

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT HELD SEPTEMBER 9, 2015

A Special Meeting of the Board of Directors (referred to hereafter as "Board") of the Paint Brush Hills Metropolitan District (referred to hereafter as "District") was held on Wednesday, the 9th day of September, 2015, at 7:00 p.m. at the Paint Brush Hills Metropolitan District Office, 9830 Liberty Grove Drive, Falcon, Colorado 80831. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kim Griffin
Calvin Pollard
Doug Burtter
Floyd Roberts
John Bruszenski

Also In Attendance Were:

Jennifer Gruber Tanaka, Esq. and Casey K. Lekahal, Esq.; White Bear Ankele Tanaka & Waldron, P.C. (via speakerphone)

Leon Gomes; Candidate for District Manager position

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential or Existing Conflicts of Interest: 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. Director Griffin noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No conflicts were noted.

ADMINISTRATIVE MATTERS

Agenda: Director Griffin reviewed the proposed agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Roberts and, upon vote, unanimously carried, the Agenda was approved, as presented.

RECORD OF PROCEEDINGS

EXECUTIVE SESSION

Pursuant to Sections 24-6-402(4)(b), (e) and (f), C.R.S., upon motion duly made by Director Pollard, seconded by Director Bruszenski and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 7:03 P.M. for the purpose of discussion, negotiations with third parties, personnel matters and receiving legal advice, as authorized by Sections 24-6-402(4)(b), (e) and (f), C.R.S.

Pursuant to Section 24-6-402(2)(d) 5) (II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 7:40 PM upon motion duly made by Director Bruszenski, seconded by Director Pollard and, upon vote, unanimously carried

DISTRICT MANAGER POSITION OFFER AND ADDENDUM TO INDEPENDENT CONTRACTOR AGREEMENT WITH SPECIAL DISTRICT MANAGEMENT SERVICES, INC.

Following discussion, upon motion duly made by Director Pollard, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the offer of the District Manager position to Leon Gomes pursuant to terms discussed effective September 15, 2015, and approved the Addendum to the Independent Contractor Agreement between Special District Management Services, Inc. and the District partially terminating services by removing management services and setting forth the rate structure for remaining services.

The Board then entered into a discussion with Mr. Gomes regarding the terms of its Offer of Employment including the following:

- Time off policy to be determined following the determination of non-exempt employee time off policy;
- Benefits offered will be same as offered to all employees;
- Car allowance – to be paid for use of personal vehicle while on District business at the Standard Vehicle Mileage Reimbursement Rate as determined by the Internal Revenue Service;
- Operator Certification – requires the completion of the minimum Colorado Department of Public Health & Environment certification required to perform the duties of the Operator in Responsible Charge, if necessary, within nine months of employment; and
- The Board will conduct a performance review in 6 months to determine if Board expectations are being met including the reduction in his reliance on Special District Management Services, Inc. and the District's

RECORD OF PROCEEDINGS

Legal Counsel.

The District's Legal Counsel will prepare a letter summarizing the terms discussed and at-will employment.

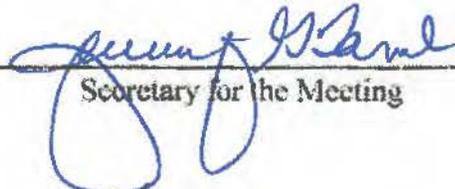
Mr. Gomes verbally accepted the position of District Manager.

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,

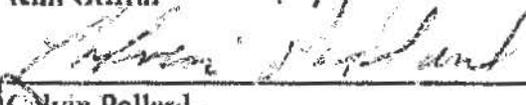
By


Secretary for the Meeting

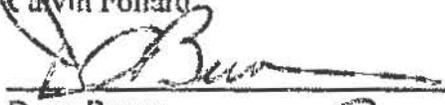
THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 9, 2015 SPECIAL MEETING MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Kim Griffin



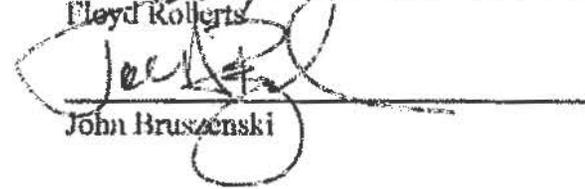
Calvin Pollard



Doug Burre



Floyd Kollers



John Bruszenski

RECORD OF PROCEEDINGS

Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Paint Brush Hills Metropolitan District, I attended the executive session on September 9, 2015 for the sole purposes of conferencing with the District's legal counsel for the purposes of receiving legal advice on specific legal questions, for discussing matters subject to negotiation and personnel matters, as authorized by §§24-6-402(4)(b), (e) and (f), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel
Paint Brush Hills Metropolitan District