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January 18, 2017

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Re: Town of Calhan - Investigation of Allegations of Ethical and Legal Violations

Gentlemen:

As you are aware, this firm represents the Town of Calhan as its Town Attorney. This letter serves to update you regarding the conclusion of the Town's investigation into the allegations set forth in your October 10, 2016 letter.

In response to your allegations, the Town engaged special legal counsel to conduct an investigation. An investigator experienced in these types of investigations was hired by that special legal counsel to review your allegations, relevant documents and correspondence, and to interview Town employees and officials. The investigation concluded that there was no evidence supporting the allegations set forth in your letter. Although the investigation report is confidential, I am authorized to share with you some of its findings and conclusions.

Specifically, there was no evidence supporting any conflicts of interest on the part of the Town Clerk as prohibited by state or federal law. In addition, there was no showing of favoritism in the contract terms with Helton contractors. The investigation further concluded that there was no evidence that the Town Clerk engaged in self-dealing, failed to disclose conflicts of interest, acted outside the scope of her employment, failed to keep and maintain proper records, abused the power of her office to favor interested parties, or misappropriated any Town property and labor.

The investigation concluded that the contracting efforts for both the sewer lagoon fencing project and the Pavilion were done in good faith by individuals attempting to utilize grant funding under circumstances in which no acceptable bids were received. Nevertheless, the Town

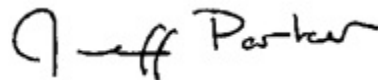
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intends to implement procedures, including revisions to its procurement process, to address: (1) how revisions to contract terms are approved; (2) procedures when there are no responses to a solicitation for competitive bids or when all bids have been rejected; (3) procedures to notify the Board of Trustees if a Town employee is related to an individual (or such individual's company) seeking to contract with the Town on a Town project.

With respect to the use of the Town's mosquito spraying equipment in the Town of Rama, the investigation concluded that the Mayor was aware of and authorized its use. Moreover, the investigation concluded that the Town Clerk had no knowledge that it was to be used outside of the Town and did not direct or authorize such use. In response to the concerns raised in your letter, the Town is implementing a policy to require approval by the Board of Trustees at a public meeting for the use of Town equipment for purposes other than those directly related to the Town.

Very truly yours,

A handwritten signature in black ink that reads "Jeff Parker". The signature is written in a cursive style with a large initial "J".

Jefferson H. Parker

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Cc: Mayor and Board of Trustees