

RECORD OF PROCEEDINGS

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

HELD: Thursday, December 3, 2020, at 11:00 a.m. as a virtual meeting via Zoom in Durango, Colorado

ATTENDANCE:

The combined 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:

Glenn D. Pauls, President
Scott Strand, Secretary/Treasurer
Russell J. Smith Jr., Secretary/Treasurer
Dianne Pauls, Assistant Secretary
Phil Schoon, Assistant Secretary

Also present were: Paula Schler, Secretary to the Boards, Steven "Willie" Wilson of Twin Buttes of Durango, Matthew R. Dalton of Spencer Fane, LLP, Lindsey Nicholson of Goldman, Nicholson & Mack, and Debbie Wilson of Twin Buttes of Durango.

1. CALL TO ORDER:

Director Glenn Pauls noted that a quorum was present for the purpose of conducting a combined 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.

2. DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:

Mr. Dalton noted that general and transactional disclosure statements had been filed on November 30, 2020, on behalf of the members of the Boards 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 Boards directed that said disclosures be incorporated herein.

3. MINUTES:

The Boards reviewed the minutes from the meeting held June 4, 2020. Upon motion duly made by Director Scott Strand, seconded by Director Phil Schoon, and unanimously carried, the Boards approved the minutes and authorized Ms. Schler to execute them as Secretary.

4. FINANCIAL MATTERS: Director Pauls opened the public hearing on the proposed budgets for fiscal year 2021. Mr. Dalton informed that notice of the public hearing had been published in accordance with statutory requirements. Following discussion and upon motion duly made, seconded and unanimously carried, the public hearing on the proposed budgets was closed.

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a. 2021 Budgets District Nos. 1-4:

Mr. Wilson reviewed the 2020 budget amendments and the proposed 2021 budgets with the Boards, noting that no developer subsidy is needed for 2021. The Districts are financially capable of standing on their own and include healthy ending fund reserves. The Boards then reviewed form resolutions adopting the 2020 budget amendments and the 2021 budgets, appropriating funds, and certifying the tax levies. Discussion included the proposal to increase the mill levy for District No. 4 by 30 mills. Following discussion, and upon motion duly made by Director Russ Smith, seconded by Director Phil Schoon and unanimously carried, the Boards: (1) approved and adopted the 2020 budget amendments and the 2021 budgets as presented; (2) authorized the appropriation of funds for the expenditures set out in the budgets; (3) approved and adopted an increase of 30 mills in the mill levy for District No. 4, from 10 mills to 40 mills; (4) approved and adopted the mill levy for each District for certification to the County, as indicated within the resolutions; (5) authorized Director Glenn Pauls, as President and Paula Schler, Board Secretary, to sign the necessary documentation; and (6) directed Spencer Fane LLP, to submit the certification of tax levies to the Board of County Commissioners of La Plata County prior to December 15, 2020, and file the budget with the Division of Local Government prior to January 31, 2021.

- b. 2020 Audit Engagement Letters. Mr. Wilson reviewed the audit engagement letters from the Dalby Wendland firm and explained the firm's increased fee with the Boards. Upon motion duly made by Director Scott Strand, and seconded by Director Dianne Pauls, the Boards moved to accept the 2020 audit engagement letters with the increased fee.

5. PROPOSED OPERATING LEASE

The matter was tabled for discussion at a later date.

6. **ATTORNEY ITEMS:** Mr. Dalton presented and reviewed with the Boards the following Resolution for District Nos. 1, 2, 3 and 4, prepared by Spencer Fane LLP:

a. Administrative Matters Resolution 2021 – District Nos. 1-4

Following discussion of the Resolution, and upon motion duly made by Director Phil Schoon and seconded by Director Scott Strand and unanimously carried, the Boards adopted and approved the Resolution.

7. OTHER BUSINESS:

- a. RETF Exemptions: The Real Estate Transfer Fee exemption requests previously approved by President Glenn Pauls were reviewed. Following discussion, a motion to ratify the

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exemption approvals was made by Director Scott Strand and seconded by Director Russ Smith and unanimously carried by the Boards.

- b. Twin Buttes Design Review Committee: Following review of the List of Committee Members for 2021 and the changes to the Design Standards and Guidelines for 2021, upon motion duly made by Director Russ Smith and seconded by Director Phil Schoon, the Boards unanimously approved the committee members and adopted the changes to the Design Standards and Guidelines.
- c. Twin Buttes Farm Matters: Mr. Wilson informed the Boards of the resignation of the current farm managers and the status of finding replacements. He also informed the Boards of the disposition of the Carvers Farm parcel and explained that the Twin Buttes Farm can operate at a reduced cost not utilizing the Carver parcel. Discussion followed. Mr. Wilson will provide an updated report at the next meeting.
- d. Discussion of the Districts' MIS Vulnerabilities: Mr. Wilson explained how the Districts and the Developer share certain office space, items of overhead, including employee hours, for management efficiency and that his office is working to get the necessary paperwork in place for full disclosure. Mr. Wilson will provide a report on the status at the next meeting.

NEW BUSINESS:


- 1. Director Russ Smith asked if the Boards were interested in erecting a book exchange structure for the residents. After discussion it was decided this would be better handled by the residents through a neighborhood exchange of ideas.

There was no further new business.

8. ADJOURNMENT:

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

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