
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District July 25, 2017

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on July 25, 2017 at 12:00 p.m., at the offices of Marchetti & Weaver, LLC, 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
- Craig Jagger
- Tom Pohl

The following Directors were absent and excused:

- Chris Sauro
- Beric Christiansen

Also in attendance were:

- Jonathan Heroux, Piper Jaffrey – Bond Underwriter (By Telephone)
- Tom Peltz, Kutak Rock – Bond Counsel (By Telephone)
- Stacey Berlinger, Piper Jaffrey – Bond Underwriter (By Telephone)
- Matt Dalton, Spencer Fane – General Counsel (By Telephone)
- Ken Marchetti, Marchetti & Weaver, LLC
- Cheri Curtis, Secretary for the Meeting

Call To Order

The Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on July 25, 2017 at 12:10 p.m. noting a quorum was present.

Disclosure of Potential Conflicts of Interest

The Board discussed the requirements pursuant to 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

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

Potential Bond

Refunding Texas Capital Bank withdrew their proposal to make the District a loan to refund the 2006 bonds (including the 2013 restructured portion) and the 2002A converted bonds. NBH submitted the proposal with the next lowest interest rate but ANB bank submitted a proposal that was only 17 basis points higher than the NBH proposal and ANB's proposal includes a commitment to lend funds for the next ten years at the fixed rate of 3.45% for the purpose of refunding the remaining outstanding 2002A subordinate bonds as they convert. The Board determined the ANB proposal was to the best advantage of the District. The revised 2017 Bond Resolution incorporating the terms of the ANB proposal was distributed to the Board. Other changes included are the word "Refunding" was incorporated into the note and the resolution and the interest calculation method was changed from 30/360 to actual/365 days. The changes were reviewed the Board.

The agreement documenting ANB Bank's commitment to make future loans at 3.45% interest for the period from 2020 to 2027 to redeem all subordinate 2002A bonds that convert during that time period is still being drafted. The Bond Resolution authorizes the Board President to execute the document for the District when it is in a complete and final form.

Mr. Marchetti questioned whether the Board wanted to meet again to review the Commitment to Lend Agreement when available. The Board requested that the document be circulated when it becomes available.

By motion duly made and seconded it was unanimously

RESOLVED to approve the 2017 Supplemental Resolution as presented.

Director Meister questioned the call provision. Mr. Peltz reviewed the closing document and clarified the question. Director Meister questioned whether anyone has dealt with ANB Bank in the past. Both Mr. Heroux and Mr. Marchetti have worked with the bank and provided a favorable history.

It was discussed in the case of ANB going under what would happen with the note. In that situation, likely the note would be assigned to an ANB successor

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along with the Commitment to Lend. The Board expressed concern regarding ANB's fulfillment of its obligation to lend under the Commitment to Lend and requested that Mr. Peltz ensure the agreement obligates ANB and any successors to lend funds in accordance with the agreement.

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 Special Meeting of the Cotton Ranch Metropolitan District Board of Directors this 25th day July, 2017.

Respectfully submitted,



Cheri Curtis
Secretary for the Meeting