

RECORD OF PROCEEDINGS

MINUTES OF THE JOINT SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF TWIN BUTTES METROPOLITAN DISTRICT NOS. 1-4

HELD: Wednesday, November 17, 2014, at 11:00 a.m. at the offices of Crane Leake Ehlers Bruzzese and Ehlers PC, 102 West 18th Street, Durango, Colorado

ATTENDANCE:

The joint special meeting of the Boards of Directors of the Twin Buttes Metropolitan District Nos. 1-4 was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Scott Strand, Treasurer
Parker S. Newby
Jeffrey A. Perino

Absent was Director Pauls, absence excused. There is one vacancy on each of the Boards.

Also present were Paula Schler, Secretary to the Boards; Steven (Willie) Wilson, District Manager; Denny Ehlers of Crane Leake Ehlers Bruzzese and Ehlers PC, counsel for the Developer; and Matthew R. Dalton of Spencer Fane Britt & Browne LLP

CALL TO ORDER:

Director Strand, as acting President and Chair in Director Pauls absence, noted that a quorum was present for the purpose of conducting a joint special meeting by the Boards of Directors and called the meeting of the Boards of Directors of the Twin Buttes Metropolitan District Nos. 1-4 to order.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:

Mr. Dalton noted that general and transactional disclosure statements had been filed on behalf of the members of the Board of Directors with the office of the Colorado Secretary of State and with the Secretary of the District. Upon motion duly made, seconded and unanimously carried, the Board directed that said disclosure statements be incorporated herein.

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APPROVAL OF MINUTES:

The Boards reviewed the minutes of the special meetings of the Boards held on June 11, 2014 and August 14, 2014. Following discussion and upon a motion duly made, seconded, and unanimously carried, the Boards approved the minutes as presented and authorized Ms. Schler, as Secretary to the Boards, to execute the minutes as constituting true and correct records of the proceedings of the meetings.

FINANCIAL MATTERS:

a. 2015 BUDGETS:

1. Twin Buttes Metropolitan District No. 1. Director Strand declared the public hearing on the 2015 budget for the District opened. Mr. Dalton noted that the notice of the public hearing had been published in accordance with Colorado Statutes. No members of the public were present. Upon motion duly made, seconded and unanimously carried, the Board closed the public hearing on the budget. Mr. Wilson reviewed the 2015 budget.

The Board discussed the development fees and appropriate changes. Upon motion duly made, seconded and unanimously carried, the Board acknowledged that the budget reflected development fees set at \$3,000/lot and was appropriate until such time as the Board moves to change such fees.

Following discussion of the budget as proposed, the Board was presented for its consideration a form of resolution indicating the adoption of the budget and appropriation of the funds as shown. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the 2015 budget, authorized Director Strand as acting President, and Ms. Schler as Secretary to the Board, to sign the necessary documentation, and directed that the budget be filed with the Division of Local Government by Spencer Fane Britt & Browne LLP. The Board further directed that the Resolution adopting the 2015 budget be attached to these minutes and incorporated herein by this reference.

2. Twin Buttes Metropolitan District No. 2. Director Strand declared the public hearing on the 2015 budget for the District opened. Mr. Dalton noted that the notice of the public hearing had been published in accordance with Colorado Statutes. No members of the public were present. Upon motion duly made, seconded and unanimously carried, the Board closed the public hearing on the budget. Mr. Wilson reviewed the 2015 budget. Following discussion of the budget as proposed, the Board was presented for its consideration a form of resolution indicating the adoption of the budget and appropriation of the funds as shown. Upon motion duly made, seconded and unanimously carried, the Board

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approved and adopted the 2015 budget, authorized Director Strand as acting President, and Ms. Schler as Secretary to the Board, to sign the necessary documentation, and directed that the budget be filed with the Division of Local Government by Spencer Fane Britt & Browne LLP. The Board further directed that the Resolution adopting the 2015 budget be attached to these minutes and incorporated herein by this reference.

3. Twin Buttes Metropolitan District No. 3. Director Strand declared the public hearing on the 2015 budget for the District opened. Mr. Dalton noted that the notice of the public hearing had been published in accordance with Colorado Statutes. No members of the public were present. Upon motion duly made, seconded and unanimously carried, the Board closed the public hearing on the budget. Mr. Wilson reviewed the 2015 budget. Following discussion of the budget as proposed, the Board was presented for its consideration a form of resolution indicating the adoption of the budget and appropriation of the funds as shown. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the 2015 budget, authorized Director Strand as acting President, and Ms. Schler as Secretary to the Board, to sign the necessary documentation, and directed that the budget be filed with the Division of Local Government by Spencer Fane Britt & Browne LLP. The Board further directed that the Resolution adopting the 2015 budget be attached to these minutes and incorporated herein by this reference.

4. Twin Buttes Metropolitan District No. 4. Director Strand declared the public hearing on the 2015 budget for the District opened. Mr. Dalton noted that the notice of the public hearing had been published in accordance with Colorado Statutes. No members of the public were present. Upon motion duly made, seconded and unanimously carried, the Board closed the public hearing on the budget. Mr. Wilson reviewed the 2015 budget. Following discussion of the budget as proposed, the Board was presented for its consideration a form of resolution indicating the adoption of the budget and appropriation of the funds as shown. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the 2015 budget, authorized Director Strand as acting President, and Ms. Schler as Secretary to the Board, to sign the necessary documentation, and directed that the budget be filed with the Division of Local Government by Spencer Fane Britt & Browne LLP. The Board further directed that the Resolution adopting the 2015 budget be attached to these minutes and incorporated herein by this reference.

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ATTORNEY'S ITEMS:

- a. Construction and Acquisition Agreement. Mr. Dalton reviewed with the Board the Construction and Acquisition Agreement by and between Twin Buttes of Durango LLC and Twin Buttes Metropolitan District No. 1. After discussion and consideration, the Board approved the Agreement and terminated the June 23, 2014 Construction Contract.
- b. Ratify and Approve District Facilities Agreements. Mr. Dalton reviewed with the Boards two District Facilities Agreements between District No. 1 (the "Service District") and District No. 2 (the "Financing District"); and between District No. 1 (the "Service District") and District No. 4 (the "Financing District"). Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards ratified and approved Agreements, as presented.
- c. Ratify and Approve Intergovernmental Financing Agreements. Mr. Dalton presented two Intergovernmental Financing Agreements between District Nos. 1 and 3 and District Nos. 1 and 4. Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards ratified and approved the Agreements, as presented.

OTHER BUSINESS:

- a. Ratify and Approve the Garden Operation System Proposal and Carver Lease. Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards ratified and approved the Garden Operation System Proposal and Carver Lease.
- b. 2015 Insurance Coverage Policies. The Boards reviewed and discussed the insurance coverage policies for 2015.
- c. Board Vacancy. The Boards held a general discussion regarding the vacant position on each of the Boards.
- d. Honorable Mention of Stan Bernstein. In honorable mention of Mr. Bernstein, the Boards noted his passing on June 25, 2014.
- e. Resolution Concerning Annual Administrative Matters 2015. Mr. Dalton presented a Resolution prepared by Spencer Fane Britt & Browne for District Nos. 1-4 for the Boards' review. After discussion, and upon motion duly made, seconded and unanimously carried, the Resolution was approved as presented.

ADJOURNMENT:

Following discussion and upon motion duly made, seconded and unanimously approved the Boards adjourned the joint special meeting of the Boards of Directors of the Twin Buttes Metropolitan District Nos. 1-4.

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The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Boards of Directors of Twin Buttes Metropolitan District Nos. 1-4.


Secretary to the Boards