# RECORD OF PROCEEDINGS

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**MINUTES OF A SPECIAL MEETING OF
OF THE BOARD OF DIRECTORS OF THE
CASCADE METROPOLITAN DISTRICT NO. 1
HELD
FEBRUARY 5, 2014**

A special meeting of the Board of Directors of the Cascade Metropolitan District No. 1 (the "Board") was duly held on Wednesday, the 5th day of February, 2014, at 5:00 p.m., at the Cascade Fire Station, 8015 Severy Road, Cascade, Colorado. The meeting was open to the public.

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**ATTENDANCE**

**Directors In Attendance Were**:
P. J. Anderson
Mike Whittemore
Mike Herr
Robert Justis
Troy Eason

**Also In Attendance Were**:
Deborah D. McCoy, Roger McCoy and Leon Gomes; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele, P.C. (via speakerphone)

Dwayne Schorman; District Operator

Andre Kilik; Assistant Operator

Scotty P. Krob; Krob Law Office, L.L.C. (via speakerphone)

Chris Reimer; Resident

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**DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

**Disclosure of Potential 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 Anderson noted that a quorum was present and requested members of the Board to disclose any additional potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting which were filed with the Secretary of State's Office and Board of Directors at least 72 hours in advance of the meeting as

required by Colorado law. The Board acknowledged Director Anderson's Conflict of Interest.

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**ADMINISTRATIVE MATTERS**

**Agenda**: Ms. McCoy reviewed the proposed Agenda for the District's special Board Meeting.

Following discussion, upon motion duly made by Director Herr, seconded by Director Justis and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Engagement of Special Counsel**: Following discussion, upon motion duly made by Director Herr, seconded by Director Eason and, upon vote, unanimously carried, the Board ratified the engagement of Scotty P. Krob as Special Counsel for the District for litigation matters.

**Special District Managements Services, Inc.'s Invoices**: Ms. McCoy reviewed with the Board the invoices outstanding with Special District Management Services, Inc.

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**EXECUTIVE SESSION**

**Executive Session**: Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Herr, seconded by Director Whittemore and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 5:15 p.m. for the purpose of discussing matters subject to negotiation with third parties and developing strategies related thereto and receiving legal advice thereon, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

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

The Board reconvened in regular session at 5:50 p.m.

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**LEGAL MATTERS**

**Agreement Concerning Continuance of Trial and Payment of Sums Past Due**: Attorneys Tanaka and Krob reviewed the Agreement Concerning Continuance of Trial and Payment of Sums Past Due with the Board.

Following discussion, upon motion duly made by Director Herr, seconded by Director Justis and, upon vote, unanimously carried, the Board approved the

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Agreement Concerning Continuance of Trial and Payment of Sums Past Due with the City of Colorado Springs and Colorado Springs Utility.

**OTHER BUSINESS**

Mr. Reimer addressed the Board and presented correspondence from resident Gary Garrison. The Board determined to address Mr. Garrison's concerns at a special work session meeting on Tuesday, February 18, 2014 at 5:00 p.m. at the regular meeting location.

**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 FEBRUARY 5, 2014 MINUTES OF THE CASCADE METROPOLITAN DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:

_____
P.J. Anderson

_____
Mike Whittemore

_____
Mike Herr

_____
Bob Justis

_____
Troy Eason

**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 Cascade Metropolitan District No. 1, I attended the executive session on February 5, 2014 for the sole purpose of discussing matters subject to negotiation with third parties, as authorized by §24-6-402(4)(e), C.R.S. I further attest that it is my opinion that 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 by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

Jennifer Gruber Tanaka, Esq.
General Counsel
Cascade Metropolitan District No. 1