

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD
APRIL 19, 2010

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 19th day of April, 2010, 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
Dan Staley
Laverne Palmer
Judson R. Davis, Jr.

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.

Kent Vanderploeg and Vicki Keevak; The Brickman Group

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 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 Davis, seconded by Director Samsel and, upon vote, unanimously carried, the Agenda was approved, as amended.

CONSENT AGENDA

The Board considered the following actions:

- Review and approve Minutes from the February 22, 2010 special meeting and the March 15, 2010 regular meeting, as amended.
- Acknowledge Homeowners' Association Meeting Reports/Updates.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Samsel and, upon vote, unanimously carried, the Board approved the February 22, 2010 special meeting minutes and the March 15, 2010 regular meeting minutes, as amended.

There were no reports or updates by the Homeowners' Association.

COMMUNITY COMMENTS

Community Comments: No members of the Community were present.

OPERATIONS AND MAINTENANCE

The Green Plan - Monthly Report: Ms. Keevak reviewed the April 2010 report with the Board, which is attached hereto and incorporated herein by this reference. She reported that aeration is complete and fertilization should be done next week.

Flowers. Ms. Keevak reported that the flowers have been ordered and that all flower beds will be two-thirds annuals in the front and one-third perennials in the back. She noted that the flowers are expected to be planted by May 24th. Director Staley requested that

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Ms. Keevak email the quantities and plant selections to him for review.

Grass replacement. Ms. Keevak further reported that she has begun the grass replacement on Tract U with the application of Roundup. She expects the existing turf to be completely eradicated by the end of May and will reseed as soon as the existing sod is removed. Ms. Keevak requested the Board's input for a specific date to begin landscape irrigation. Members of the Board expressed their desire to have healthy, green sod and directed The Brickman Group to irrigate as necessary.

Monument Improvements. Ms. Keevak reported that The Brickman Group will move the fence on Tract J tomorrow when improvement work on the monument resumes.

Irrigation Controllers. The Board discussed creating a comparative report to monitor water consumption. Following discussion, the Board determined that a report would not be necessary.

Snow Removal. Director Palmer inquired as to what factors affect the price of snow removal. Ms. Keevak reported the actual cost is a direct function of the hours worked and that heavier snows require more time and different equipment to remove.

Bulk Tree Replacements and Timing for Replacements:
Mr. Beckman discussed with the Board postponing the tree installation until the fall of 2010 in order to take advantage of the bulk planting discount of 5% offered by The Brickman Group. Director Staley discussed the possibility of planting a heartier species of trees in the fall. Director Samsel recommended verifying the approved tree list with HOA and the City of Aurora. Director Staley noted that he is familiar with the City's requirements.

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

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replacing all trees in the fall of 2010 to take advantage of the planting season as well as the discount offered by The Brickman Group.

Replacing Trail Surface with Stabilized Crusher Fines on Tract NN and Proposal from The Brickman Group to Replace Trail Surface on Tract NN: This item is discussed under Contract Approvals.

Creation and Maintenance of GIS Map: Mr. Beckman reported to the Board that he has emailed the City of Aurora with a request for additional GIS data. He noted that he will follow up once more then refer the matter to Director Staley.

Relocation of Mailboxes: Director Dailey inquired as to the priority of the issue. Director Samsel discussed the current status and recommended sending a non-combative letter to the Post Master requesting mailbox relocation pursuant to the original landscape plan. The Board directed Mr. Beckman to work with Director Dailey to draft a letter to the Post Master requesting permission to relocate the mailboxes and clarification of the process to pursue such approval.

FINANCIAL MATTERS

Claims: Ms. Harland reviewed the first set of claims dated April 13, 2010 with the Board totaling \$26,603.09.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the first set of claims dated April 13, 2010 totaling \$26,603.09.

The Board then considered approval of the second set of claims for the period ending April 16, 2010 totaling \$203.45. It was noted the second set of claims were issued to residents with a credit balance.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Samsel and,

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upon vote, unanimously carried, the Board approved the second set of claims for the period ending April 16, 2010 totaling \$203.45.

Financial Statements: Ms. Harland presented the unaudited financial statements for the period ending March 31, 2010 for Board review.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer, and upon vote, unanimously carried, the March 31, 2010 unaudited financial statements were accepted.

Cash Flow Projection: Ms. Harland reviewed the cash flow projection through March 31, 2011 with the Board.

2009 Audit: The Board entered into discussion regarding the 2009 Audit. Ms. Harland reported that she has not heard back from the Auditor yet but expects the 2009 Audit to be ready to file with the State Auditor by the statutory deadline on July 31, 2010.

DELINQUENT FEES REPORT

Delinquent Account Report: Attorney Tanaka distributed and discussed the Delinquent Account Report with the Board. She reported that there are currently 80 new liens on the list and approximately 20 accounts will reach the threshold to have a lien filed against their property as soon as late fees are added. Attorney Tanaka reported that several property owners have contacted her to make arrangements for payment plans and those payment plans are noted on the delinquency report. It is the responsibility of the Owners to send in payments. The work and cost to send reminders will not be done by the District.

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LEGAL MATTERS

Tract JJ Easement with The City of Aurora (the "City"): Attorney Tanaka reported that she recently discussed this matter with representatives of the City. The City will not grant an easement to the District until the City, CoCal Landscape and D.R. Horton have resolved pending legal matters. The City views D.R. Horton as being responsible for all outstanding issues. Following discussion, the Board determined to take no further action and directed Mr. Beckman to include this matter in the next Community Update.

Ownership and Maintenance of Fences Separating District and Private Property: Attorney Tanaka reported that the City of Aurora is requesting additional information from the District regarding the matter. The Board directed Attorney Tanaka to compile and transmit package to the City of Aurora for review.

Proposition 101 and Amendments 60 and 61: Attorney Tanaka distributed and reviewed a memorandum from White, Bear & Ankele, P.C. dated April 13, 2010 Regarding Proposition 101 and Amendments 60 and 61.

OTHER BUSINESS

Community Outreach: Items for Community Update. Following discussion, the Board requested the following items be included in the Community Update:

- Holiday Lighting
- Tract JJ Ownership
- Flowers
- Tract NN Trail Surface Replacement
- Monument Improvements on Tract J
- Turf Replacement on Tract U

Website. There was nothing new to report.

Action Items Status Matrix: Mr. Beckman reviewed and discussed the action items with the Board. Director Dailey inquired into the District's obligation to fund public arts within the District. Attorney Tanaka reported that the public arts fund requirement

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was imposed on the District through its original Service Plan and because the Service Plan was amended in November 2009, the District's obligations are no longer outstanding. Director Dailey discussed the District's agreement with the Developer whereby the Developer agreed to fund the District's obligation. Director Dailey requested that the matter be added to the Action Items Status Matrix for follow up. Attorney Tanaka noted that she will review the agreement to verify the District's obligations.

BOARD MEMBER INPUT

Board Member Input: There was no Board Member input.

NEW BUSINESS

New Business: There was no new business to discuss.

CONTRACT APPROVALS

Proposals involving the Expenditure of Funds received from The Brickman Group and Second Addendum to Independent Contractor Agreement with The Brickman Group: The Board discussed replacing the trail surface with stabilized crusher fines on Tract NN and reviewed and discussed the proposal by The Brickman Group to replace trail surface on Tract NN in the amount of \$2,700.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the proposal by The Brickman Group to replace trail surface on Tract NN in the amount of \$2,700.

Landscape Annual Expenditures Matrix: Mr. Beckman reviewed the matrix with the Board. Director Palmer requested that she manage the holiday lighting committee. She also asked that a message be sent to the community asking for volunteers to help with the design of the holiday lights.

LEGAL MATTERS CONTINUED

Litigation against D.R. Horton, Status of Notice of Claim for Dead and Declining Trees and Compliance Matters and Financial Status of District: EXECUTIVE

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SESSION: Pursuant to Sections 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Davis, seconded by Director Samsel and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:02 a.m. for the purposes of discussing legal matters as authorized by Section 24-6-402(4)(b) C.R.S. and discussing matters subject to negotiation pursuant to Section 24-6-402(4)(e), 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 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 11:59 a.m.

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.

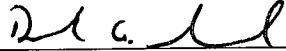
Respectfully submitted,

By

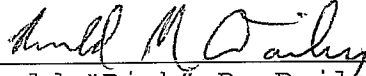

Secretary for the Meeting

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THESE MINUTES WERE APPROVED AS THE OFFICIAL
APRIL 19, 2010 MINUTES OF THE CONSERVATORY
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:



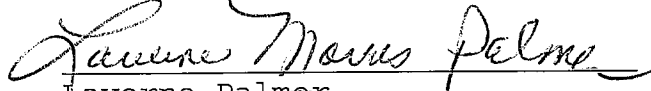
Don G. Samsel



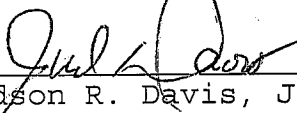
Ronald "Dick" R. Dailey



Dan Staley



Laverne Palmer



Judson R. Davis, Jr.

Brickman

CONSERVATORY BOARD REPORT April 2010

Activities:

Completed aeration.

Continued trash, signs, and postings pickup.

Fertilizer application scheduled week of April 19th.

Monument sign installation at Tract J to begin April 20th.

Mowing to begin Friday, April 16

Proposals completed:

None.

Proposals submitted this month:

Stabilized crusher fines install at Tract NN only (\$1,700)

Tree replacements pricing bundle (various)

Proposals Rejected:

Sod removal option of Blue Grama grass installation

All annuals in four beds along Hampden option of flower proposal

All annuals in all beds flower proposal

Proposals Accepted:

1/3 perennial and 2/3 annual flowers installation (\$16,800)

Landscape installation at Monument at Tract J (Chris Elliot \$11,941)

Blue Grama Grass install with spraying of existing turf (\$1,770)