



Transforming Knowledge to Advantage

September 22, 2008

Mike Paskewicz
Superintendent
Adams 12 Five Star Schools
1500 E. 128th Ave.
Thornton, CO 80241-2602

Dear Mr. Paskewicz,

Recently we had a bad experience with the Adams 12 School District regarding the Auto-trol property on Washington Street in Thornton. We were very surprised when the district took the very heavy-handed approach it chose. We do understand the district had the authority to file for condemnation and take the property, but we do have some issues with how it was handled.

If you recall, the district tried to purchase the property a year or so ago. Unfortunately the property was not for sale at that time and the district never made any proposals at that time. In January of this year, Auto-trol decided to sell the building and approached the district to offer it for purchase. We had expected a business-like negotiation to ensue. However, the district refused to negotiate on any point and filed for condemnation when we declined the district's low offer.

Knowing eminent domain law, we did not resist. In fact, we cooperated at every step and provided the district with complete access to the property and produced every bit of information the district requested. Of course, we were not happy with the price and intended to pursue our right to a hearing on the valuation as allowed by law.

Knowing that our only possible outcome would be a ruling on the value, we immediately took steps to accommodate the district's taking of the property. We were pleased when the district worked with us on a stipulation that would allow us an orderly move. Notwithstanding that stipulation, the time was short and we had to move with alacrity to accommodate our business needs. Once that stipulation (allowing an orderly move-out no later than October 1, 2008) was in place, we took assertive and irrevocable steps to move and accommodate the district's taking of the property.

- a) We spent countless hours and resources finding a new location. We executed a lease and paid a deposit prior to the district's precipitous abandonment.
- b) We gave certain employees that maintained the building notice of termination. This was stressful to them as well as costly to us.
- c) We rearranged customer training schedules and travel plans for training we had planned to take place between June and October. This directly affected our customers and impacted our revenue.

- d) Because we service many high-end commercial and government customers worldwide that work on long leadtimes for national security and strategic requirements, we notified our customers of the move.
- e) We sold off excess assets at “fire-sale” prices or simply gave them away as we worked towards a looming 9/30/08 deadline to be out of the building. The cost of the effort and lost value is almost incalculable.
- f) We cancelled or assigned the leases for the church and ball field. It pained us to do this to our “friends” since they both provide valuable services to the community.

These are only a sampling of the pain, effort and costs we incurred in our effort to comply with the taking. Our formal damages claim is more comprehensive.

Then the district changed its mind about the property. We will not contest the district walking away since the law allows it. We will work with the district to “undo” what can be undone. But much of this is like trying to “unring a bell”. Many of the costs are not recoverable. The impact on the company and the employees is permanent.

The district's public statements at the time it decided to abandon the condemnation also damaged Auto-trol and its business. While Auto-trol does not dispute that there are asbestos containing materials in the building, the district's statements created an impression that the building has asbestos contamination problems. As the district knows, that is not the case and the asbestos containing materials would have presented no health or safety issues unless disturbed by the district's use of the property. Nevertheless, these statements caused great concern among Auto-trol's employees and customers and potential purchasers of the building.

The situation was even worse with regard to the district's statements concerning deferred maintenance. Auto-trol strongly disagrees with those statements and has obtained a third-party building inspection report refuting them. The fact that changes would be needed in and around the Auto-trol building so as to accommodate the district's planned use does not equate to deferred maintenance by Auto-trol. The district's statements to that effect denigrated the quality of the building and the property and resulted in serious damage to Auto-trol's business and the market opinion of the property's value. These are damages Auto-trol is now working to undo.

While the district's lawyers did suggest a coordinated press release announcing the district's decision to abandon, the district provided no information at that time explaining the basis for that decision and Auto-trol only received the district's asbestos and building inspection reports sometime later. Without that information, Auto-trol was not in a position to meaningfully contribute to any press release. Under these circumstances, Auto-trol believes that the district's public statements were gratuitous and unnecessarily damaged Auto-trol's business and property.

Your team created havoc in the community as well as in Auto-trol with its heavy-handed and insensitive handling of this matter. As a small business in good standing in the community, we



need to be compensated for these damages. There are legally obligated damages that the district is asked to fulfill readily. However, we believe the district has a moral obligation to Auto-trol and the community to “make it right” on a more comprehensive level. We are asking that the district compensate us for all the costs the district unnecessarily created. It is the right thing to do. I am sure the district’s constituents would agree and support the district in this action.

Thank you.

Sincerely,



Danny E. Stroud
Managing Director

(Now located in Westminster, CO)

