

MINUTES OF A JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS
OF THE
WATERS' EDGE METROPOLITAN DISTRICT NOS. 1 & 2

Held: Tuesday, October 6, 2021, at 9:00 a.m. at 748 Whalers Way,
Suite 210, Fort Collins, Colorado 80525 and was held via
teleconference.

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes if action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Attendance

The joint special meeting of the Boards of Directors of the Waters' Edge Metropolitan District Nos. 1 & 2 was called and held in accordance with the applicable laws of the State of Colorado. The following Directors, have confirmed their qualifications to serve, were in attendance:

Joe Knopinski, President
Vacant
John Gooch, Secretary

Also present were Robert G. Rogers, Esq., Eve M.G. Velasco, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law; Angela Elliott, Teleos Management, District Manager; Cathy Hamilton, Simmons & Wheeler, PC, District Accountant; and, Dan Nickless, Developer Representative.

Administrative Matters

Call to Order/Declaration
of Quorum

It was noted that a quorum of the Boards was present, and the meeting was called to order at 9:02 a.m.

Reaffirmation of
Disclosures of Potential or

Mr. Rogers advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at

Existing Conflicts of Interest

the meeting. Mr. Rogers reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Mr. Rogers inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

Approval of Agenda

The Boards reviewed the proposed agenda. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda.

Acknowledge Resignation of Mick Richardson

The Boards acknowledged the resignation of Mick Richardson.

Discuss Board Vacancies

Discussion followed on the vacancies on the Board. Director Knopinski is meeting with Todd Johnson next week as a potential director. Ms. Velasco confirmed the vacancy was published in September.

Public Comment

No public present

Consent Agenda

Ms. Velasco reviewed the items on the consent agenda with the Boards. Ms. Velasco advised the Boards that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Mr. Knopinski noted 2 typos in the minutes to be corrected. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved as corrected.

- Minutes from the August 18, 2021, Special Meeting

Further discussion followed on retaining both attorneys at meetings and district business until procedures are finalized.

Financial Matters:

Director Knopinski noted the District has \$18,000 in its operating account at 1st Bank. However, Ms. Hamilton is contacting Larimer County for funds not received by District.

Legal Matters:

Consider Approval of
Amendment to
Infrastructure Acquisition
And Reimbursement
Agreement

Discussion followed on the replacement of Section 2.a.v of Initial Reimbursement Agreement amending the “hold back” fee from 10% to 5%, in the Districts sole discretion, for public improvements that will be dedicated to governmental entities that are not holding a letter of credit, bond, cash escrow or other surety.

Director Gooch discussed the 5% hold back is more than reasonable as both ELCO Water District and Box Elder Sanitation require the developer to pay inspection fees that includes documentation of all materials included. In addition to the inspection fee, Box Elder also collects sewer tap fees.

ELCO runs pressure tests on the water lines and confirm it is operable, but final acceptance does not occur until all hydrants are installed. The water will be phased, and final acceptance occurs for each phase.

Box Elder has inspected 75% of the sewer and storm lines but will not give final approval until manholes are brought up to grade, which entails a longer process. However, the District may be able to obtain preliminary approval.

Further discussion followed on boiler plate documents such as Bill of Sale and Warranty Provisions to Catherine Hance, developer’s attorney for review and will copy Mr. Nickless on all correspondence.

Discussion followed on retaining walls. Mr. Nickless noted the engineer is verifying the district walls now.

Following discussion, upon motion duly made by Director Gooch, seconded by Director Knopinski, the Boards approved the Amendment to Infrastructure Acquisition and Reimbursement Agreement.

Adoption of Joint
Resolution Regarding
Acceptance of District
Eligible Costs

Director Knopinski discussed the current costs for the Certification and Acceptance of District Eligible Costs Resolution No. 2 in the amount of \$3,794,458.13 less \$1,326,552.91 for not yet accepted retaining

walls and non-potable water mains leaving 2,622,418 with a hold back \$66,000 resulting in the amount of \$2,556,091.01 release to developer. This version was sent over this morning by Schedio and shared during the meeting.

Following discussion, upon motion duly made, the Boards approved and accepted the District Eligible Costs Resolution No. 2 in the amount of \$2,556,091.01.

Ms. Hamilton discussed once the “hold back” funds are approved, the Trustee will release the funds.

Director Knopinski further noted the retaining walls may be eligible and any costs for improvements occurred from this meeting until the next meeting will hopefully be in Requisition #3.


Other Business

Special Meeting and Budget Hearing will be November 17, 2021, at 2:00 pm.

Adjourn

There being no further business to come before the Boards, following discussion and upon a motion duly made, seconded, and unanimously carried, the Boards determined to adjourn the meeting at 10:01 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above referenced meeting.



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Secretary for the Meeting

The foregoing minutes were approved on the 17th day of November 2021.

