

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH COMMUNITY AUTHORITY BOARD ("CAB") HELD OCTOBER 25, 2019

The special meeting of the Board of Directors (referred to hereafter as the "Board") of the Sky Ranch Community Authority Board (referred to hereafter as the "CAB") was convened on Friday, the 25th day of October, 2019, at 9:30 a.m., at the offices of Pure Cycle Corporation, 34501 East Quincy Avenue, Building 34, Watkins, Colorado 80137. The meeting was open to the public.

Directors In Attendance Were:

Mark Harding
Joe Knopinski
Dirk Lashnits
Scott Lehman

Also In Attendance Were:

Lisa A. Johnson; Special District Management Services, Inc.

MaryAnn McGeady, Esq. and Andrew Rippey, Esq.; McGeady Becher P.C.

Rick Dinkel; Pure Cycle Corporation

Andrew Rubin; Greenberg Traurig LLP (via speakerphone)

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosure of Potential Conflicts of Interest: Attorney McGeady noted that a quorum was present and 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. Attorney McGeady requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney McGeady noted that all Directors' Disclosure Statements have been filed. No additional conflicts were disclosed at the meeting.

**ADMINISTRATIVE
MATTERS**

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the CAB's Special Meeting.

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Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Agenda was approved.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of §32-1-903(1), C.R.S., concerning the location of the CAB's Board meeting. Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the CAB's boundaries to conduct this meeting, the meeting would be held at the above-stated location. The Board further noted that notice of this meeting was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within the CAB's boundaries.

Board Vacancy: The Board discussed the vacancy on the Board of Directors. No action was taken.

CONSENT AGENDA The Board considered the following actions:

- Approve Minutes of the October 11, 2019 Regular Meeting.
- Ratify engagement of Simmons & Wheeler, P.C. to provide Financial Forecast related to the CAB's 2019 Bonds.

Following review, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board approved the above actions.

FINANCIAL MATTERS

SECOND READING:

2019 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing and the public hearing was closed.

Following review and discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2019 Budget.

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Resolution Authorizing the Execution and Delivery of a Trust Indenture by and between the CAB and UMB Bank n.a. concerning the issuance of Bonds pursuant thereto and pursuant to Supplemental Indentures: Mr. Rubin presented to the Board a Resolution authorizing the execution and delivery of a Trust Indenture by and between the CAB and UMB Bank n.a. concerning the issuance of Bonds pursuant thereto and pursuant to Supplemental Indentures.

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lehman and, upon vote, unanimously carried, the Board adopted the Resolution Authorizing the Execution and Delivery of a Trust Indenture by and between the CAB and UMB Bank n.a. concerning the issuance of Bonds pursuant thereto and pursuant to Supplemental Indentures.

SECOND READING:

Resolution authorizing the issuance of Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate), Series 2019A, and Limited Tax Supported District No. 1 Subordinate Bonds (Tax-Exempt Fixed Rate), Series 2019B, in a total combined principal amount not to exceed \$14,000,000; and approve the related Indentures of Trust, Preliminary and Final Limited Offering Memoranda, Continuing Disclosure Agreement; and authorize the execution of certain other documents relating to the Bonds: Mr. Rubin presented to the Board a Resolution authorizing the issuance of Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate), Series 2019A, and Limited Tax Supported District No. 1 Subordinate Bonds (Tax-Exempt Fixed Rate), Series 2019B, in a total combined principal amount not to exceed \$14,000,000; and approve the related Indentures of Trust, Preliminary and Final Limited Offering Memoranda, Continuing Disclosure Agreement; and authorize the execution of certain other documents relating to the Bonds.

Following review and discussion, upon motion duly made by Director Knopinski, seconded by Director Lashnits and, upon vote, unanimously carried, the Board adopted the Resolution Authorizing the Issuance of Limited Tax Supported District No. 1 Senior Bonds (Tax-Exempt Fixed Rate), Series 2019A, and Limited Tax Supported District No. 1 Subordinate Bonds (Tax-Exempt Fixed Rate), Series 2019B, in a total combined principal amount not to exceed \$14,000,000; approved the related Indentures of Trust, Preliminary and Final Limited Offering Memoranda, Continuing Disclosure Agreement; and authorized the execution of certain other documents relating to the Bonds.

FIRST READING:

Draft 2020 Budget: The Board reviewed the draft 2020 Budget.

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Following review and discussion, upon motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the Board moved to advance consideration of the draft 2020 Budget to the Second Reading at the November 8, 2019 meeting.

Project Fund Disbursement Requests for Release of Bond Proceeds to Reimburse Pure Cycle Corporation under the Series 2019A Bonds and the 2019B Bonds: The Board entered into discussion regarding the Project Fund Disbursement Requests for release of Bond proceeds to reimburse Pure Cycle Corporation under the Series 2019A Bonds and 2019B Bonds.

Following discussion, upon motion duly made by Director Knopinski, seconded by Director Harding and, upon vote, unanimously carried, the Board authorized Project Fund Disbursement Requests for release of Bond proceeds to reimburse Pure Cycle Corporation under the Series 2019A Bonds and 2019B Bonds to be submitted with the Cost Verification documentation received from Independent District Engineering Services.

Continuing Disclosure Resolution: The Board entered into discussion regarding a Continuing Disclosure Resolution.

Following discussion, upon motion duly made by Director Harding, seconded by Director Knopinski and, upon vote, unanimously carried, the Board adopted the Continuing Disclosure Resolution.

LEGAL MATTERS

There were no legal matters to discuss.

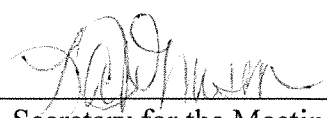
OTHER MATTERS

There were no other matters to discuss.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: 
Secretary for the Meeting