

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD
JUNE 6, 2016**

A Special 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 6th day of June 2016, at 12:00 p.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
Dan Staley
Pedro L. Moczo, Jr.
Ronald Degenhart

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc. (“SDMS, Inc.”)
Jennifer Gruber Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, P.C.

**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, Staley, Moczo, Baldwin 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 Palmer led the Board in reciting the Pledge of Allegiance.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

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

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

COMMUNITY COMMENTS

There were no community comments.

EXECUTIVE SESSION

Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S. upon motion duly made by Director Staley, seconded by Director Palmer and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 12:01 p.m. for the purpose of discussing negotiations with third parties and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

Pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 1:23 p.m.

DIRECTOR MATTERS

Committee Roles and Responsibilities: Attorney Tanaka discussed with the Board a previous memorandum prepared by Director Palmer and approved by the Board regarding committee roles and responsibilities, and recommended that the Board establish a scope of authority for each committee, clarifying committee authority. Attorney Tanaka emphasized the importance of achieving committee consensus and of communicating committee decisions to the District Manager so that there is no confusion and/or the District Manager is not placed in an impossible position.

Director Palmer requested that members of each committee who have special knowledge of their areas of responsibility share as much information as possible with fellow committee members and the rest of the Board. Director Palmer discussed the recent disagreement among committee members regarding the approach taken for tree purchasing and planting whereby one contractor was engaged for purchase and delivery of the tree and a second contractor was engaged to plant the trees. Director Staley reported that the Landscaping Committee took that course of action in order to benefit from a municipal benefits program commonly used by cities.

RECORD OF PROCEEDINGS

Director Palmer noted that given that approach we experienced warranty issues for material and labor. Director Staley explained that he has the expertise to oversee the tree selection and planting projects which directly benefits the District. He further explained that under his supervision the District has experienced a 13.8% mortality rate despite extreme weather conditions in the past two years. Director Palmer stated that each committee member must work jointly to provide input (teaching/learning/agree on time schedules) to complete project work and make recommendations to the Board.

Director Baldwin expressed dissatisfaction with trees purchased and planted by the District, noting that most are slow-growing species and are under-sized when planted. Director Staley advised the Board that he seldom hears complaints about the trees. Director Palmer explained that the complaints are most often voiced at HOA meetings and requested that Director Staley attend the meetings to address questions regarding trees. The Board then discussed committee operating procedures and the responsibilities of the Director on Duty. The Board discussed the comminute responsibilities and operating procedures to be as follows:

1. Committees are responsible for carrying out Board direction.
 - a. Committee members must agree on the actions necessary to carry out Board direction. To that end committee members will discuss and attempt to resolve disagreements.
2. In the event committee members are unable to reach agreement they will request that the District Manager poll the Board members.
3. Board members will be attentive to such emails from the District Manager which will indicate a need for a rapid response.
4. The District Manager will communicate the Board consensus to the committee members and Board.
5. The Committee members and District Manager will cooperate to execute the actions in accordance with the Board's decision.

The Board then discussed the need for District representation at HOA meetings and determined that the Board member on duty should attend the meetings that occur while they are on duty.

Following discussion, upon motion duly made by Director Moczo, seconded by Director Baldwin and, upon vote, unanimously carried, the Board

RECORD OF PROCEEDINGS

approved committee operating procedures and on duty Board member responsibilities as listed above, and adding a requirement for future tree purchases and planting to contain at minimum a one year warranty.

The Board then discussed Bright View, and it was noted that the Board has found the services provided by Bright View and its account manager to be unsatisfactory. Recent issues with irrigation were discussed. The Board discussed the possible termination of the contract and agreed that the account manager must be replaced as soon as possible. It was noted that the District intends to go out to bid for landscaping services for 2017. Attorney Tanaka volunteered to contact Bright View to make the request and notify them that the District will be going out to bid for 2017 landscaping services.

LANDSCAPING MATTERS

Independent Contractor Agreement between the District and Summit Services, Inc. for Tree Planting Services: The Board entered into discussion regarding cancelling the Independent Contractor Agreement between the District and Summit Services, Inc. for Tree Planting Services due to warranty issue regarding tree purchases from the original contractor.

Following discussion, upon motion duly made by Director Baldwin, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the cancellation of the Independent Contractor Agreement between the District and Summit Services, Inc. for Tree Planting Services.

Proposal for Shrub Replacement by Summit Services Inc.: Mr. Beckman presented a proposal for shrub replacement in the amount of \$46,872. The Board entered into discussion regarding the proposal and considered authorizing Summit Services, Inc. to perform shrub removal and replacement work for an amount not-to-exceed \$45,000.

Following discussion, upon motion duly made by Director Degenhart, seconded by Director Palmer and, upon vote, unanimously carried, the Board authorized Summit Services, Inc. to perform shrub replacement work for an amount not-to-exceed \$45,000.

RECORD OF PROCEEDINGS

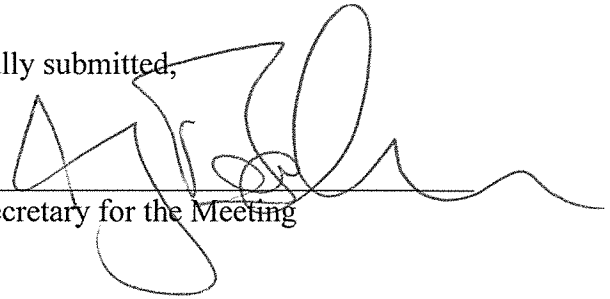
ADJOURNMENT

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: _____

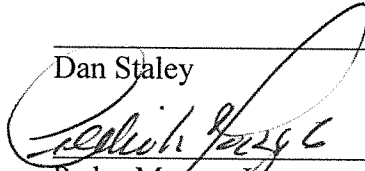

Secretary for the Meeting

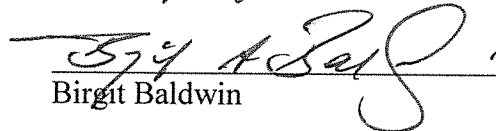


RECORD OF PROCEEDINGS

THESE MINUTES WERE APPROVED AS THE OFFICIAL JUNE 6, 2016 MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Laverne Palmer


Dan Staley

Pedro Moczó, Jr.



Birgit Baldwin


Ronald Degenhart

RECORD OF PROCEEDINGS

Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Conservatory Metropolitan District, I attended the executive session on June 6, 2016 for the sole purposes of providing legal advice on specific legal questions and discussing matters subject to negotiation, as authorized by §§24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel
Conservatory Metropolitan District