

RECORD OF PROCEEDINGS

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

HELD: Tuesday, December 1, 2015, at 11:00 a.m. at the offices of Crane Leake & Ehlers PC, 102 West 18th Street, Durango, Colorado. Location of the meeting was changed and notice was posted at the originally noticed meeting location.

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, Treasurer
Parker S. Newby, Assistant Secretary
Robert H. Delves, Newly Appointed

No members of the Boards were absent.

Also present were Paula Schler, Secretary to the Boards, and Steven (Willie) Wilson of Twin Buttes of Durango; Denny Ehlers of Crane Leake & Ehlers PC; and Matthew R. Dalton of Spencer Fane LLP (via telephone conferencing)

CALL TO ORDER:

Director 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.

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 disclosures be incorporated herein.

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APPROVAL OF MINUTES:

The Boards reviewed the minutes of the special meeting of the Boards held on November 17, 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 a true and correct record of the proceedings of the meeting.

APPOINTMENT OF NEW DIRECTOR:

Director Pauls noted there are two vacancies on the Board of Directors of the Districts. Following discussion the Boards determined it was necessary to appoint a new Director to act until the next regular election of the Districts. Director Pauls opened for nominations. Following the receipt of nominations, upon motion duly made, seconded and unanimously approved, the Boards appointed Robert H. Delves, an eligible elector of the Districts, to the office of Director, filling one of the vacancies. Newly appointed Director Delves asked Mr. Dalton for clarification on filling an open term. Following Mr. Dalton's explanation, Director Delves took the Oath of Office.

FINANCIAL MATTERS:

- a. 2014 Applications for Exemption from Audit for District Nos. 1-4. The Boards reviewed and considered for ratification and acceptance the 2014 applications for exemption from audit prepared for District Nos. 1-4 by Dalby, Wendland & Co. as submitted to the State Auditor's office with accompanying Resolutions. Upon motion duly made, seconded and unanimously carried, the applications were ratified as presented.

- b. 2016 Budgets:

Twin Buttes Metropolitan District No. 1. Director Pauls declared the public hearing on the 2016 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 2016 budget.

Discussion was held regarding the requested capital purchases for the Gardens for 2016, including a wholesale distribution truck, a trailer, tractor implements and a maintenance and storage barn. The Board tabled discussion of the purchase of a storage barn to a later date.

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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 2016 budget and authorized Director Pauls as 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 LLP. The Board further directed that the Resolution adopting the 2016 budget be attached to these minutes and incorporated herein by this reference.

Twin Buttes Metropolitan District No. 2. Director Pauls declared the public hearing on the 2016 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 2016 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 2016 budget and authorized Director Pauls as 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 LLP. The Board further directed that the Resolution adopting the 2016 budget be attached to these minutes and incorporated herein by this reference.

Twin Buttes Metropolitan District No. 3. Director Pauls declared the public hearing on the 2016 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 2016 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 2016 budget, authorized Director Pauls as 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 LLP. The Board further directed that the Resolution adopting the 2016 budget be attached to these minutes and incorporated herein by this reference.

Twin Buttes Metropolitan District No. 4. Director Pauls declared the public hearing on the 2016 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 2016 budget. Following discussion of the budget as proposed, the Board was presented for its

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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 2016 budget and authorized Director Pauls as 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 LLP. The Board further directed that the Resolution adopting the 2016 budget be attached to these minutes and incorporated herein by this reference.

Adopt and certify mills to La Plata County. Mr. Wilson noted that mill levy comparisons reflect we are healthy and not out of line with other subdivisions in Durango and La Plata County. He noted that Three Springs Subdivision is high, Twin Buttes is slightly higher and the Glacier Club is even higher. Following discussion, the Boards approved and adopted certification of the mill levies to La Plata County and directed the tax certificates be filed with La Plata County by Spencer Fane, LLP.

ATTORNEY'S ITEMS:

a. Public Hearing for Inclusion of Land into District No. 4.

Mr. Dalton opened the public hearing on the petition for inclusion of land and noted that the notice of the hearing had been published in accordance with Colorado Statutes. There being no public present, and upon motion duly made, seconded and unanimously carried, the Board closed the public hearing.

Mr. Dalton presented a form resolution approving the inclusion of property into District No. 4 owned by Twin Buttes of Durango, LLC, McIntyre Ranch, LLLP and New Energy Station, LLC. Following discussion, and upon motion duly made, seconded and unanimously carried, the Board approved the resolution to approve inclusion of land into Twin Buttes Metropolitan District No. 4, as presented.

b. May 3, 2016 Regular Elections. Mr. Dalton reviewed and discussed the process and procedures for the conduct of the May 3, 2016 regular elections by the Districts. Upon motion duly made, seconded and unanimously carried, the Boards adopted the combined resolution calling the elections.

c. Resolution Concerning Annual Administrative Matters 2016. Mr. Dalton presented a Resolution prepared by Spencer Fane LLP for District Nos. 1-4 for the Boards' review. Regarding Item 16, the Boards decided not to elect new officers at this time. After discussion, and upon motion duly made, seconded and unanimously carried, the Resolution was approved as presented.

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OTHER BUSINESS:

- a. Insurance for District No. 4. Mr. Wilson presented to the Board and provided assurance of coverage for District No. 4.
- b. Design Review Committee and Design Standards, Mandates and Guidelines. The Boards tabled discussion of these matters to a later date.

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