

RECORD OF PROCEEDINGS

MINUTES OF A JOINT ORGANIZATIONAL MEETING OF THE BOARDS OF DIRECTORS OF WATER'S EDGE METROPOLITAN DISTRICTS NOS. 1-5 ("the Districts" or each a "District")

Held:

February 6, 2019 at 2:00 p.m.

748 Whalers Way, Suite 210
Fort Collins, Colorado 80525

ATTENDANCE

A Special Meeting of the Board of Directors of the Water's Edge Metropolitan Districts No. 1-5, County of Larimer, Colorado ("**Board**"), was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following Directors present and acting:

Joe Knopinski
John Gooch
Mick Richardson (via phone)

Also present were:

Robert Rogers, Esq. and Casey K. Lekahal, Esq.,
White Bear Ankele Tanaka & Waldron (via phone);
Erika Volling, Vintage Homes and Land (via phone)

ADMINISTRATIVE MATTERS

Combined Meetings: The Districts are meeting in a combined Board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the action of Water's Edge Metropolitan District No. 1 ("District 1") with concurrence by Water's Edge Metropolitan District No. 2 ("District 2"), Water's Edge Metropolitan District No. 3 ("District 3"), Water's Edge Metropolitan District No. 4 ("District 4") and Water's Edge Metropolitan District No. 5 ("District 5").

Call to Order: It was noted that a quorum of the Boards was present, and, therefore, the meeting was called to order.

Disclosure of Potential Conflicts of Interest: Mr. Lekahal discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Boards of

Directors to the Secretary of State. The members of the Boards were requested to disclose any 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 in accordance with statute. It was noted by Mr. Lekahal that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors

Agenda: The Agenda for the District's February 6, 2019 meeting was distributed for the Board's review. Following discussion and upon motion duly made, the Boards approved the Agenda.

Consider Appointment of Officers

The Boards engaged in general discussion regarding appointment of offices. Upon motion duly made and seconded the Boards unanimously elected the following officers:

President: Joe Knopinski

Secretary: Mick Richardson

Treasurer/Assistant Secretary: John Gooch

Public Comment

None.

CONSENT AGENDA

The Boards were presented with the consent agenda items. Upon motion duly made and seconded the Boards unanimously took the following actions:

Resolution Designating the Districts' 24-Hour Posting Locations

Joint Public Records Request Policy

Resolution Adopting the Colorado Special District Records Retention Schedule

Notice to Electors - § 32-1-809, C.R.S.

Recording of Special District Public Disclosure Document as required by § 32-1-104.8, C.R.S.

Recording of Special District Public Disclosure for District No. 2 as required by the Service Plan

INSURANCE MATTERS

Discuss Insurance Requirements and Consider Adoption of Resolution Approving an IGA with the Colorado Special Districts

Mr. Lekahal presents the Intergovernmental Agreement with the Colorado Special Districts Property and Liability Pool and noted that, in order to obtain insurance through the Pool, a membership through the Special District Association is required. Following discussion, upon motion duly made and seconded, the Board

Property and Liability Pool and Authorize Membership in the Special District Association

approved the Intergovernmental Agreement and membership for the Districts.

Consider Approval of Agency Services Agreement with T. Charles Wilson Insurance Services

Mr. Lekahal presented the Boards with an Agency Fee Agreement with T. Charles Wilson for Insurance Broker Services and noted that the annual agency fee for 2019 is \$495 for District No. 1. Upon motion duly made and seconded, the Boards unanimously approved the Agency Fee Agreement for District No. 1.

Consider Approval of Workers Compensation Coverage

The Boards took no action.

Authorize Filing of Exclusion of Uncompensated Public Officials form for 2019 Policy Period

Mr. Lekahal presented the Boards with the Exclusion of Uncompensated Public Officials forms to the Boards for consideration. He noted that because the Boards are excluding from Workers' Compensation, we must file these notices with the Colorado Division of Workers' Compensation Coverage Enforcement Unit. After discussion, upon motion duly made and seconded, the Boards authorized the filings.

Consider Approval of Property and Liability Insurance Limits and Deductibles

Mr. Lekahal presented the Boards with the Property and Liability Insurance Limits for consideration. Mr. Lekahal noted that the premium for 2019 includes general liability coverage, public officials' liability coverage, nonowned/hired auto liability, hired auto physical damage and comprehensive crime coverage. Following discussion, upon motion duly made and seconded, the Board approved the insurance limits for District No. 1.

CONSULTANTS

Consider Approval of Engagement Letter with White Bear Ankele Tanaka & Waldron for Legal Services

Mr. Lekahal reviewed the Engagement Letter with White Bear Ankele Tanaka & Waldron with the Boards. Mr. Lekahal noted specifically that the arbitration provision had been revised to make it clear that arbitration applies to this engagement letter as well as any prior engagement with the District. Mr. Lekahal also noted and discussed the addition of the representative client list section. Mr. Lekahal stated that as he is not independent as to the engagement, the Boards is advised to have separate legal counsel review the engagement letter. The Boards declined to engage separate legal counsel to review the letter. After discussion, upon a motion duly made and seconded, the Boards approved the engagement letters with White Bear Ankele Tanaka & Waldron.

Consider Approval of Independent Contractor Agreement with Schedio Group LLC for District Engineering Services

Mr. Lekahal presented the Independent Contractor Agreement with Schedio Group LLC for District Engineering Services to the Boards for approval. After discussion, upon a motion duly made and seconded, the Boards approved the agreement, subject to receipt of outstanding materials from Schedio Group LLC

Discuss Engagement of District Accountant and District Manager

The Boards took no action.

LEGAL MATTERS

Discuss Developer Disclosure Requirements

The Boards engaged in general discussion regarding the Developer's obligation to provide disclosure's under the Service Plan. No further action was taken.

Discuss and Consider Adoption of 2019 Joint Annual Administrative Resolution

Mr. Lekahal presented the 2019 Administrative Matters Resolution to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards approved the resolution.

Discuss and Consider Adoption of Resolution Changing Location of Meeting

Mr. Lekahal presented the Resolution Establishing Meeting Location and Dates, for 2019 to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards approved the resolution.

Discuss and Consider Adoption of Joint Resolution Providing for the Defense and Indemnification of Directors and Employees of the Districts

Mr. Lekahal presented the Joint Resolution Providing for the Defense and Indemnification of Directors and Employees to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards approved the resolution.

Consider Approval of Funding and Reimbursement Agreement (Operations and Maintenance)

Mr. Lekahal presented the Funding and Reimbursement Agreement to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards approved the agreement, subject to final review by legal counsel and Director Knopinski.

Consider Approval of Infrastructure Acquisition and Reimbursement Agreement

Mr. Lekahal presented the Infrastructure Acquisition and Reimbursement Agreement. Following discussion, upon motion duly made and seconded, the Boards approved the agreement, subject to final review by legal counsel and Director Knopinski.

FINANCIAL MATTERS

Consider Approval of Execution of (1) Form SS-4 Application for Federal Employer Identification Number; (2) Application for Colorado Sales Tax Exemption Number; and (3) Application for Assignment of PDPA Numbers

The Boards engaged in general discussion regarding Federal Employer Identification Numbers, Colorado Sales Tax Exemption Numbers, and PDPA Numbers. Following discussion, upon a motion duly made and seconded, the Boards directed legal counsel to obtain Federal Employer Identification Numbers, Colorado Sales Tax Exemption Numbers, and PDPA Numbers.

Public Hearing on 2019 Budget and Consider Approval of Resolution Adopting the 2019 Budget

Mr. Lekahal noted that the public hearing was posted for in accordance with Colorado Law. The 2019 budget hearing was opened. There being no public comment, the hearing was closed.

Mr. Lekahal reviewed the proposed 2019 budgets with the Boards. The Boards considered adoption of the 2019 Budget Resolutions. Following discussion, upon motion duly made and seconded, the Boards adopted the resolution adopting the budget, appropriating funds therefor and certifying zero (0.00) mills for the general fund, zero (0.00) mills for the debt service fund and zero (0.00) mills for the contractual obligations fund.

OTHER BUSINESS

Discuss Status of Development and Provision of Public Benefits

The Boards engaged in general discussion regarding the Status of Development and Provision of Public Benefits.

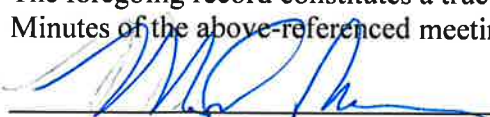
Discuss Configuration of Districts' Boundaries and Inclusion Deadline

The Boards engaged in general discussion regarding the configuration of the Districts. After discussion, the Boards determined that no further action was required at this time.

ADJOURNMENT

There being no further business to come before the Board and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

The foregoing record constitutes a true and correct copy of the Minutes of the above-referenced meeting.


Secretary for the Meeting