

RECORD OF PROCEEDINGS

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

HELD: Thursday, June 4, 2020, at 9:00 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

There are no vacancies on the Boards.

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

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 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.

RECORD OF PROCEEDINGS

Twin Buttes Metropolitan District Nos. 1-4

June 4, 2020

Page 2

3. MINUTES:

The Boards reviewed the minutes from the meeting held December 11, 2019. Upon motion duly made by Director Scott Strand, seconded by Director Dianne Pauls, and unanimously carried, the Boards approved the minutes and authorized Ms. Schler to execute them as Secretary.

4. FINANCIAL MATTERS:

a. Audit Results and Review Report and
b. Audit Report Drafts – Mr. Wilson presented the findings of the Audit Reports and Results and informed that the Finance Committee reviewed and approved the same. Upon motion duly made by Director Russell Smith, seconded by Director Dianne Pauls and unanimously carried, the Boards approved to receive both the Audit Reports and Audit Results and Review Report.

c. Proposed Changes to 2014 Construction and Acquisition Agreement and 2014 District Facilities Agreements – Mr. Wilson presented and explained the changes to the Agreements and explained the bond costs paid by the Developer. Mr Wilson further recommended that certain changes to the above agreements would improve the probability that the Developer would be paid back from potential future surplus revenues. The mechanisms of the funding and reimbursement arrangements changes were explained to the Board by Matt Dalton, the District's attorney. Upon motion duly made by Director Scott Strand, seconded by Director Dianne Pauls, and unanimously carried, the Boards recognized the proposed changes are appropriate and approved the amended and restated agreements and authorized Glenn Pauls as President to execute the Amended and Restated Construction and Acquisition Agreements and the Amended and Restated District Facilities Agreements as written.

5. ATTORNEY ITEMS:

a. Review and Consideration of draft Recreational Lease – Mr. Wilson presented the proposed new flow trail and the need for a recreational lease of Parcels C and D to accommodate the routing of the proposed new flow trail. Following discussion and upon motion duly made by Director Scott Strand, seconded by Director Phil Schoon, and unanimously carried, the Boards approved the Recreational Lease of Parcels C and D, effective June 4, 2020 and authorized Glenn Pauls as President to execute the Recreational Lease as written.

b. Review and consideration of draft Amendment to Farm Lease - Mr. Wilson presented the draft Amendment to the Carver Farm Lease and explained the Lease is being amended to 1) extend the lease term for two 3-year terms, 2) allow Twin Buttes Farm access to the Carver solar facility to help with utility costs for farming the Carver parcel, 3) modify rental amounts, and 4) define the name of the Carver parcel for marketing purposes. Following discussion and upon motion duly made by Director Phil Schoon, seconded by Director Dianne Pauls, and unanimously carried, the Boards approved the Amendment to Farm Lease and authorized Glenn Pauls as President to execute the Amendment to Lease as written effective May 5th, 2020.

RECORD OF PROCEEDINGS

Twin Buttes Metropolitan District Nos. 1-4

June 4, 2020

Page 3

c. Review and Consideration of Conservation Trust Fund Resolutions – Mr. Wilson and Mr. Dalton presented and explained that becoming a member of the Conservation Trust Fund in Colorado gives the Districts access to certain grants for recreation and parks at Twin Buttes. Upon approval by the Board of Directors, Districts 2 and 3 will apply to become members. Following discussion, the Board of Directors for Districts 2 and 3 approved the Resolutions.

6. OTHER BUSINESS:


- a. RETF Exemptions: The following approved exemption requests were ratified and accepted by the Board:
 - 1) 1095 Twin Buttes Ave (Twin Buttes Townhomes Unit 1A)
 - 2) 1067 Twin Buttes Ave (Lot 22)
 - 3) 32 Yucca Ct. (Lot 48, Unit 1)
 - 4) 1135 Twin Buttes Ave (Twin Buttes Townhomes Unit 1C)
- b. Design Review Standards and Guidelines for 2020: The 2020 Design Review Standards and Guidelines were reviewed and approved by the Board of Directors for Districts 1-4.
- c. Revised PIF Guidelines: The revised PIF Guidelines were reviewed and approved by the Board of Directors for Districts 1-4.

NEW BUSINESS: There was no new business.

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