

RECORD OF PROCEEDINGS

MINUTES OF A CONTINUED SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CONSERVATORY METROPOLITAN DISTRICT HELD AUGUST 5, 2011

A Continued Special Meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as (“Board”), was convened on Friday, the 5th day of August, 2011, at 3:30 P.M., at the residence of Ronald (Dick) R. Dailey, 2897 South Lisbon Way, Aurora, Colorado, 80013. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Don G. Samsel
Ronald “Dick” R. Dailey
Dan Staley

Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried the absences of Laverne Palmer and Jud Davis were excused.

Also In Attendance Were:

Jennifer Tanaka, Esq.; White, Bear & Ankele, P.C. – Via speakerphone

Cass McKenzie, Esq.; McKenzie, Rhody & Hearn, LLC

RECONVENING

The Board reconvened its meeting at 3:30 P.M.

LEGAL MATTERS

EXECUTIVE SESSION: Litigation against D.R. Horton: Pursuant to Sections 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Samsel, seconded by Director Staley and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 3:35 p.m. for the purpose of discussions relating to third party negotiations and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators as authorized by Section 24-6-402(4)(e), C.R.S. and receiving from the Board's attorney legal advice on specific legal questions as authorized by Section 24-6-402(4)(b), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the

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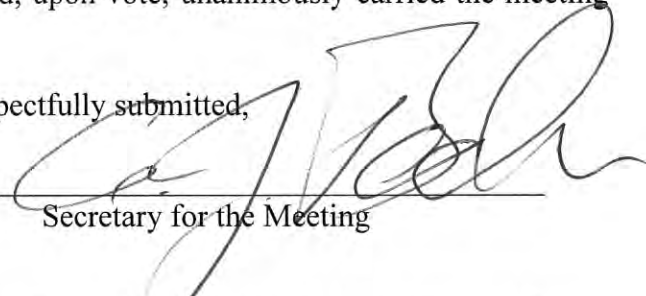
opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 4:00 p.m.

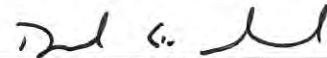
ADJOURNMENT

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


Respectfully submitted,

By: 
Secretary for the Meeting

THESE MINUTES WERE APPROVED AS THE OFFICIAL AUGUST 5, 2011 CONTINUED SPECIAL MEETING MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Don G. Samsel



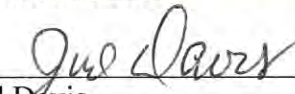
Ronald "Dick" R. Dailey



Dan Staley



Laverne Palmer

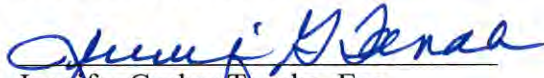


Jud Davis

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ATTORNEY STATEMENT

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 convened on August 5, 2011 for the sole purpose of discussing legal matters and strategy as they relate to the outstanding obligations of the District, as authorized by §24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that all 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 by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.

Attorney for the Conservatory Metropolitan District