

**RECORD OF PROCEEDINGS
MINUTES OF THE JOINT ORGANIZATIONAL MEETING
OF THE BOARDS OF DIRECTORS OF
WINDSOR HIGHLANDS METROPOLITAN DISTRICT No's. 1-10**

HELD: Tuesday, December 6, 2018, at 9:00 a.m. at 6795 Crystal Downs Drive, Fort Collins, Colorado 80550

ATTENDANCE:

The joint organizational meeting of the Boards of Directors of the Windsor Highlands Metropolitan District Nos. 1 -10 (collectively, the "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: Dino A. DiTullio, Mike DiTullio, Jon Turner, Martha Turner, Emily Kupec, Pat Miller, Ed Ryan, Shareen Baker.

David S. O'Leary of Spencer Fane LLP, Guy Johnson, Jackie Johnson from the District and numerous homeowners, please see attendance sheet in the Meeting Notebook as to homeowners that were present.

Jennifer DiTullio, Jim Miller, Andy Krill and Chris Frye were absent and excused.

CALL TO ORDER:

Jon Turner called the meeting to order at 9:02 a.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE:

Mr. O'Leary reported that all of the Board members are registered to vote in Colorado and are residents and/or owners of taxable real or personal property within the Districts. Mr. Johnson informed the Board that the official bonds had been obtained and that all of the Board members had been administered the Oaths of Office. Thereupon, the directors assumed their duties as members of the Board of Directors.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. O'Leary discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and with the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director is to verbally reveal his potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise.

APPROVAL OF AGENDA:

The Board reviewed the agenda, with review of the agenda Jon Turner made a motion to approve the agenda:

Upon motion was made by Dino DiTullio and seconded by Mike DiTullio and Shareen Baker and unanimously carried to approve the agenda.

APPROVAL OF MINUTES:

The meeting minutes of November 02, 2018 meeting was presented and discussed,

Upon motion made by Jon Turner and seconded by Dino DiTullio, Martha Turner, Emily Kupec, Shareen Baker and unanimously carried to approve the meeting minutes of November 02, 2018.

PUBLIC COMMENTS: At this time Jon Turner, opened and acknowledged Public Comment portion of the meeting,

The Board recognized resident Mrs. Leslie Spahn of 6082 Bay Meadows Drive, Mrs. Spahn stated she was speaking for another resident who was not at the meeting; that was interested in having designated lap lane swimming in the morning without children in the lanes. After discussion from the Board, the Board directed Guy Johnson to instruct the Pool Management company to place the lap lanes in the pool from 10:30 a.m. to 11:00 a.m. and then again from 5:00 p.m. to 6:00 p.m., and to keep the children out of the lanes for the adults to use the lanes freely. This would be a test and see how much this is used or to discontinue.

The Board recognized residents Tom Breen of 7373 Balcarrick Ct, Mr. Breen stated he did not understand the budget of District 4, it showed revenue coming and going out but not detail. Mr. O' Leary explained that all taxes from District 1,2,3,4,6, 7,8,9, 10 was transferred to District #5 which was the controlling district and any detail would be seen in that districts budget. Mr. Been stated he also could not find the financial statements on the website. Mr. Johnson stated that if he would allow the District to show him where the information was on the website after the meeting and Mr. Breen agreed.

The Board recognized resident Kim Hattem of 6603 Crooked Stick Drive, Mrs. Hattem requested a directional sign be placed on the golf course property at hole 17 to direct golfers to hole 18, she has found numerous golfers in her yard and would like to limit this issue. The Board directed District manager Guy Johnson to talk with the Golf Course management team to have this sign placed. With no more questions Director Jon Turner closed the open comment section of the meeting.

DISCUSSION OF POSTING REQUIREMENTS:

Mr. O’Leary discussed the open meeting requirements and the posting requirements for the Districts, noting that any non-social meeting of three or more of the directors constituted an official meeting, and that notice of a meeting for the Districts is to be (1) provided to each Board member, and (2) posted in at least three public places within the Districts at least 72 hours in advance of the meeting, and (3) at the same time, a copy of such notice is to be posted at the office of the County Clerk and Recorder. If possible, the posting should include specific agenda information. Mr. Johnson further noted that notice of this joint organizational meeting had been so posted.

Following discussion and upon motion duly made by Martha Turner, seconded by Shareen Baker, Jon Turner, Ed Ryan and Dino DiTullio and unanimously carried, the Board approved the Resolution 2019 Posting Locations as presented

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2019:

Mr. O’Leary presented a Resolution Concerning Annual Administrative Matters for 2019 for the Districts. Following discussion and upon motion duly made by Dino DiTullio, seconded by Jon Turner, Emily Kupec, Pat Miller and Shareen Baker and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2019, including: the contact person (s) for the District; the designated posting location (s) for the District; and the location for meetings of the Board of Directors.

TRANSPARENCY NOTICES:

Mr. O’Leary presented the Transparency Notices and discussed that these will need to be posted on the District’s website on or before January 15, 2019. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law. After further discussion on the matters and;

EXCLUSION OF WORKERS COMPENSATION INSURANCE:

Mr. O’Leary noted that it was time to renew the Resolution for the Board to be excluded from Worker’s Compensation, if the Board elects to continue not having worker’s compensation coverage for the board members. After further discussion on the matters and;

Following discussion and upon motion duly made by Dino DiTullio, seconded by Jon Turner, Emily Kupec, Pat Miller and Shareen Baker and unanimously carried to approve the Resolution to Exclude the Board from Worker’s Compensation Insurance and to file the Resolution along with the State of Colorado Worker’s Compensation Exclusion form with the appropriate parties.

APPROVAL OF 2019 DISTRICT SERVICE AGREEMENTS:

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Pool Management, Landscape Maintenance Agreements, Rental agreements, Annual Audit and Exemption Agreements, Internet and Phone contracts and Engagement of District Counsel to the Board of Directors. Mr. Johnson discussed the renewal and/or engagement of service providers for the District and reviewed the proposed costs and expenditures related to these service agreements with the Board. After further discussion on the matters and;

Upon motion duly made by Jon Turner and second by Mike DiTullio, Martha Turner, Emily Kupec, and Ed Ryan and unanimously carried to approve the District service agreements for District Management, Pool Management, Landscape/Maintenance, Rental agreements, Annual Audit and Exemption Agreement, Internet and Phone contracts and District Counsel. Also, authorized Guy Johnson to finalize any negotiations and execution of the service agreements.

AUDIT AND AUDIT EXEMPTION:

Mr. O’Leary reviewed with the Board preparing for the 2018 audits and/or exemptions. It was noted that if revenues or expenditures for a district are less than \$750,000.00 in 2018, the district may file application for Exemption from Audit on or before March 31st. After further discussion on the matters and;

Upon motion duly made by Jon Turner and seconded by Pat Miller, Emily Kupec, Martha Turner and Michael J. DiTullio and unanimously carried to authorize Mr. Johnson to prepare for 2018 audits and or fill out application for exemptions from audits as appropriate and to take such further action as necessary to complete and file these documents with the necessary state agencies.

PAYABLE:

Mr. Johnson reviewed with the Board the expenditures for October 2018 through November 2018 for a grand total of \$489,307.14, After further discussion on the matters and;

Upon motion duly made by Jon Turner, seconded by Martha Turner, Emily Kupec, Pat Miller, Shareen Baker and Ed Ryan and unanimously carried; the Board approved the payable for October 2018 through November 2018 for a grand total of \$489,307.14.

PUBLIC HEARING FOR 2018 AMENDED BUDGET:

Dino DiTullio made a motion to open the 2018 Budget Hearing to the public, Ed Ryan, Emily Kupec, Pat Miller, Jon Turner and Mike DiTullio seconded. Notice of the hearing had been published in the Fort Collins Coloradoan in accordance with state budget law. Mr. Johnson stated the 2018 Budget needed to be Amended to reflect the Loan Draw of \$547,795 and the Developer advance of \$500,000. After further discussion the public hearing portion of the budget was closed,

Upon motion duly made by Jon Turner, seconded by Dino DiTullio, Martha Turner, Emily Kupec, and Ed Ryan and unanimously carried, the Board approved the Amended 2018 Budge as presented.

2019 BUDGET HEARING:

Upon motion made by Jon Turner, seconded by Martha Turner and Ed Ryan and unanimously carried, the public hearing was opened on the proposed budgets for fiscal year 2019 for Windsor Highlands Metropolitan District Nos. 1 - 10. Mr. Johnson reported that notice of the public hearing had been published in accordance with statutory requirements. Mr. Johnson presented the proposed 2019 budgets to the Board.

The Board recognized resident Mrs. Dicken, she stated she would like to request to have the trees along Highland Meadows Parkway replace. Following discussion, the Board directed Guy Johnson to budget from reserves up to \$20,000.00 to replace the dead trees in the districts.

The Board recognized resident Larry Roche of 6301 Crooked Stick Drive, he asked if the resident of other districts were paying for the water to the patio homes. Mr. Guy Johnson stated that they were not, the residents in the patio homes were being billed for their non-potable water usage plus meter reading cost per unit.

The Board recognized George Mayes of 6136 Bay Meadows Drive, he wanted to Thank Guy Johnson for keeping the water increase for 2019 to only \$1.25 instead of the projected \$1.50. Mr. Johnson stated that this was necessary to cover cost to the district.

Following discussion, the public hearing was closed by Jon Turner and seconded by Dino DiTullio, Martha Turner, Emily Kupec, and Shareen Baker and unanimously carried.

Upon motion duly made by Jon Tuner and by seconded Michael J. DiTullio, Martha Turner, Emily Kupec and Shareen Baker and unanimously carried, the Board: (1) approved and adopted the 2019 budgets as presented and adding the \$20,000.00 from reserves for tree replacements ; (2) authorized the appropriation of funds for the expenditures set out in the budgets; (3) authorized the President and the Secretary to sign the necessary documentation; and (4) directed the District Manager to file the budgets with the Division of Local Government prior to January 31, 2019.

APPROVAL & RATIFICATION OF THE PROMISSORY NOTE:

Mr. O'Leary stated the Promissory notes required renewal yearly, Mr. O'Leary noted the changes were the loan draw that was taken in October 2018 and interest applied, After further discussion on the matters and;

Upon motion duly made by Jon Turner, seconded by Dino DiTullio, Martha Turner, Emily Kupec, and Ed Ryan and unanimously carried, the Board approved the Promissory Note for 2019.

DISTRICT LEGAL COUNSEL REPORT:

Mr. O'Leary stated he noting else to add at this time.

DISTRICT MANAGERS REPORT:

Mr. Johnson stated he had nothing else to add.

OTHER MATTERS:


The Board noted there were no other matters at this time.

ADJOURNMENT:

Following no further discussion,

Upon motion duly made by Director Jon Turner, seconded Director Dino DiTullio and Ed Ryan and unanimously carried, the Board adjourned the December 6th, 2018 joint organizational meeting of the Board of Directors of the Windsor Highlands Metropolitan District Nos. 1 – 10 at 10:06 am.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of Windsor Highlands Metropolitan District Nos. 1 - 10.



Guy D. Johnson, Secretary for the Meeting