

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF EBERT METROPOLITAN DISTRICT

HELD: Wednesday, the 10th day of April, 2019, at 8:00 a.m., at the City and County of Denver Green Valley Ranch Recreation Center, 4890 Argonne Way, Denver, Colorado 80249

ATTENDANCE:

A regular meeting of the Board of Directors of Ebert Metropolitan District, City and County of Denver, Colorado, was called as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Sandra M. Hittman, President
Cristine M. Antolak, Treasurer
Mikel P. Moore, Assistant Secretary
Jurgen Figenser, Assistant Secretary

Also present were Charles D. Foster of Foster Consulting, Ltd, District Manager; Jerry Jacobs, District Manager; Kevin Collins of CliftonLarsonAllen LLP, District Accountant; Thomas George, Esq. of Spencer Fane LLP, General Counsel; Ben Biesendorfer of Management Specialists, Inc.; and members of the public.

CALL TO ORDER/QUORUM:

It was noted that a quorum was present for the Board for the purpose of conducting a regular meeting. The regular meeting of the Board of Directors of the Ebert Metropolitan District was called to order at 8:09 a.m. Director Hatcher was absent, absence excused.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:

Mr. George noted that general disclosure statements had been filed on behalf of certain members of the Board of Directors with the Office of the Colorado Secretary of State and with the Secretary of the Districts. The Board directed that said disclosures be incorporated herein. The Board further noted that transactional disclosures had been filed with the office of the Colorado Secretary of State regarding agenda items for this meeting.

Director Hittman noted that the transactional disclosures filed inadvertently and incorrectly stated certain members of the Board have interests in or are employed by the landowner and/or entities active in developing property within the boundaries of the District, namely Oakwood Homes LLC/Clayton Properties Group II, Inc. Director Hittman clarified that none of the members of the Board have interests in or are employed by Oakood Homes LLC/Clayton Properties Group II, Inc.

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APPROVAL OF MINUTES:

The Board reviewed the minutes of the joint regular meeting of the Board of Directors of Ebert Metropolitan District and Town Center Metropolitan District held on January 23, 2019. Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved the minutes, and authorized an Assistant Secretary of the Board to sign the minutes as constituting true and correct records of the proceedings of the meeting.

FINANCIAL MATTERS:

Draft December 2018 and February 2019 Financials. Mr. Collins presented to the Board the draft December 2018 and February 2019 financials. Director Hittman had questions regarding the reserve study and how the financial projections look, specifically if the District will fall behind and if the current reserve derived from the 1.000 reserve mill levy will be sufficient, and requested that an update be provided at the July 10th Board meeting. Following discussion, upon motion duly made, seconded and unanimously carried, the Board accepted the draft financials as presented.

Mr. Collins reported that the District's draft 2018 audit is not yet completed. Director Hittman requested that the District's engagement contract with its auditor for the 2019 audit should include a penalty or service fee reduction if the auditor doesn't provide the draft audit by an agreed upon date.

2018 Conservation Trust Fund Budget Amendment. Mr. Collins reviewed the proposed 2018 Conservation Trust Fund Budget Amendment with the Board. Discussion ensued. Director Hittman asked for confirmation that the proposed budget amendment would not put the District in a negative financial position. Mr. Collins confirmed that it would not. Mr. George noted that the required public hearing for the proposed budget amendment was previously held during the Board's January 23, 2019, meeting. Following discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the budget amendment as presented.

DIRECTOR ITEMS:

Director Antolak requested that the Board's July 10 meeting be moved to an evening start time. Following discussion, upon motion duly made, seconded and unanimously carried, the Board rescheduled the July 10th Board meeting from 8:00 a.m. to 6:00 p.m. Mr. George noted that Spencer Fane will review and revise all notices for the rescheduled meeting time.

The Directors discussed assigning specific duties to Board members for specific areas of concern relative to District and community affairs. Director Hittman suggested that Director Moore should oversee the design review, Director Figenser should oversee quality control, and Director

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Antolak should oversee covenant enforcement. Director Figenser expressed frustration regarding ongoing covenant violations and stated that he feels as if the District doesn't have the authority to correct such violations. Director Hittman indicated she understood his concern but did not entirely agree, and encouraged Director Figenser and the other Board members to take on the specific duties as proposed and continue to work toward improving the community and the Board's influence, noting that the entire Board will need to continue to assess improvement along the way. Following discussion, the Board agreed that each Board member would accept the specific duties as proposed.

Discussion ensued regarding whether the District or Town Center Metropolitan District should provide services to Oak Crest Townhomes, the current proposal being that Town Center Metropolitan District will provide such services. The Board expressed concern that the provision of such services could overburden the districts' mutual consultants, and it was suggested that perhaps the services should be provided by a private entity. Director Hittman directed the District Manager to request further information regarding this issue from Town Center Metropolitan District and report back to the Board.

ATTORNEY'S ITEMS:

Resolutions to Dissolve Ebert Subdistrict Nos. 1 and 2. Mr. George presented the proposed Resolutions to Dissolve Ebert Subdistrict Nos. 1 and 2, noting that his office had been in touch with the Division of Local Government regarding the proposed dissolutions, and the Division expressed a preference for the Board's adoption of the resolutions rather than taking no action at all, as had been previously proposed. Following discussion, upon motion duly made, seconded and unanimously carried, the Board approved the Resolutions as presented. It is noted that Counsel will confirm that no further references to the Subdistricts will be made in District documents or filings.

Engagement of Spencer Fane LLP. Mr. George presented to the Board a proposed engagement letter from Spencer Fane LLP regarding the continued legal representation of the District. Ms. Hittman suggested the Board should approve the engagement but only until the District's next Board meeting on July 10, 2019, at which time the Board should consider whether to continue with Spencer Fane LLP or obtain new legal counsel. Following discussion, upon motion duly made, seconded and unanimously carried, the Board approved the proposed engagement through July 10, 2019, as discussed.

MSI COMMUNITY REPORT:

Mr. Biesendorfer presented the January-April MSI Community Report to the Board. It was noted that Altitide Community Law is handling foreclosures for the District. Discussion ensued among Mr. Biesendorfer, the Board and members of the public regarding various community issues including covenant enforcement, including the form and content of initial violation letters to residents, parking of commercial vehicles and trash issues.

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MANAGER REPORT:

No formal report was provided. Director Hittman requested that updated information be provided to the Board regarding inconsistencies related to the District's mill levies and the Denver Assessor's tax coding when available.

OTHER BUSINESS:

None.

PUBLIC COMMENTS:

The Board heard comments from the public and responded as appropriate. Topics included MSI review of Town Center Metropolitan District property, timing issues for repair projects, the reduction of the mill levy, the GVR-North service contractors and build out, election and service of District Board members, praise of Carriage Homes snow removal this winter, the opening of the Farmers Market in July, and the need for signage distinguishing Fairway Villas No. 2 from Fairway Villas No. 1.

Councilwoman Gilmore's representative provided comments and announcements regarding City activities within the District.

EXECUTIVE SESSION AS NEEDED TO HEAR LEGAL ADVICE FROM COUNSEL PURSUANT TO C.R.S. SECTION 24-6-502(4)(B):

None.

ADJOURNMENT OF MEETING:

There being no further business to come before the Board and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 10:54 a.m. The Board noted that the next meeting of the Board is scheduled for 6:00 p.m. on Wednesday, July 10, 2019, at the City and County of Denver Green Valley Ranch Recreation Center, 4890 Argonne Way, Denver, Colorado.

The foregoing minutes constitutes a true and correct copy of the proceedings of the above-referenced meeting and were approved by the Board of Directors of Ebert Metropolitan District.


Secretary of the Ebert Metropolitan District