

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL JOINT MEETING OF THE
BOARD OF DIRECTORS OF THE
INDEPENDENCE METROPOLITAN DISTRICT NOS. 5 & 6, AND
THE INDEPENDENCE COMMERCIAL METROPOLITAN DISTRICT
HELD
July 5, 2023**

A Special Board of Directors' Meeting of the Independence Metropolitan Districts Nos. 5 & 6 and the Independence Commercial Metropolitan District, was held virtually on July 5, 2023, at 1:00 p.m. The meeting was open to the public.

ATTENDANCE:

In attendance were Directors:

Timothy Craft
Jim Yates
Margaret Brown
David Gallo
Rebecca Osborne

Also, in attendance were:

Sam Rausch
Alex Sjandski
Abbie Garcia
Diane Miller, Miller Law pllc
Kurt Schlegel; Special District Solutions, Inc.

CALL TO ORDER:

Director Craft noted that a quorum of the Board was present, called the meeting to order at 1:01 p.m.

**CONFLICTS &
DISCLOSURE
STATEMENTS:**

Ms. Miller described for the Board the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. It was noted by Ms. Miller that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors and no new conflicts of interest were disclosed at the meeting.

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APPROVAL OF AGENDA: After review of the Agenda Director Yates moved that the Board approve the Agenda as presented. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

**ORGANIZATIONAL
ITEMS:**

2023 Annual Administrative Resolutions: Ms. Miller presented the proposed Resolutions for the Director's consideration and described the purpose of the documents. The Directors discussed the elected / appointed positions for each of the Boards, and the Resolutions will be amended to reflect the result of that discussion and the appointment of Officers. Director Yates moved that the Board approve and adopt the 2023 Annual Administrative Resolutions for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District, as amended to reflect the following Officer appointments:

President – Tim Craft
Secretary/Treasurer – Jim Yates
Assistant Secretary – Margaret Brown
Assistant Secretary – David Gallo
Assistant Secretary – Rebecca Osborne

Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

2023 Compliance Resolutions: Ms. Miller presented the proposed Resolutions for the Director's consideration and described the purpose of the documents. Director Yates moved that the Board approve and adopt the 2023 Compliance Resolutions for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District, as presented. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

Indemnification Resolutions: Ms. Miller presented proposed Resolutions providing for the defense and indemnification of the Board of Directors and employees of the Districts. Director Yates moved that the Board approve and adopt the Resolutions for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District, as presented. Upon a second by Director Brown, a vote was taken and the motion carried unanimously.

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Director's and Treasurer's Surety Bonds: Ms. Miller described the requirement for the Board to be insured in their capacities as Directors of the Districts and Mr. Schlegel stated that the Surety bonds for each of the Districts have been obtained and are in place.

Federal Employer Identification Number: Ms. Miller addressed the requirement for the Districts to apply for and receive a Federal Employee Identification Number (FEIN) for tax and audit purposes, and that Miller Law staff will apply for the FEINs on behalf of the Districts.

Colorado State Sales Tax Exemption: Ms. Miller reviewed for the Board members the need to register with the State of Colorado as a tax-exempt organization, and that Miller Law staff will apply for Tax Exempt status on behalf of the Districts.

Public Deposit Protection Act (PDPA): Ms. Miller explained that as a local government, the Districts are required to apply for PDPA numbers and will be required in order to open bank accounts for each of the Districts. Miller Law staff will apply for PDPA numbers for the Districts.

Special District Association (SDA) of Colorado: Ms. Miller described the benefits of being a member of the SDA, including the ability to obtain insurance coverage from the SDA Property and Liability Pool. The Directors also discussed which Districts will be listed as "active" and which will remain "inactive" until certain development occurs within the boundaries of Districts. The Directors chose to delay a decision on SDA membership for the Districts at this time.

Public Officials Liability Insurance, General Liability Insurance, and Crime Coverage: Ms. Miller discussed the need for the active Districts to carry specific insurance for Public Officials Liability and General Liability, including crime coverage. Following discussion Director Craft moved that the Board appoint Directors Brown and Gallo as an Insurance Committee and direct Mr. Schlegel to obtain price quotes for coverages for each of the Districts and report back to the Committee for action. Upon a second by Director Yates, a vote was taken and the motion carried unanimously.

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Worker's Compensation Insurance: Ms. Miller discussed with the Board the option to waive worker's compensation insurance for the Districts, since the Districts have no employees. Director Yates moved that the Board approve and adopt the Resolutions waiving Worker's Compensation Insurance for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District, as presented. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

Legal Services Engagement: Ms. Miller presented an engagement letter from her firm, Miller Law pllc, to provide General Counsel services for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District. Director Yates moved that the Board approve and execute the engagement letters for legal services as presented. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

Management and Accounting Services: Mr. Schlegel presented proposed Professional Services Agreements (PSA) with Special District Solutions, Inc. for the provision of Accounting, Administrative, and Management services for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District. Director Yates moved that the Board approve and execute the PSAs with Special District Solutions, Inc. as presented. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

Colorado Open Records Act (CORA) Policy: Ms. Miller presented a proposed Resolution describing the District's CORA policy for the Board's consideration. Discussion followed regarding who would be designated as the Custodian of Record. Director Yates moved that the Board approve and adopt the Joint Resolution for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District for a Public Records Policy, as presented. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

Electronic Records Retention Policy: Ms. Miller presented a proposed Joint Resolution for the Board's consideration. Director Yates moved that the Board approve and adopt the Joint Resolution for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District, as presented. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

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District Seals: Ms. Miller discussed the need for the Board to adopt official Seals for the Districts. Director Yates moved that the Board adopt official seals for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District and direct staff to obtain these seals. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

2023 BUDGETS:

2023 Budgets: Mr. Schlegel stated that a public notice regarding the required Public Hearings had been published in a paper of local record and posted physical notices for today's meeting and Budget Hearings at a physical location within the District's boundaries.

Mr. Schlegel then presented the proposed 2023 Independence Metropolitan Budgets and Joint Resolution for the Board's consideration.

Director Yates moved that the Board open a public hearing to consider the Districts' 2023 Budgets. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

No members of the public were in attendance.

Director Yates moved that the Board close the public hearing. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

Director Yates moved that the Board approve the Resolutions adopting the 2023 Budgets for the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District, and appropriating the funds required by the 2023 Budgets. Upon a second by Director Gallo, a vote was taken and the motion carried unanimously.

ADVANCE AND REIMBURSEMENT AGREEMENTS:

Ms. Miller presented proposed Advance and Reimbursement Agreements between the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District and the Craft Bandera Acquisition Company, LLC. The Directors discussed the amount of interest that will be charged on outstanding debt. Director Yates moved that the Board approve the Advance and Reimbursement Agreements, as presented. Upon a second by Director Brown, a vote was taken and the motion carried unanimously.

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**INFRASTRUCTURE
ACQUISITION
AGREEMENTS:**

Ms. Miller presented proposed Infrastructure Acquisition Agreements between the Independence Metropolitan Districts 5 & 6, and the Independence Commercial Metropolitan District and the Craft Bandera Acquisition Company, LLC. Director Yates moved that the Board approve the Infrastructure Acquisition Agreements as presented. Upon a second by Director Brown, a vote was taken and the motion carried unanimously.

OTHER BUSINESS:

None

NEXT MEETING:

The next regular meeting of the District's Board of Directors is scheduled for Thursday - November 16, 2023 at 1:00 p.m.

ADJOURNMENT:

There being no further business to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 1:45 p.m.

Respectfully Submitted:

Secretary for the Meeting