

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSERVATORY METROPOLITAN DISTRICT HELD AUGUST 21, 2017

A Regular Meeting of the Board of Directors (referred to hereafter as "Board") of the Conservatory Metropolitan District, (referred to hereafter as "District"), was convened Monday, the 21st day of August, 2017, at 9:00 a.m., at the Conservatory Clubhouse, 2665 South Jebel Way, Aurora, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Laverne Palmer
Birgit Baldwin
Pedro Moczo, Jr.
Ronald Degenhart

Following discussion, upon motion duly made by Director Moczo, seconded by Director Baldwin and, upon vote, unanimously carried, the absence of Director Staley was excused.

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc. ("SDMS, Inc.")

Jennifer Gruber Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, P.C.

John Simmons; Simmons and Wheeler, P.C.

Richard A. Koenig, Member of the public

DISCLOSURES OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Attorney Tanaka advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which Directors Palmer, Baldwin, Moczo and Degenhart, along with each consultant, confirmed that they have no conflicts of interest in connection with any of the matters listed on the Agenda.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance: Director Degenhart led the Board in reciting the Pledge of Allegiance.

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ADMINISTRATIVE MATTERS

Agenda: Director Palmer reviewed with the Board the proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Moczo, seconded by Director Baldwin and, upon vote, unanimously carried, the Agenda was approved, as amended.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the July 17, 2017 Regular Meeting, as amended
- Acknowledge Homeowners' Association ("HOA") Meeting Reports/Updates
- Ratify approval of addendum No. 8 to Independent Contractor Agreement (Landscape Maintenance Services 2017) dated September 19, 2016 between the District and BrightView

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Moczo and, upon vote, unanimously carried, the Board approved the Consent Agenda.

COMMUNITY COMMENTS

Community Comments: Mr. Koenig addressed the Board, noting he was in attendance on behalf of his daughter who lives in the District. He noted Tract I, adjacent to his daughter's house, has extensive areas of weeds and un-mowed vegetation, from which he believes a rattlesnake entered his daughter's yard. Director Palmer advised Mr. Koenig that the District is aware of and is displeased with the current condition of the tract in question. Attorney Tanaka clarified that the District has yet to accept the tract in question from Lennar. Mr. Koenig asked if a homeowner petition would be helpful in expediting proper maintenance of the area. Director Palmer noted concerns should be directed to Lennar. Mr. Beckman discussed the numerous inspections of the tracts in the Lennar area, during which Lennar was advised of maintenance issues. Mr. Koenig inquired whether the area could be redone in turf. Director Palmer advised Mr. Koenig that prior to any re-landscaping of the area, the District needs to accept the tracts from Lennar, and that the District will not do so until such time as the District's existing concerns have been rectified.

Mr. Koenig noted the HOA briefed the community members in attendance at the last meeting about the installation of Public Art, and he queried the Board regarding the status of the project. Director Palmer reported the District will host Public Art presentations at the September 2017 Board

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Meeting. The four finalists will present their work to the Board and the District's Public Art Project will be awarded to one of the finalists.

FINANCIAL MATTERS

Claims: The Board reviewed the check register for the period ending July 31, 2017 including check numbers 2932 through 2944, totaling \$99,782.11.

Following review and discussion, upon motion duly made by Director Baldwin, seconded by Director Moczo and, upon vote, unanimously carried, the Board approved the check register for the period ending July 31, 2017 including check numbers 2932 through 2944.

The Board then reviewed the check register for the period ending August 21, 2017 including check number 2945, totaling \$1,645.56.

Following review and discussion, upon motion duly made by Director Baldwin, seconded by Director Moczo and, upon vote, unanimously carried, the Board approved the check register for the period ending August 21, 2017 including check number 2945.

Cash Position Schedule: Mr. Simmons reviewed the Cash Position Schedule as of August 21, 2017 and the current cash flow projection with the Board.

2018 Budget: Mr. Simmons reviewed with the Board the draft 2018 Budget. Mr. Beckman advised the Board he will provide updated sub-schedules for the draft 2018 Budget via email.

General Obligation Limited Tax Refunding Bonds, Series 2017: Attorney Tanaka updated the Board on the status of the District's General Obligation Limited Tax Refunding Bonds, Series 2017. She explained that the information included in the preliminary offering statement is now finalized and will be posted today. She further reported that the refinancing is on track to close on September 19, 2017.

LANDSCAPING MATTERS

Landscape Expenditure Budget Tracking Matrix: Mr. Beckman reviewed with the Board the Landscape Expenditure Budget Tracking Matrix.

BrightView Report: The Board reviewed a report from BrightView on the status of landscape maintenance efforts in the District.

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Landscaping Committee Update: Director Baldwin updated the Board regarding landscaping matters in the District. She noted that she is aware of 58 trees in the District that require replacement, and advised the Board she will request a proposal from Bright View for the tree removal. Director Degenhart inquired about turf in the District that appeared stressed. Director Baldwin explained an issue with the Weathertrack software interrupted the regular watering of certain turf areas. Director Baldwin then noted that she is not satisfied with the appearance of the flower beds at the entrances and will request that Bright View inspect and report back on the condition and actions that can be taken to improve the appearance.

2017 Tree Replacement Project: Director Palmer inquired as to the status of resolving the issues noted by Director Staley regarding unmet contract requirements. Attorney Tanaka reported that she has not yet received the report from Director Staley specifying the observed violations of ANSI standards.

Addendum No. 9 to Independent Contractor Agreement (Landscaping Maintenance Services 2017) dated September 19, 2016 between the District and BrightView: The Board entered into discussion regarding Addendum No. 9 to the Independent Contractor Agreement (Landscaping Maintenance Services 2017) dated September 19, 2016 between the District and BrightView.

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved Addendum No. 9 to the Independent Contractor Agreement (Landscaping Maintenance Services 2017) dated September 19, 2016 between the District and Bright View.

Tracts I, J and K: Nothing new to report. The Board directed Mr. Beckman to send correspondence to Lennar listing the outstanding issues raised by the homeowners during today's meeting.

OPERATIONS AND MAINTENANCE MATTERS

Manager's Report: Mr. Beckman reviewed the Manager's Report with the Board. A copy of the Report is attached hereto and incorporated herein by this reference.

Directors on Duty: The Board confirmed Directors on duty for the months of February and March 2018.

Status of Detention Ponds Rehabilitation Project: Director Degenhart advised the Board the Detention Pond Committee is working through issues

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relating to underdrain system outfall with the HOA. He noted the HOA is working with Xcel to obtain an easement for the underdrain outflow, and that the HOA expects work to begin in September 2017. Director Degenhart noted that, at present, he expects the District bidding for work related to detention pond nos. 4 and 6 will take place in October 2017. Director Palmer added that the HOA has obtained permission from the City of Aurora to continue using the temporary bypass piping. Director Palmer reported that she has advised the HOA that it will be responsible for additional costs due to delays caused by the underdrain work.

Mortar Recommendation and Stone Repair Specification: The Board entered into discussion regarding a revised proposal from Martin/Martin, Inc. for Masonry Repair Specifications.

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Moczo and, upon vote, unanimously carried, the Board approved the revised proposal from Martin/Martin, Inc. for Masonry Repair Specifications. Mr. Beckman reported that he will work with the contractor and the District's Attorney to finalize the contract to prepare the specifications.

LEGAL MATTERS

Public Arts Project: Attorney Tanaka advised the Board she has not received the requested information from one of the respondent artists. The Board requested that Mr. Beckman post the information provided to this point and update the website as information is received.

Public Art Easement Agreement with Lennar for Tract I: Attorney Tanaka reported Lennar has not executed the Public Art Easement Agreement for Tract I. Discussion ensued regarding the possibility of pursuing condemnation of Tract I in order to ensure District acquisition of the requisite easement. Director Palmer inquired as to the cost and timing if the District were to pursue condemnation. Attorney Tanaka explained that the District could be granted possession of the Tract within 30 days, and noted that determination of the fair market value of the land could take substantially longer. Director Palmer queried the Board about delaying the installation of Public Art in the area. Director Baldwin inquired whether it would be possible to award a contract to an artist, but to delay installation until the easement has been obtained. Discussion ensued.

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Following discussion, the Board directed Attorney Tanaka to pursue the easement agreement with Lennar, noting the District's power to condemn the property needed if necessary. Mr. Beckman added that he will communicate community complaints to Lennar.

BOARD MEMBER INPUT

Board Member Input: Director Palmer discussed District usage of the clubhouse and the newly-imposed HOA fee therefor of \$25/hour. She noted the District should limit Board Meetings to four hours.

OTHER BUSINESS

Community Outreach: The Board discussed formalizing the District policy regarding the prohibition of advertisement postings on message boards, and the possibility of requiring approval, in writing, of postings from the District Manager. It was also noted the policy should reflect that only thumbtacks may be used for postings.

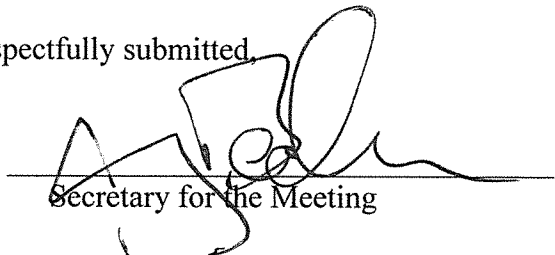
Community Update: The Board determined to add the following items to the next Community Update:

- Kiosk posting policy
 - Public Art presentations
 - Budget Hearing
 - Status of Debt Refinancing
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ADJOURNMENT

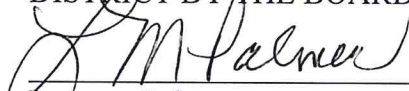
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: 
Secretary for the Meeting

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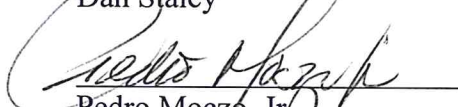
THESE MINUTES WERE APPROVED AS THE OFFICIAL AUGUST 21, 2017 MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



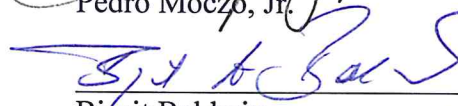
Laverne Palmer



Dan Staley



Pedro Moczó, Jr.



Birgit Baldwin



Ronald Degenhart

DISTRICT MANAGER'S REPORT

To: Board of Directors, Conservatory Metropolitan District
From: AJ Beckman, District Manager
Date: August 15, 2017

Action Items of Interest or Recently Completed:

No. 240, Off-Site Detention Ponds: The installation of a trickle channel in Pond No. 6 is expected to occur in the Fall of 2017 in order to proceed with the work under more favorable conditions and in order to avoid conflicts with work by the Homeowner's Association on the under-drain outfall. The Board determined to hold off on any further landscaping design work by Ivy Street Design until pond renovation costs are known with greater certainty. On August 2, 2017, Mr. Koranda provided cost estimates to complete the work associated with Pond Nos. 4 and 6 in the amount of \$51,540. The Detention Pond Committee held a teleconference with Mr. Koranda on August 9, 2017 to discuss the timing and logistics of the work necessary to complete Pond Nos. 4 and 6. Estimates for the cost of the engineering and oversight work have not yet been provided. The committee discussed the maintenance and reserve budgeting and determined that \$2,000 per year should be budgeted for ongoing maintenance, and \$21,500 per year should be reserved for silt removal and significant repairs.

No. 296, Replacement of Stones on Walls and Piers: At the July meeting the Board approved the proposal by Martin/Martin for preparation of a specification for the repair work for an amount not-to-exceed \$4,000 and requested that Mr. Beckman request a revised scope of work to include two or three site visits. Martin/Martin revised the proposal to increase anticipated fee range to between \$4,000 and \$5,000. The draft contract language is with Martin/Martin for review by their Attorney. The revised proposal is enclosed with the meeting materials.

No. 411, Auto Accident at Conservatory and Eastman: On August 6, 2016, an auto accident damaged District landscaping and fencing and possibly other property owned by the adjacent homeowner. At the January 23, 2017 Board Meeting, I reported that the claim is in subrogation. I have been in contact with Progressive numerous times regarding payment for damages since the accident. Payment from Progressive in the amount of \$4,800 was received on July 21, 2017.

Irrigation Damage From Curb and Gutter Replacement: On May 9, 2017 invoices totaling \$2,101.21 were sent to Fasick Concrete, the contractor performing curb and gutter replacement for the City. I confirmed that the contractor did not call for locates in the area. Payment for the damages in the amount of \$2,101.21 was received on August 2nd.

Tree Planting Project: Following the planting of trees by Bright View, Director Staley observed numerous issues. After consulting with Director Palmer, it was determined that Bright View would be put on notice of the observations and advised that the District would pursue damages for any issues

arising from the observed deficiencies regardless of the limits of the warranty. Bright View was given the option to replant the trees, and determined not to do so. At the July 17, 2017 Board Meeting, the Board determined to pursue an addendum to the contract adding a five-year warranty to the trees that were improperly planted. Director Staley is preparing a report noting the specific trees that were improperly planted. The list will cite the specific ANSI standard that was not met for each improperly planted tree.

No. 466 Tract U Wildlife Barrier and Retaining Wall: The retaining wall appears to have been washed out or knocked down and erosion appears to have compromised the support for the wildlife barrier. A proposal from Bright View to repair the wall was approved on August 2nd. According to Bright View the work should begin any day.

No. 447 Budget Pre Meeting: Jennifer, Georgia, John and I met on August 2, 2017 to review and discuss the preliminary budget. The updated draft is included with the meeting materials.

Schedule for Board Member on Duty:

August 2017	Sept. 2017	October 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018
Birgit	Ron	Pete	Laverne	Dan	Birgit	Laverne
March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	Sept. 2018
Pete	Dan	Birgit	Laverne	Pete	Dan	Birgit