positions. Following discussion, upon motion duly made and seconded, the Boards appointed Director Rane as the Boards' Secretary and Treasurer and Director Brothers as the Boards' Vice President and Assistant Secretary.

Discuss and Consider Approval of Supplemental Resolution for District No. 2 For Revised Use of Proceeds from the Existing Loan from Vectra Bank Colorado, NA, Loan Agreement, Custodial Agreement, and related documents

Mr. Rane discussed the Supplemental Resolution for District No. 2 For Revised Use of Proceeds from the Existing Loan from Vectra Bank Colorado, NA, Loan Agreement, Custodial Agreement, and related documents with the Boards. He noted that capital cost estimates increased by approximately \$800,000 and the Districts will either look to the developer for the advance or will fund such costs from the Vectra loan by changing the use of proceeds to allow for spending on the additional capital costs. Mr. Veio indicated that changes to the Vectra loan agreement are needed to expand the definition of the "project" to include new capital infrastructure costs. Following discussion, upon motion duly made by Director Brothers and seconded by Director Lee, the District No. 2 Board unanimously approved and adopted the supplemental resolution.

Discuss and Consider Approval of Supplemental Resolution for District No. 3 For Revised Use of Proceeds from the Existing Loan from Vectra Bank Colorado, NA, and Revision to Loan Agreement, Custodial Agreement, and related documents

Mr. Rane stated that a similar supplemental resolution is needed for District No. 3 regarding the expanded definition and use of loan proceeds by District No. 2. Following discussion, upon motion duly made by Director Brothers and seconded by Director Lee, the District No. 3 Board unanimously approved and adopted the supplemental resolution.


Revised Pledge Agreement between District No. 3 and No. 2 related to Vectra Loan with District No. 2

A revised Pledge Agreement between District No. 2 and No. 3 related to the amendment to the Vectra Loan with District No. 2 was presented to the Boards for consideration. Following discussion, upon motion duly made by Director Rane and seconded by Director Lee, the Boards approved the revised pledge agreement.

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