

MINUTES OF THE JOINT ORGANIZATIONAL  
MEETING OF THE BOARDS OF DIRECTORS OF

PROMONTORY METROPOLITAN DISTRICT NOS. 1-5

Held: Tuesday, December 3, 2019, at 10:00 a.m. at: 8455  
Heritage Drive, Thornton, CO

**Attendance**

The joint organizational meeting of the Boards of Directors of the Promontory Metropolitan District Nos. 1-5, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Boards, were in attendance:

George R. Hanlon  
Gene "JR" Osborne  
Donald Summers  
Gene A. Osborne  
Jimmy Ogé

Also present: Blair M. Dickhoner, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Eric Weaver and Rick Gonzales, Marchetti & Weaver LLP, District Accountant

**Call to Order**

It was noted that a quorum of the Boards was present and the meeting was called to order.

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

**Conflict of Interest  
Disclosures**

Mr. Dickhoner advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Dickhoner reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. Dickhoner inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

<b>Agenda</b>	Mr. Dickhoner presented the Boards with the agenda for the meeting for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda.
<b>Appointment of Officers</b>	The Boards engaged in general discussion regarding the Election of Officers. Following discussion, upon a motion duly made and seconded, the Boards elected Director JR Osborne as President, Director Ogé, as Treasurer, Director Hanlon as Secretary, Director Summers as Assistant Secretary and Director Gene Osborne as Assistant Secretary.
<b>Public Comment</b>	None.
<b>Consent Agenda</b>	<p>Mr. Dickhoner reviewed the items on the consent agenda with the Boards. Mr. Dickhoner advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:</p> <ul style="list-style-type: none"> <li>a. Joint Public Records Request Policy</li> <li>b. Joint Resolution Adopting Colorado Special District Records Retention Schedule</li> <li>c. Joint Resolution Providing for the Defense and Indemnification of Directors and Employees of the Districts</li> </ul>
<b>Legal Matters</b>	
Consider Adoption of 2019 and 2020 Annual Administrative Resolution	Mr. Dickhoner presented the Boards with the 2019 and 2020 Annual Administrative Resolution for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.
Consider Adoption of Joint Resolution Calling May 5, 2020 Election	Mr. Dickhoner presented the Boards with the Joint Resolution Calling the May 5, 2020 Election for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.
Consider Approval of District Coordinating Services Agreement between the Districts	Mr. Dickhoner presented the Boards with the District Coordinating Services Agreement for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agreement.

Consider Approval of Transaction Based Informed Consent Letter

Mr. Dickhoner presented the Boards with the Transaction Based Informed Consent Letter for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Letter.

Consider Adoption of Resolutions Declaring Special District Inactive Status

Mr. Dickhoner presented the Boards with the Resolution Declaring Inactive Status for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Letter.

### **Insurance & Liability**

Discuss Director Liability Issues and Memorandum Re: Crime Coverage, Fidelity Bonds and Designated Agent Endorsements

Mr. Dickhoner reviewed the Memorandum Re: Crime Coverage, Fidelity Bonds and Designated Agent Endorsements with the Boards. The Boards engaged in general discussion regarding liability issues. No Board action required.

Discuss Insurance Requirements and Consider Adoption of Resolution Approving an IGA with the Colorado Special Districts Property and Liability Pool and Authorize Membership in the Special District Association

The Boards engaged in discussion regarding insurance requirements and coverage options. Mr. Dickhoner explained to the Boards that specific coverage is available for Inactive Districts. The Boards of District Nos. 4 and 5 declined obtaining such coverage at this time. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 1-3 unanimously adopted the Resolution Approving the IGA with the Colorado Special Districts Property and Liability Pool. The Boards authorized membership with the Special District Association for all Districts.

Consider Approval of Agency Services Agreement with T. Charles Wilson Insurance Services

Mr. Dickhoner presented the Boards with the Agency Services Agreement with T. Charles Wilson for consideration. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 1-3 unanimously approved the agreement.

Discuss Workers' Compensation Coverage and Consider Authorizing Filing of Exclusion of Uncompensated Public Officials form for 2020 Policy Period

The Boards engaged in a discussion regarding workers' compensation coverage. Following discussion, the Boards determined not to obtain workers' compensation coverage at this time and directed legal counsel to file the appropriate documents to exclude from it.

Consider Approval of Property and Liability Insurance Limits and Deductibles

The Boards engaged in a discussion regarding property and liability coverage for 2020. Following discussion, upon a motion duly made and seconded, the Boards of District Nos. 1-3 unanimously approved liability coverage for 2020 and instructed legal counsel to

bind coverage for 2020.

### **Engagement of Consultants**

Consider Approval of Engagement Letter with White Bear Ankele Tanaka & Waldron for Legal Services

Mr. Dickhoner presented the Boards with the Engagement Letter from White Bear Ankele Tanaka & Waldron for Legal Services. Mr. Dickhoner stated that as he is not independent as to the engagement, and that the Boards are advised to have separate legal counsel review the engagement letter. The Boards declined to engage separate legal counsel to review the letter. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the engagement.

Consider Approval of Engagement Letter with Marchetti & Weaver LLP for Accounting Services

Mr. Weaver presented the Boards with the Engagement Letter from Marchetti & Weaver LLP for Accounting Services. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the engagement.

Consider Approval of Engagement with Independent District Engineering Services (“IDES”) for Engineer Consulting and Cost Certification Services

The Boards reviewed the proposal for Engineer Consulting and Cost Certification Services from Independent District Engineering Services. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the engagement.

*Consider Approval of Independent Contractor Agreement with IDES for Engineering and Cost Certification Services*

Mr. Dickhoner presented the Boards with the Independent Contractor Agreement with IDES for Engineering and Cost Certification Services for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agreement.

### **Developer Agreements**

Consider Approval of Funding and Reimbursement Agreement between District No. 1 and ELG Investors, LLC

Mr. Dickhoner presented the Board of District No. 1 with the Funding and Reimbursement Agreement with ELG Investors, LLC for consideration. Following discussion, upon a motion duly made and seconded, the Board approved the agreement. Director Hanlon informed the Boards that he has a potential conflict of interest involving the matter discussed herein, and Director Hanlon recused himself from voting on the matter. Director Gene A. Osborne informed the Boards that he has a potential conflict of interest involving the matter discussed herein, and Director Gene A. Osborne recused himself from voting on the matter.

Consider Approval of Public Improvements Acquisition and Reimbursement Agreement between District No. 1 and ELG Investors, LLC

Mr. Dickhoner presented the Board of District No. 1 with the Public Improvements Acquisition and Reimbursement Agreement with ELG Investors, LLC for consideration. Following discussion, upon a motion duly made and seconded, the Board approved the agreement. Director Hanlon informed the Boards that he has a potential conflict of interest involving the matter discussed herein, and Director Hanlon recused himself from voting on the matter. Director Gene A. Osborne informed the Boards that he has a potential conflict of interest involving the matter discussed herein, and Director Gene A. Osborne recused himself from voting on the matter.

### **Financial Matters**

Consider Approval of Execution of (1) Form SS-4 Application for Federal Employer Identification Number; (2) Application for Colorado Sales Tax Exemption Number; and (3) Application for Assignment of PDPA Number

Mr. Dickhoner presented the Boards with the applications for Federal Employer Identification Numbers, Colorado Sales Tax Exemption numbers, and PDPA numbers for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the applications and instructed legal counsel to file appropriately.

Discuss and Consider Establishment of Bank Accounts and Authorize Signers on the Accounts

The Boards engaged in a discussion regarding the establishment of District bank accounts and authorizing signers for the same. Following discussion, upon a motion duly made and seconded, the Boards unanimously authorized opening a bank account with Chase Bank and authorized Directors Hanlon and JR Osborne as signers. The Boards also directed Mr. Weaver to establish a Bill.com account for purposes of paying invoices.

Conduct Public Hearing on 2019 Budgets

Mr. Weaver opened the public hearing on the proposed 2019 Budgets. Mr. Dickhoner noted that the notice of public hearing was provided in accordance with Colorado law. No written objections have been received prior to the meeting. There being no public comment, the hearings were closed.

Consider Approval of Resolution Adopting the 2019 Budget

Mr. Weaver reviewed the proposed 2019 Budgets with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolutions adopting the 2019 Budgets.

Conduct Public Hearing on 2020 Budgets

Mr. Weaver opened the public hearing on the proposed 2020 Budgets. Mr. Dickhoner noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections have been received prior to the meeting. There being no public comment, the hearings were closed.

Consider Approval of Resolution Adopting the 2020 Budget

Mr. Weaver reviewed the 2020 Budget with the Boards. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the Resolution adopting the 2020 Budget, appropriating funds therefor and certifying the following mill levies for collection in 2020: District No. 2: 10.000 mills for the general fund; and, District No. 3: 50.000 mills for the general fund. District Nos. 1, 4 and 5 did not certify a mil levy for collection in 2020.

Consider Authorization of Application for Exemption from Audit for the 2019 Fiscal Year

Following discussion, upon a motion duly made and seconded, the Boards unanimously authorized the preparation and filing of Applications for Exemption from 2019 Audit.

Other Financial Matters

None.

**Other Business**

Discuss Construction Contract Bids

The Board engaged in general discussion regarding the public bidding process for construction of public infrastructure. Following discussion, the Boards authorized Director JR Osborne to solicit bids for the construction of public infrastructure; work with legal on satisfying statutory and contracting requirements; and to award the contract.

Adjournment

There being no further business to come before the Boards, and following discussion and upon motion duly made, seconded, and unanimously carried, the Boards determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

*George R. Hanlon*  
George R. Hanlon (Sep 21, 2020 17:10 MDT)

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Secretary for the Meeting