
RECORD OF PROCEEDINGS

**Minutes of the Continuation of the Regular Meeting
Of the Board of Directors
Cotton Ranch Metropolitan District
March 20, 2013**

A Continuation of the February 12, 2013 Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on March 20, 2013 at 1:00 p.m., at the offices of Robertson & Marchetti, P.C., 28 Second Street, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Chris Meister
- Bob Rulon
- Beric Christiansen
- Tom Pohl
- Chris Sauro

Also in attendance were:

- Matt Dalton, Esq., Spencer Fane Grimshaw, P.C. (via telephone)
- Tom Peltz, Kutak Rock (via telephone)
- Ken Marchetti, Robertson & Marchetti, P.C.
- Cissy Olson, Secretary for the Meeting

**Call To
Order**

The Continuation of the Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on March 20, 2013 at 1:02 p.m. noting a quorum was present.

**Disclosure of Potential
Conflicts of Interest**

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Director Meister requested that members of the Board disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting.

It was noted that there had been filed with the District and Secretary of State a disclosure of potential conflict of interest statement for Chris Meister and that the statement had been filed in accordance with statute, indicating that Mr. Meister is the owner of Meister Builders, Inc., a building, operations and management firm and this company provides services to the District managing and operating the District's raw water irrigation system. The Board noted, for the record, that this

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disclosure is restated at this time with the intent of fully complying with laws pertaining to personal conflicts.

Consideration of Changes to the

Agenda There were no changes to the meeting agenda.

Bond Refinancing

The District received three proposals from underwriters interested in refunding the District's current bonds, DA Davidson, George K. Baum and Piper Jaffray. The Board reviewed the outstanding long term debt and agreed to request a list of the bondholders that own the 2006 senior bonds.

The Board also discussed the District's aging irrigation system and agreed to ask Mr. Dalton and Mr. Peltz if the District could roll the cost of replacing the irrigation system into the bond refinancing package.

At 1:35 p.m. Mr. Dalton and Mr. Peltz joined the meeting via telephone.

Mr. Dalton, Mr. Peltz, and the Board discussed several refinancing options of the converted 2002A bond and 2006 bond and if voter approval is needed in order to refinance the bonds.

The Board asked Mr. Peltz and Mr. Dalton if the District could also include the cost of replacing the District's aging irrigation system in with the bond refinancing package. According to the 2006 election question, that voter authorization may only be used for the purpose of enabling the Board to avoid increasing the District's property tax mill levy by refinancing outstanding bonds issued and therefore cannot be used for future irrigation improvements.

The Board discussed whether the District will need consent from the Junior and Senior bond holders in order to refinance the converted 2002A and 2006 bonds. The Board also discussed the proposals received from the underwriters. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to appoint D.A. Davidson & Co. to provide a full list of alternatives and options for refinancing the 2002A Converted Bonds and 2006 Bonds, and include the cost to pay off at \$.50 on the dollar the 2002A Subordinate Bonds.

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The Board requested that D.A. Davidson provide an analysis of the impact to the District's mill levy of the following three options:

1. Refinance the 2006 Bonds only
2. Refinance the 2006 and 2002A Converted Bonds
3. Refinance the 2006, 2002A converted bonds, and the 2002A Junior Subordinate Bonds at \$.50 on the dollar.

**Accounts
Payable**

The Board reviewed the March accounts payable list and by motion duly made and seconded, it was

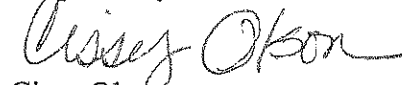
RESOLVED to approve the March accounts payable list as presented.

Adjournment

There being no further business to come before the Board and by motion duly made and seconded it was unanimously

RESOLVED to adjourn the Continuation of the Regular Meeting of the Cotton Ranch Metropolitan District Board of Directors this 20th day of March, 2013.

Respectfully submitted,



Cissy Olson

Secretary for the Meeting