

**RECORD OF PROCEEDINGS**

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**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CONSERVATORY METROPOLITAN DISTRICT  
HELD  
JANUARY 17, 2011**

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 17th day of November, 2011, 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:**

Don G. Samsel  
Ronald "Dick" R. Dailey  
Laverne Palmer  
Dan Staley  
Jud Davis

**Also In Attendance Were:**

AJ Beckman; Special District Management Services, Inc.

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

Georgia Harland; Simmons & Wheeler, P.C.

Pat Bruno and Michael Dandeneau; Summit Services, Inc.

Kevin Smith; Westside Investment Partners, LLC

Reymon Garcia and Lou Yobb; Conservatory Homeowners' Association

**CALL TO ORDER**

Director Samsel noted that a quorum of the Board was present and called the meeting to order.

**DISCLOSURE 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 each Board member confirmed that they had no conflicts of interest in

## RECORD OF PROCEEDINGS

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connection with any of the matters listed on the Agenda.

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**ADMINISTRATIVE MATTERS** **Agenda:** Mr. Beckman distributed, for the Board's review and approval, a proposed Agenda for the District's regular meeting.

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

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### **CONSENT AGENDA**

The Board considered the following actions:

- Acknowledge Homeowners' Association Meeting Reports/Updates (if available).
- Review and consider approval of the 2011 schedule for Board Members on Duty as follows:
  - January, June and November, Director Samsel
  - February, July and December, Director Dailey
  - March and August, Director Palmer
  - April and September, Director Staley
  - May and October, Director Davis

Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the above actions.

The Board then reviewed the Minutes from the November 15, 2010 regular meeting.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the Minutes from the November 15, 2010 regular meeting, as amended.

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### **COMMUNITY COMMENTS**

**Westside Investment Partners, Inc. – Signage on District Tracts:** Mr. Smith distributed and reviewed with the Board a map identifying proposed locations for development promotional signage along with a picture of the proposed signage. Mr. Smith clarified that the proposal is from Carapace Homes, not Westside Investment Partners, Inc. Director Dailey recommended that the Board consider allowing the signage within

## RECORD OF PROCEEDINGS

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guidelines that would be consistent for all builders. The Board discussed the need to prepare an agreement that would require Carapace Homes to properly install and maintain the signs as well as restore the locations to their original condition following the sale of the final property advertised. Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried, the Board authorized Carapace Homes to install signage at Tracts RR, III, MM and V or W upon execution of a license agreement prepared by the District's Attorney.

The Board directed Counsel to prepare a license agreement setting for the terms of the installation and maintenance of the proposed signage at the specified locations.

**Homeowners' Association ("HOA") – "No Soliciting" Signage:** Mr. Garcia distributed and reviewed with the Board a map and details of the proposed "No Soliciting" signage. He noted that the Homeowners' Association would be responsible for any damage caused to District's property and would be responsible for the enforcement of the covenant. He reviewed the proposal with the Board and noted that the proposed locations would be in tracts A, BB, and TT.

Mr. Garcia requested that the Board consider approval for the proposed signage and requested that the Board consider authorizing the District to share in the cost of the signage and suggested a contribution of \$100 per location. Director Palmer expressed her concern for the maintenance of the signs and asked if the installation and materials would be warrantied. Mr. Garcia explained that the HOA would perform the maintenance and that he would follow up regarding a warranty. Director Samsel discussed the need to formally acknowledge the installation and maintenance responsibilities of the HOA for the signage.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the installation of "No Soliciting" signage by the HOA upon execution of a license agreement prepared by the District's Attorney.

**Community Comments (Items not on the Agenda):** Mr. Yobb addressed the Board regarding snow removal in certain areas. Director Dailey explained that the areas in question are not the District's responsibility. Mr. Yobb discussed the clearing of snow on the natural surface paths in tracts NN, VV, and WW. The Board advised Mr. Yobb that the paths are not

## RECORD OF PROCEEDINGS

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currently part of the designated snow removal plan. Pat Bruno reported that Summit Services would look at the areas and report back with the cost and feasibility of clearing the paths in question.

### OPERATIONS AND MAINTENANCE MATTERS

#### Summit Services, Inc. ("Summit Services") – Monthly Report:

Snow Removal: Mr. Bruno addressed the Board regarding snow removal. He reported that certain areas were not properly cleared with the recent snowfall and that Summit Services will address the problem areas in the future making bus stops a priority. He noted that Summit Services uses an ice melt product called Ice Slicer and that they will be cautious to keep it off of the landscaped areas. Director Samsel cautioned them to be careful regarding crossing resident landscaping with ATVs. Director Palmer advised Mr. Bruno that properly addressing complaints is extremely important to her.

Winter Watering: Director Staley inquired about winter watering. Mr. Bruno recommended that the Board authorize winter watering and advised the Board that February will be a critical month to water. He recommended that the watering efforts be focused on the trees more than the sod. He reported that it would require approximately two weeks to charge the irrigation system and then subsequently blow-out the system. Director Palmer asked approximately how many times the District would need to water. Mr. Bruno advised the Board that if the conditions do not improve, he would recommend up to two-additional waterings this winter. He further reported that after January the system may not require a full blow-out for adequate freeze protection.

Director Palmer noted to Summit Services, Inc. that water running in the street is a personal concern of hers. Mr. Bruno explained to Director Palmer and to the rest of the Board that this would not occur.

Irrigation Audit: Mr. Bruno then discussed the irrigation audit with the Board. He advised the Board that he would need to observe the system in operation before he could recommend an appropriate scope for an audit. He will make a recommendation later this year.

Tree Replacement: Mr. Bruno also discussed tree replacement. He reported that the Board would receive a discount for a bulk purchase before April. The Board directed Mr. Bruno to provide pricing.

### FINANCIAL MATTERS

Claims: Ms. Harland reviewed the claims dated January 17, 2011 with the Board, totaling \$26,017.50.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the Board approved the claims for the period ending January 17, 2011 totaling \$26,017.50.

**Financial Statements:** Ms. Harland presented the unaudited financial statements for the period ending December 31, 2010 for the Board's review. Following discussion, upon motion duly made by Director Palmer, seconded by Director Samsel, and upon vote, unanimously carried, the December 31, 2010 unaudited financial statements were accepted.

**Current Cash Flow Projection:** Ms. Harland reviewed the current cash flow projection through March 2011 with the Board.

**Collections Report and Delinquency Account List:** Attorney Tanaka reviewed the Collection Report and Delinquency Account List with the Board.

**Request from Mr. Hood regarding collections on account:** Attorney Tanaka discussed the request by Mr. Hood for a payment plan. She requested direction from the Board as to whether to continue to wait for payments pursuant to the payment plan already in place or whether to proceed with a lien. Following discussion, the Board directed Attorney Tanaka to continue with the payment plan and noted that if payment is not received from Mr. Hood by the end of February, for Attorney Tanaka to report back to the Board.

**OPERATION AND  
MAINTENANCE  
MATTERS  
CONINUTED**

**Proposal from Summit Services, Inc. for Winter Watering:** The Board discussed the proposal from Summit Services, Inc. for Winter Watering.

**Relocation of Mailboxes:** Mr. Beckman reported that the new mailbox shelter is almost complete and that he is coordinating the relocation of mail box pods to the new shelter. As part of the process, a letter notifying each affected resident will be delivered by the postal service with no charge for postage. Director Staley recommended that a notice also be posted at the current mail pick up location.

**Drainage Improvements at Jericho and Girard:** Mr. Beckman reported that the improvements at Jericho and Girard are complete. He discussed unanticipated costs for engineering and repeated visits to the City of Aurora by the Contractor.

## RECORD OF PROCEEDINGS

---

**Theft of Lighting System at Entrance:** Mr. Beckman reported that the lighting system was stolen within a week of being installed. Director Palmer filed a police report with the City of Aurora Police Department. Mr. Beckman reported that he has filed a claim with the District's insurance provider but he does not know at this point if the loss will be covered.

**Homeowners' Association for "No Soliciting" Signage:** Discussed under the Community Comments section above.

**Westside Investment Partners, Inc. for Signage on District Tracts:** Discussed under the Community Comments section above.

**Quotes for Pest Control Services:** Mr. Beckman reviewed proposals for pest control services by Colorado Pest Management Co., Rocky Mountain Wildlife Services, Inc., and Orkin Pest Control. It was noted that Orkin proposed the lowest cost for service. Director Palmer noted that Rocky Mountain Wildlife Inc. provided the most detail regarding field operations.

**Vandalism to Tree in Tract DD:** Mr. Beckman reported that the tree had been cut in half and the top half removed. He received a proposal from Summit Services for replacement and filed a claim with the District's insurance carrier. The cost to replace the tree is \$1,445.

**Cost Estimates for Fence Painting:** The Board reviewed the costs estimates for fence painting. Mr. Dailey recommended that the District choose a section of the fence to paint this year with the budgeted funds. Following discussion, the Board directed Mr. Beckman to obtain bids for painting a specific section fence this year.

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**LEGAL MATTERS** **Ownership and Maintenance of Fences Separating District and Private Property:** Attorney Tanaka reported that she has been in contact with Dana Spade, the Assistant City Attorney. She is awaiting a response regarding the ownership and maintenance responsibility of the fences in question.

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## RECORD OF PROCEEDINGS

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### BOARD MEMBER INPUT

**Illumination of Monuments and Electrical Outlet at Northern Entrance:** Director Dailey reported that the monuments on the north end of the District in Tract Y and in Tract TT are not illuminated. Following discussion. Mr. Beckman reported that he would have the monuments inspected and follow up with maintenance or repairs as necessary.

**Electrical Outlet at Northern Entrance:** Director Samsel asked about status of an electrical outlet at the northern entrance to the community. Director Dailey reported that there is an electrical outlet in this area and he clarified the location.

**Bank Account Signor:** Director Dailey discussed the process for gaining access to the District's on-line banking reports and advised the Board that in the process he discovered that John Warnick was the authorized representative of the District to allow such access. The Board discussed account authorizations.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer and, upon vote, unanimously carried, the Board authorized John Simmons to be the authorized representative of the District for all banking matters and directed Mr. Beckman to have Mr. Warnick removed.

**Fallen Tree in Tract KK:** Director Dailey reported that there is a fallen tree in Tract KK and directed Mr. Beckman to contact Summit Services, Inc. to have the tree removed.

**Pest Control Services:** Director Dailey reported on the availability of a local pest control specialist with in the community and advised the Board that after considering this option he is of the opinion that such services should be provided by a licensed contractor.

### NEW BUSINESS

There was no new business to discuss.

### CONTRACT APPROVALS

**Landscape Annual Expenditures Matrix:** Mr. Beckman reviewed the matrix with the Board.

**First Addendum to Service Agreement between the District and CAPCO General Contracting, LLC for Mailbox Shelter Construction Project:** The Boar discussed the First Addendum to the Service Agreement between the District and CAPCO General Contracting LLC for the

## RECORD OF PROCEEDINGS

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Mailbox Shelter Construction Project.

Following discussion, upon motion duly made by Director Staley, seconded by Director Palmer and, upon vote, unanimously carried, the Board ratified approval of the First Addendum to the Service Agreement between the District and CAPCO General Contracting LLC for the Mailbox Shelter Construction Project.

**Service Agreement between the District and Orkin, LLC for Pest Control Services:** The Board discussed the Service Agreement between the District and Orkin, LLC for Pest Control Services.

Following discussion, upon motion duly made by Director ~~Samsel~~<sup>Staley</sup>, seconded by Director Samsel and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and Orkin, LLC for Pest Control Services.

**First Addendum to the 2011 Landscape Services Contract with Summit Services, Inc. for Winter Watering Services:** The Board discussed the First Addendum to the 2011 Landscape Services Contract with Summit Services, Inc. for Winter Watering Services.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the First Addendum to the 2011 Landscape Services Contract with Summit Services, Inc. for Winter Watering Services.

**Service Agreement between the District and Olsson Associates, Inc. for French Drain Design Drawings:** The Board discussed the Services Agreement between the District and Olsson Associates, Inc. for the French Drain Design Drawings.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement with Olsson Associates, Inc. for the French Drain Design Drawings.

**City of Aurora Addendum to Master License Agreement No. 04-03:** The Board discussed the City of Aurora Addendum to the Master License Agreement No. 04-03.



## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Davis, seconded by Director Staley and, upon vote, unanimously carried, the Board ratified approval of the City of Aurora Addendum to Master License Agreement No. 04-03.

**Simmons & Wheeler, P.C. Engagement Letter:** Discussion was deferred to next meeting.

**Cost Share Request between the District and the HOA for "No Soliciting Signage":** Following discussion, the Board determined to not use public funds for the HOA "No Soliciting" signage but will provide assistance in locating underground utilities.

**Tree Replacement by Summit Services, Inc.:** The Board discussed the possibility of receiving a discount of trees purchased before April with Summit Services, Inc. Following discussion, the Board directed Mr. Beckman to request a species and price list.

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**OTHER BUSINESS** **Community Outreach:** The Board directed Mr. Beckman to include the following items in the February 2011 Community Update:

- Transparency Notice
- Mailbox relocation
- Plan for fence painting
- Website reporting capability

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### **ADJOURNMENT**

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

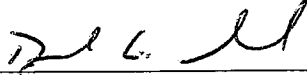
Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting


**RECORD OF PROCEEDINGS**

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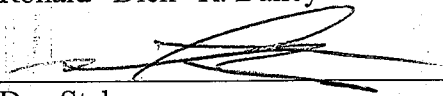
THESE MINUTES WERE APPROVED AS THE OFFICIAL  
JANUARY 17, 2011 MINUTES OF THE CONSERVATORY  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:



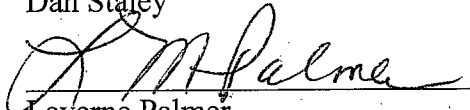
Don G. Samsel



Ronald "Dick" R. Dailey



Dan Staley



Laverne Palmer

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Jud Davis