

RECORD OF PROCEEDINGS

MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS

OF THE

BRIDLE CREEK METROPOLITAN DISTRICT NO. 1

Held: Tuesday, January 21, 2020 at 2:00 PM at 1641 California Street, Suite 300, Denver, Colorado 80202

Attendance

The organizational meeting of the Board of Directors of the Bridle Creek Metropolitan District No. 1 was called and held, as shown, in accordance with Colorado law. The following directors confirmed their qualification to serve on the Board:

William J. Johanningmeier
Charles Foster

Also present was: Michael Davis, Miller & Associates Law Offices, LLC.

Call to Order

Mr. Davis noted that a quorum of the Board was present and the Directors confirmed their qualification to serve.

Disclosure Matters

Mr. Davis advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

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Director Johanningmeier disclosed his interests as a purchaser under a vacant land contract for property within the District under which he qualifies as a director. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Foster disclosed his interests as a purchaser under a vacant land contract for property within the District under which he qualifies as a director. This disclosure is associated with approval of items on the agenda that may affect his interests.

Written disclosures of the interests of all of the directors were filed with the Secretary of State prior to the meeting.

Approval of IGA with City of Dacono

Mr. Davis presented the Board with an IGA with the City of Dacono. Upon motion by Director Foster and second by Director Johanningmeier, the Board unanimously approved the IGA.

Approval of District Indemnity for City of Dacono

Mr. Davis presented the Board with a letter to the City of Dacono regarding District Indemnity. Upon motion by Director Foster and second by Director Johanningmeier, the Board unanimously approved the letter regarding District Indemnity.

Approval of 2020 Annual Administrative Resolution

The directors discussed various administrative matters to be determined by the Board on an annual basis in order to comply with Colorado law. Mr. Davis presented the Board with a resolution designating officers for the District and establishing director compensation, regular meeting dates, notice provisions and other administrative matters. Upon motion of Director Foster and second by Director Johanningmeier, the Board unanimously approved the annual administrative resolution.

Consider Resolution Designating Meeting Location Outside the Boundaries of the District

Mr. Davis presented the Board with a resolution designating the District's regular and special meeting place outside of the boundaries of the District. Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously approved the Resolution designating a location for regular and special meetings outside of the District's boundaries.

Directors Matters

i. Consider Indemnification Resolution

Mr. Davis presented the Board with an indemnification resolution for the Board's consideration. Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously approved the Indemnification Resolution.

ii. Directors'/Treasurers'

Mr. Davis advised the Board that, pursuant to statutory

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Surety Bond

requirements, his firm obtained and filed Directors' and Treasurer's Bonds for the Board with the District Court in and for the City of Dacono, County of Weld, as well as the Division of Local Government. Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously ratified such actions.

Financial Matters

- i. Federal Indemnification Number
- ii. Colorado State Tax Exemption Number
- iii. PDPA Number
- iv. SDA Membership

Mr. Davis advised the Board that his firm had obtained for the District, Federal Identification, Colorado State Tax Exemption and PDPA numbers. Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously ratified such actions.

Mr. Davis discussed the need for the District to become a member of the Special District Association to obtain insurance coverage through the SDA Liability Pool. The Board considered the need for liability insurance and determined, due to the fact that no property has been conveyed to the District, there was no need to liability insurance at this time.

Insurance Matters

- i. Public Officials' Liability Insurance
- ii. General Liability Insurance
- iii. Crime Coverage
- iv. Workers' Compensation Insurance
- v. Consider Approval of Resolution Waiving Workers' Compensation Insurance for 2020

Mr. Davis discussed the existence of liability exposure to Board members and the protections from liability available pursuant to the Colorado Governmental Immunity Act and through the acquisition of public officials' liability insurance and general liability insurance. The Board considered the need for liability insurance and determined, due to the fact that no property has been conveyed to the District, there was no need to liability insurance at this time. The Board unanimously determined to waive workers' compensation coverage for the District at this time.

Appointment of Consultants

- i. Legal Engagement Letter – Miller & Associates Law Offices, LLC
- ii. Management Engagement Letter
- iii. Accounting Engagement Letter

The Board considered engaging Miller & Associates Law Offices, LLC as legal counsel for the District. Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously engaged Miller & Associates Law Offices, LLC as legal counsel for the District and authorized the execution of an engagement letter memorializing such retention.

The Board discussed engaging with a management company for the District and determined management was not required at this

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time.

The Board discussed engaging an accounting firm for the District, and determined that Charles Foster would handle all accounting issues for the time being, except for the filing of any required annual audit exemptions. Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously appointed Community Resource Services as the District's accountant solely for the purpose of filing required annual audit exemptions for the time being.

Consider CORA Policy Resolution

Mr. Davis presented to the Board a resolution that would have the District adopt a public records policy in responding to any future document requests pursuant to the Colorado Open Records Act. Mr. Davis noted that the Evergreen Investment Company would be named as the "custodian" for the District in accordance with such policy. Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously approved the CORA Policy Resolution.

Consider Approval of Resolutions Regarding Electronic Records Retention Policy for the Districts

Mr. Davis presented to the Board the Resolution Regarding Electronic Records Retention Policy. Upon motion by Director Foster and second by Director Johanningmeier, the Board unanimously approved the electronic records retention policy.

Adoption of District Seal

Upon motion of Director Foster, seconded by Director Johanningmeier, the Board unanimously approved the District Seal.

Approval of Current District Map and Boundaries

The Board reviewed the current District map and boundaries. Upon motion by Director Foster and second by Director Johanningmeier, the Board unanimously approved the District map and boundaries.

Approval of a Notice to Levy a Tax for Calendar Year 2020

Mr. Davis presented the Board with a Notice to Levy a Tax for Calendar Year 2020. Upon motion by Director Foster and second by Director Johanningmeier, the Board unanimously approved the Notice to Levy a Tax for Calendar Year 2020.

Discussion Regarding Inclusions into the District

The Board discussed the need to include property into the District. Upon discussion, the Board determined no inclusions were required at this time.

Public Hearing to Consider 2020 Budget

Mr. Davis presented a proposed budget for 2020. Mr. Davis noted that notice of the public hearing for the budget was posted in three locations within the boundaries of the District and otherwise

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published in accordance with Colorado law. Upon motion of Director Foster and second by Director Johanningmeier, Director William J. Johanningmeier opened the public hearing. No one providing any comments to the budget, upon motion by Director Foster and second by Director Johanningmeier, Director William J. Johanningmeier closed the hearing.

Approval of 2020 Budget

Mr. Davis advised the Board of the details of the 2020 budget. Upon review and discussion and upon the motion of Director Foster and second by Director Johanningmeier, the Board unanimously approved the proposed budget for 2020, subject to receipt of the final assessed value of the District by the County Assessor, and appropriated the funds therefore. Pursuant to Colorado law, a mill levy of 0.000 mills will be certified for collection in 2020. The Board also authorized the execution of its budget resolution containing details of the Board action.

Approval of 2020 Election Resolution

Mr. Davis presented to the Board a resolution authorizing the conduct of the May, 2020 director election. Upon motion by Director Foster and second by Director Johanningmeier, the Board unanimously approved the resolution.

Consider 2019 Audit Exemption Resolution

Mr. Davis explained the statutory requirements for filing an audit and requesting an audit exemption and noted that because the District's revenues and expenditures did not exceed \$100,000 in 2019, it may be able to request an exemption from the State Auditor. Upon review and consideration, Director Foster moved that the resolution be approved; upon second by Director Johanningmeier, the Board unanimously approved the 2019 audit exemption resolution.

Consider Approval of Advance and Reimbursement Agreement (Operations) with Developer

This item was deferred.

Consider Approval of Infrastructure Acquisition Agreement with Developer

This item was deferred.

Other Business

There was no other business at this time.

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Adjournment

There being no further business to come before the Board, upon motion and second, the Board unanimously adjourned the meeting. The next regular meeting of the Board is scheduled for May 21, 2020 at 10:00 AM.

DocuSigned by:
Charles Foster
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Secretary for the District