

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSERVATORY METROPOLITAN DISTRICT HELD JUNE 16, 2014

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 16th day of June, 2014, 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
Dan Staley
Pedro L. Moczo, Jr.
Birgit Baldwin
Ronald Degenhart

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

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

John Simmons; Simmons and Wheeler, PC.

Lou Yobb, Conservatory Homeowners Association ("HOA")

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.

ADMINISTRATIVE MATTERS

Agenda: Mr. Beckman reviewed with the Board the proposed Agenda for the District's regular meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Staley, 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 the Minutes of the May 19, 2014 regular meeting.
- Acknowledge Homeowners' Association ("HOA") Meeting Reports/Updates.
- Determine Director on Duty for the months of October and November.
- Acknowledge Collections Report through May, 2014.

Following discussion, upon motion duly made by Director Staley, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved the Minutes of the May 19, 2014 regular meeting, as amended, acknowledged Director Staley as the Board Member on Duty for the month of October and Director Baldwin as the Board Member on Duty for the month of November, and acknowledged the Collections Report through May, 2014

COMMUNITY COMMENTS

Community Comments: Mr. Yobb addressed the Board. He reported that in Tract NN there is standing water at the bottom of the path. Mr. Beckman reported that he would check the drainage at the bottom of the path and report back to the Board.

Mr. Yobb then discussed the covenant control signs posted at the entrances to the community explaining that the signs are very small and difficult to read. He explained that he would like to replace them with larger signs approximately two feet high and two feet wide. Mr. Beckman recommended that Mr. Yobb present a rendering of the proposed signage to the District Board. Mr. Yobb will prepare a proposal for consideration by the board.

Ms. Palmer reported that the HOA had previously requested that the grass alongside the trail near the wildlife barrier be cut back. She explained that Mr. Beckman made the request to TerraCare Associates, LLC, the District's landscaping company, and the work is expected to be done in the near future.

RECORD OF PROCEEDINGS

Director Staley discussed the status of the public art to be installed by the District. Mr. Yobb explained that Director Palmer reported the status of the public art to the HOA. Mr. Yobb explained that he would like to have some members of the HOA on the selection committee. Director Staley explained that the funding for the project will come from the City of Aurora ("the City"). Attorney Tanaka clarified that the funding will be provided by Lennar pursuant to an agreement with the District. The total funding will be approximately \$143,000. Director Palmer discussed the Public Art Selection Committee structure, noting that Directors Staley and Baldwin will represent the District as Board Members. Mr. Beckman and Attorney Tanaka will participate on the committee as well as one HOA Board Member, and one member of the public, to be determined.

Director Palmer then reported that there was a question at the last HOA meeting regarding the size of the trees being planted. She reported that she explained to the HOA Board that the trees being planted meet City requirements and, in addition, smaller trees tend to establish better than larger trees. Director Staley reported that some of the trees planted last fall did not survive. He explained that the biggest threat to the smaller trees is vandalism. Mr. Yobb reported that he had two or three residents mention the small trees and he is passing it along simply to make the District aware. Director Staley reported that he has written up an explanation of the tree replacement project and the rationale for the smaller trees. He will forward this to Mr. Beckman and Mr. Yobb. Mr. Beckman will post the information to the District's website. Mr. Beckman reported that the District's website is expected to be functioning within the next week.

FINANCIAL MATTERS

April 2014 Claims: The Board reviewed the check register for the period ending May 31, 2014, including check numbers 2476 through 2489, in the total amount of \$52,184.20, and check number 2350 for release of retainage to Standard Fence Co., in the amount of \$7,793.67.

Attorney Tanaka discussed two refunds to customers related to collections in which she determined to write off some of the time incurred by her firm which was associated with the collection process on the accounts.

Director Baldwin discussed the native reseeding recently done by Summit Services near the entry at Conservatory Parkway and Hampden. She commented that she expected to have seen some growth by now. Director Staley explained that some of the planting, possibly from last year, has begun to germinate. He further explained that there were some germination issues due to the irrigation system having insufficient pressure. He explained that his concept is to improve the overall landscaping in the area

RECORD OF PROCEEDINGS

of Conservatory Parkway and Hampden. Director Staley then reported that Summit Services has performed the work detailed in the reseeding proposal and recommended that the Board approve and sign the check, but withhold the release of the check until Mr. Beckman or Mr. Staley confirm that the work is done. Once confirmed notice will be provided to the District's Accountant and Ms. Baldwin to release the check.

Following discussion, upon motion duly made by Director Staley, seconded by Director Baldwin and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending May 31, 2014, including check numbers 2476 through 2489, in the total amount of \$52,184.20 and check number 2350 for release of retainage to Standard Fence Co., in the amount of \$7,793.67.

Cash Position Schedule and Current Cash Flow Projection: The Board deferred discussion. The schedule and projection will be available at the next Board meeting.

DIRECTOR ORIENTATION

Directors' District Orientation Presentation, Part II: Mr. Beckman, Attorney Tanaka, and Mr. Simmons conducted Part II of the Director Orientation.

LANDSCAPING MATTERS

Monthly Report from TerraCare Associates, LLC("TerraCare"): The Board reviewed the report. Mr. Beckman noted that the turf is looking better than in past years; however, rainfall is likely contributing to the condition. Director Baldwin discussed flowers at monuments and noted that there were flowers planted in the general vicinity of entrance at Conservatory Parkway and Hampden Avenue, but not in the monument beds where they would be more visible. Director Staley explained that the entrance at Conservatory Parkway and Hampden Avenue is a difficult area for landscaping due to irrigation pressure problems with the irrigation system as well as high winds and extreme exposure to the sun. The Board discussed xeric options for landscaping in this area including boulders. Director Staley explained that his goal is to reduce the amount of irrigation needed throughout the District and still maintain an appropriate appearance. He then explained that in his opinion TerraCare Associates, LLC should do a better job of monitoring weeds in shrub beds and should do a better job of cleaning up behind the mowing crews. Director Palmer questioned if TerraCare was emptying the trash cans. Director Staley requested that Mr. Beckman verify that TerraCare Associates, LLC is emptying the trash can in Tract V. Director Staley asked for Board member input on the report by TerraCare Associates, LLC There were no

RECORD OF PROCEEDINGS

objections to the format or information contained in the report. Members of the Board agreed that the turf looks better than in prior years; however, it was noted that the better than expected rainfall is likely a significant factor.

Estimate No. 1006 from TerraCare Associates, LLC for Relocation of an Irrigation Mainline: Mr. Beckman reviewed the estimate with the Board and reported that he has discussed the scope of work with TerraCare Associates, LLC and was told that in order to move the main line to the opposite side of the street the cost would be approximately double the estimate given. The Board discussed approving work as set forth in the estimate and adding two additional hours to the proposed scope of work to allow for TerraCare Associates, LLC to perform utility locates and to verify the main-line realignment.

Drainage Proposal: The Board reviewed a drainage proposal from TerraCare Associates, LLC in the amount of \$4,670.

The Board requested a more detailed proposal and discussed the possibility of getting another proposal or consulting with another landscaping company. The Board requested that Mr. Beckman obtain a detailed proposal with quantities listed for review by the Landscaping Committee.

**OPERATION AND
MAINTENANCE
MATTERS**

Manager's Report: The Board reviewed the Manager's Report. Mr. Beckman then discussed the status of the website. He reported that the website could be operational within a week as long as time can be dedicated to writing the content. Mr. Beckman then reported that the pictures currently being used can be changed to District specific content if members of the Board have photos that they would like to use.

Mr. Beckman then discussed the status of the offsite detention ponds noting that he and Director Degenhart inspected the ponds and confirmed that they are filled beyond capacity. Attorney Tanaka reported that the District has given notice to DR Horton that the ponds will not be accepted by the District until they have been returned to an acceptable condition. Director Staley asked if all appropriate parties have been contacted and all steps have been taken. Director Degenhart reported that he has a meeting set with the City of Aurora Public Works to check to see if the plans and the permits for the ponds were approved signed off on by the City. He will be meeting with Bill McCormick at Public Works to discuss the matter and will report back to the Mr. Beckman. Director Moczo volunteered to accompany Director Degenhart in the meeting with the City.

RECORD OF PROCEEDINGS

Director Staley reported that the elementary school recently installed a berm next to the sidewalk along Conservatory Parkway resulting in water ponding on the sidewalk. The Board directed Attorney Tanaka to prepare a letter to the School District requesting that the condition be corrected. Director Staley also discussed the tot-lot being installed by Lennar. He reported that Lennar is not installing a trash can in the new area. Director Staley requested that Mr. Beckman request that a trash can be installed.

LEGAL MATTERS **Discussions with Lennar Homes on Responsibilities, Obligations and Coordinated Efforts for New Development:** The Board entered into discussion regarding the status of the following outstanding issues:

1. Public arts obligation.
2. Operation and maintenance of Tracts I and J for interim period.
3. Miscellaneous.

Attorney Tanaka reported that Lennar is in the process of tying up loose ends for the agreements they will be entering into with the District. The Board discussed possible actions to expedite the execution of the agreements. Director Palmer discussed the height of the grass on Conservatory Parkway along Tract I. Attorney Tanaka will follow up with Lennar noting that the height of the grass is becoming a nuisance.

Acceptance of Tract V Improvements from DR Horton: Attorney Tanaka reported that DR Horton has been provided notice that the improvements will not be accepted by the District until they are in acceptable conditions. She is waiting to hear back from DR Horton's Attorney.

Off-Site Detention Ponds: It was noted that the offsite detention ponds are also the responsibility of DR Horton and Attorney Tanaka has provided DR Horton notice that they must be in acceptable condition before the District will accept the improvements. She is awaiting a response.

Public Record Request Policy: Attorney Tanaka explained that, pursuant to newly enacted legislation, the District needs to adopt a public records policy. The policy will need to be posted on the Public Records Custodian's website or otherwise published to the public, which may include posting the policy on the District's website and/or the Special District Association's website. This is required in order for the District to be able to charge requesters for the time associated with gathering the requested documents.

RECORD OF PROCEEDINGS

She noted that, to date, the District has not had a policy so she is recommending that the District adopt the policy and post as required.

Following discussion, upon motion duly made by Director Staley, seconded by Director Palmer and, upon vote, unanimously carried, the Board adopted a Public Records Request Policy and directed Mr. Beckman to post as required by the July 1 deadline.

BOARD MEMBER INPUT

Board Member Input: Director Degenhart asked if any action related to the water audit by Keesen Enterprises had been taken. Director Staley explained that TerraCare Associates, LLC has the water audit. He has been working with TerraCare Associates, LLC to address the recommendations in the audit. He explained that he still needs to walk the property with TerraCare Associates, LLC and discuss the options outlined for water consumption.

Director Palmer discussed the replacement of stones on the piers. The Board directed Mr. Beckman and Director Degenhart to work with contactors to develop a scope of work for replacement of stones on the piers.

There was no input from the other Board members.

NEW BUSINESS

New Business: There was no new business to discuss.

CONTRACT APPROVALS

Landscape Expenditure Budget Tracking Matrix: Mr. Beckman reviewed the matrix with the Board. He discussed the remaining budget of \$32,000 with the Board. Director Staley reported that turf reduction and irrigation projects would likely be funded this year, but proposals have not yet been obtained. No action was taken.

Third Addendum to Independent Contractor Agreement (Landscape Maintenance Services – 2014) between the District and TerraCare Associates, LLC: The Board entered into discussion regarding the Third Addendum to Independent Contractor Agreement (Landscape Maintenance Services – 2014) between the District and TerraCare Associates, LLC, in the amount of \$1,400 for exposing and repairing 20' of mainline and 20' bundle of wires. LLC.

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

RECORD OF PROCEEDINGS

Board approved the Third Addendum to Independent Contractor Agreement (Landscape Maintenance Services – 2014) between the District and TerraCare Associates, LLC.

Fourth Addendum to Independent Contractor Agreement (Landscape Maintenance Services – 2014) between the District and TerraCare Associates, LLC: The Board entered into discussion regarding the Fourth Addendum to Independent Contractor Agreement (Landscape Maintenance Services – 2014) between the District and TerraCare Associates, LLC, in an amount not to exceed \$2,990 to relocate an irrigation mainline.

Following discussion, upon motion duly made by Director Staley, seconded by Director Degenhart and, upon vote, unanimously carried, the Board approved the Fourth Addendum to Independent Contractor Agreement (Landscape Maintenance Services – 2014) between the District and TerraCare Associates, LLC, with an additional not-to-exceed amount of \$250 included in contract price for utility location and alignment.

OTHER BUSINESS **Community Outreach:** The Board discussed the following items as information to be included in the June 2014 Community Update. It was noted that, when available, this information will be posted on the District's new website.

- Status of the District's website.
- Director Staley to provide blurb for tree sizes.
- Six holes where trees are on back order – waiting for shipment. Expect project to go through 2016.
- Vegetation to be cut back along District's trail (Beauty Bands).
- Ongoing maintenance – stone replacements on walls.

Director Staley noted that Ash Borer will likely require major replacement at some point in the future which could extend the tree replacement project and will likely continue through 2016. He will prepare an article addressing this issue.

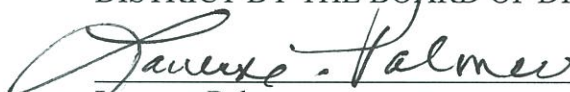
ADJOURNMENT There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

RECORD OF PROCEEDINGS

Respectfully submitted,

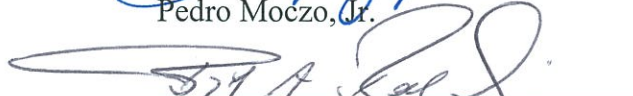
By: 
Secretary for the Meeting

THESE MINUTES WERE APPROVED AS THE OFFICIAL JUNE 16, 2014 MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Laverne Palmer


Dan Staley


Pedro Moczo, Jr.


Birgit Baldwin


Ronald Degenhart