

## **RECORD OF PROCEEDINGS**

### **MINUTES OF THE COMBINED ORGANIZATIONAL MEETING OF THE BOARDS OF DIRECTORS OF PATRIOT PARK METROPOLITAN DISTRICT NOS. 1 AND 2**

**HELD:** Tuesday, May 22, 2018 at 4:30 p.m. at the offices of Spencer Fane LLP,  
102 South Tejon Street, Suite 750, Colorado Springs, Colorado

#### **ATTENDANCE:**

The combined organizational meeting of the Boards of Directors of the Patriot Park Metropolitan District Nos. 1 and 2, City of Colorado Springs, Colorado 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:

#### **District No. 1:**

Cheryl Flynn  
Kevin Butcher  
Stuart Sloat

#### **District No. 2:**

Bryan Dennis Kniep  
Allyn Brown  
Kevin Butcher  
Patrick Jarrett

Also in attendance were Carrie Bartow of CliftonLarsonAllen LLP and Russell W. Dykstra of Spencer Fane LLP

Director Cameron and Director Brunk were absent. There are no vacancies on the Boards.

#### **CALL TO ORDER:**

Mr. Dykstra noted for the record that a quorum was present, and on behalf of the Boards, called the meeting to order at approximately 4:32 p.m. and explained the purpose of the combined organizational meeting.

#### **QUALIFICATION OF BOARD MEMBERS:**

Mr. Dykstra reported that all of the Board members had their oaths of office administered before a notary. Thereupon, the Directors present assumed their duties as members of the Boards of Directors.

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### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:**

Mr. Dykstra discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements had been be filed for each of the Directors with the Secretary of State at least three days prior to the meeting. In addition, Mr. Dykstra noted that each Director is to verbally reveal his/her potential conflicts of interest to the Board prior to beginning the discussion in which a conflict may arise.

### **CONSIDER APPROVAL OF AGENDA:**

Mr. Dykstra presented to the Directors the agenda for the combined organizational meeting. Following review, and upon motion duly made, seconded and unanimously carried, the Boards approved the agenda with noted changes.

### **DISCUSSION OF SERVICE PLAN, DISTRICT ORGANIZATION AND DISTRICT POWERS:**

Mr. Dykstra noted for the benefit of the Boards that the general powers of the Districts are outlined in the Special District Act and the Service Plan for District Nos. 1 and 2, and that the Districts' shall have the power and authority to provide the public improvements and limited operation and maintenance services within and, if pursuant to an Approved Development Plan, without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth in the Service Plan.

### **DISCUSSION OF OPEN MEETINGS REQUIREMENTS:**

Mr. Dykstra discussed the open meeting requirements and the posting requirements for the Districts, noting that any non-social meeting of three or more of the directors constituted an official meeting, and that notice of a meeting for the Districts is to be (1) provided to each Board member, and (2) posted in at least three public places within the Districts at least 72 hours in advance of the meeting, and (3) at the same time, a copy of such notice is to be posted at the office of the County Clerk and Recorder. If possible, the posting should include specific agenda information. Mr. Dykstra further noted that notice of this joint organizational meeting had been so posted.

### **DUTIES: BOARD, PRESIDENT, VICE-PRESIDENT, TREASURER, SECRETARY AND ASSISTANT SECRETARY:**

Mr. Dykstra briefly reviewed the duties of the Officers of the District.

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**ELECTION OF OFFICERS:**

Following discussion and the receipt of nominations, upon motion duly made, seconded, and unanimously approved, the Boards elected Officers as follows:

**District No. 1:**

<b>Name</b>	<b>Title</b>
Sam Cameron	President
Cheryl Flynn	Treasurer
Bradley Brunk	Secretary
Kevin Butcher	Assistant Secretary
Stuart Sloat	Assistant Secretary

**District No. 2:**

<b>Name</b>	<b>Title</b>
Sam Cameron	President
Bryan Dennis Kniep	Treasurer
Allyn Brown	Secretary
Kevin Butcher	Assistant Secretary
Patrick Jarrett	Assistant Secretary

**ADOPTION OF SEALS:**

Upon motion duly made, seconded, and unanimously approved, the Boards adopted seals consisting of the word "Seal" circled by "Patriot Park Metropolitan District No. 1" and "Patriot Park Metropolitan District No. 2."

**RATIFICATION OF PAST ACTIONS:**

Following discussion and upon motion duly made, seconded and unanimously carried, the Boards ratified the past actions of the Boards and its consultants in the organization and operation of the Districts, including without limitation actions and notifications taken, making and posting notice for this meeting, and in the organization of the Districts.

**DISCUSSION REGARDING CONSULTANTS, ATTORNEY AND ACCOUNTANT:**

Mr. Dykstra discussed the need for the hiring of consultants to assist the Districts in its duties. Following discussion and upon motion duly made, seconded, and unanimously approved, the Boards approved the engagement of Spencer Fane LLP as legal counsel for the Districts and CliftonLarsonAllen LLP as accountants for the Districts.

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### **ADMINISTRATIVE MATTERS RESOLUTION:**

Mr. Dykstra presented a Resolution Concerning Annual Administrative Matters for 2018 for the Districts. As specified in the Resolution, the Boards determined to schedule regular meetings on the second Wednesday of each month at 1:30 p.m. to be held at the offices of Spencer Fane LLP, 102 South Tejon Street, Suite 750, Colorado Springs, Colorado 80903. Additionally, the Board approved the following designated posting location: Street Sign at Space Center Technology Marketing Sign off of Powers Road. Mr. Dykstra indicated that the Districts must establish an office and contact person for the Districts. Mr. Dykstra was named as the contact person for the Districts at the office of Spencer Fane LLP and was directed to provide the names and addresses of the Directors, the contact person, and the address and telephone number of the Districts to the Division of Local Government and make other filings as required by law. Following discussion and upon motion duly made, seconded, and unanimously approved, the resolution was adopted with the noted additional information.

### **SPECIAL DISTRICT MAP DISCLOSURE PURSUANT TO C.R.S. § 32-1-104.8:**

Mr. Dykstra presented to the Boards the Notice of Special District Public Disclosure and Map of Boundaries Pursuant to 32-1-104.8, C.R.S. to be recorded with the Clerk and Recorder of each County in which the special districts are located. Following discussion, and upon motion duly made, seconded and unanimously carried, the Notice was approved and the Boards directed Spencer Fane LLP to record the Notice with the El Paso County Clerk and Recorder.

### **PAYMENT OF ORGANIZATIONAL COSTS:**

Mr. Dykstra discussed the District's financial situation and associated costs for organization and the May 8, 2018 organizational elections held for the Districts. Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards ratified and approved payment of costs for organization and ratified and approved the costs of the May 8, 2018 elections held by mail ballot, appointing Leslie Larsen of Spencer Fane LLP as the Designated Election Official.

### **WORKERS COMPENSATION FOR BOARD MEMBERS:**

Mr. Dykstra discussed the need and options for worker's compensation insurance coverage for members of the Board of Directors. Mr. Dykstra presented a Resolution Providing for Directors' Exclusion from Worker's Compensation Coverage and application to the Department of Labor and Employment for the Exclusion of Uncompensated Public Officials. Upon motion duly made, seconded and unanimously carried, the Board approved the resolution and application for exclusion from Worker's Compensation Coverage and directed Spencer Fane LLP to file the documentation with the State.

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### **GOVERNMENTAL IMMUNITY AND INDEMNIFICATION RESOLUTION:**

Mr. Dykstra generally discussed the Colorado Governmental Immunity Act and the need and options for indemnification of employees and members of the Boards of Directors by the Districts. Upon motion duly made, seconded and unanimously carried, the Boards approved the Resolution Providing for the Defense and Indemnification of District Personnel.

### **INSURANCE:**

Mr. Dykstra discussed the need and options for general liability and other coverage for the Districts and directors' and officers' errors and omissions insurance for members of the Boards of Directors. Following discussion, the Boards elected to obtain general liability insurance.

### **MEMBERSHIP IN SPECIAL DISTRICT ASSOCIATION:**

Mr. Dykstra noted that the Districts must obtain membership in the Special District Association and if insurance is obtained through the Colorado Special District Property and Liability Pool. Discussion ensued. The Boards elected to obtain membership in the Special District Association.

### **SELECTION OF BANK:**

Ms. Bartow discussed the requirement that the Boards select a banking institution for the District. Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards elected to open the District's bank account with Integrity Bank and Trust.

### **DESIGNATION OF OFFICIAL CUSTODIAN:**

Mr. Dykstra briefly explained the need for the Districts to appoint an "official custodian" for purposes of the Public Deposit Protection Act. Following discussion, upon motion duly made, seconded, and unanimously approved, the position of Treasurer was appointed as official custodian for the Districts and the Boards authorized the completion and submission of the applications for assignment of Public Deposit Protection Act numbers.

### **FEDERAL EMPLOYERS IDENTIFICATION NUMBER:**

Following discussion and upon motion duly made, seconded, and unanimously carried, the Boards authorized the execution of the applications for Federal Employers Identification Numbers as prepared by Spencer Fane LLP and directed Spencer Fane LLP to file the applications with the Internal Revenue Service.

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### **SALES TAX IDENTIFICATION NUMBER:**

Following discussion and upon motion duly made, seconded, and unanimously carried, the Boards authorized the execution of the applications for a sales tax identification numbers for the Districts and directed Spencer Fane LLP to file the applications with the Colorado Department of Revenue.

### **NOTIFICATION OF NEW DISTRICTS/INTENT TO LEVY:**

Following discussion and upon motion duly made, seconded and unanimously carried, the Boards: directed Spencer Fane LLP to submit the notice to the Board of County Commissioners and the County Assessor of the existence and boundaries of the Districts and the Districts' intent to levy ad valorem property taxes as approved by the electors of the Districts and directed Spencer Fane LLP to ensure that the official notices required by Section 39-1-110(1), C.R.S., are filed with the appropriate jurisdictions

### **2018 BUDGET HEARING:**

Upon motion duly made, seconded and unanimously carried, the public hearings were opened on the proposed budgets for fiscal year 2018 for Patriot Park Metropolitan District Nos. 1 and 2. Ms. Dykstra reported that notice of the public hearings had been published in accordance with statutory requirements. Ms. Bartow presented the proposed 2018 budgets to the Boards. Following discussion the public hearings were closed.

The Boards reviewed resolutions adopting the 2018 budgets and appropriating funds. Following discussion and upon motion duly made, seconded and unanimously carried, the Boards: (1) approved and adopted the 2018 budgets as presented; (2) authorized the appropriation of funds for the expenditures set out in the budgets; (3) authorized the President and the Secretary to sign the necessary documentation; and (4) directed Spencer Fane LLP, to file the budgets with the Division of Local Government.

### **RESOLUTION CONCERNING COLORADO OPEN RECORDS ACT FEE SCHEDULE:**

Mr. Dykstra explained the Colorado Open Records Act Fee Schedule. Following discussion and upon motion duly made, seconded, and unanimously approved, the resolution adopting the Colorado Open Records Act Fee Schedule was approved by the Boards.

### **DEVELOPMENT IN THE DISTRICT:**

The Board discussed the project and grading in the District beginning in June, and noted the first closings are scheduled for January. No formal action was taken.

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**OTHER BUSINESS:**

- a. OPEN SPACE DEED – DISTRICT NO. 2. The Board discussed the deed for open space in District No. 2. Following discussion, and upon motion duly made, seconded and unanimously carried, the Board approved the deed.
- b. COVENANT ENFORCEMENT. Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards accepted the designation for covenant enforcement.
- c. INTERGOVERNMENTAL AGREEMENT – DISTRICT NOS. 1 AND 2. Mr. Dykstra presented the Intergovernmental Agreement between District No. 1 (the “Commercial District) and District No. 2 ( the “Residential District”). Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards approved the Intergovernmental Agreement as presented.
- d. REIMBURSEMENT AGREEMENT: Mr. Dykstra presented the Reimbursement Agreement to the Boards. Following discussion and upon motion duly made, seconded and unanimously carried, the Boards approved the Reimbursement Agreement.
- e. FACILITIES FUNDING AND REIMBURSEMENT AGREEMENT: Mr. Dykstra presented to the Boardsthe Facilities Funding and Reimbursement Agreement for the Boards’ consideration. Following discussion, and upon motion duly made, seconded and unanimously carried, the Boards approved the Agreement.

**ADJOURNMENT:**

There being no further business to come before the Boards and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 6:24 p.m.

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 the Patriot Park Metropolitan District Nos. 1 and 2.

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Secretary to the Board No. 1

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Secretary to the Board No. 2