

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD

MAY 17, 2010

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 May, 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 Bill Barr; The Brickman Group

Evelyn Peppin; Resident

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

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conflicts of interest in connection with any of the matters listed on the Agenda.

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 Davis and, upon vote, unanimously carried, the Agenda was approved, as amended.

CONSENT AGENDA

The Board considered the following actions:

- Review and approve amended Minutes from the April 19, 2010 regular meeting.
- Acknowledge Homeowners' Association Meeting Reports/Updates.

The Board deferred action on the April 19, 2010 regular meeting minutes pending revisions thereto.

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

Appointment of Officers: Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Don Samsel
Treasurer	Ronald "Dick" R. Dailey
Secretary	Laverne Palmer
Assistant Secretary	Dan Staley
Assistant Secretary	Judson R. Davis, Jr.

COMMUNITY COMMENTS

Community Comments: Ms. Peppin requested information regarding treatment or replacement of the dead or declining honey locust trees on Jericho Street. Attorney Tanaka reported that the District has served the entity responsible for planting the trees with a

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Notice of Claim and the District is currently within the statutory timeframe established by Colorado law. Removing or replacing the trees could compromise the District's claim of improper installation, and, therefore, no action by the District can be taken until the District's claim has been settled.

Director Samsel reported to the Board on behalf of Mr. Arndt, at 3348 Nepal. He explained that the District located and repaired a broken underground power line running through Mr. Arndt's yard. Mr. Arndt is taking the position that he did not cause any damage to the wire, and, therefore, the cost should be borne by the District. Mr. Beckman explained that the damage appears to be the result of corrosion caused by a nick in the wire's insulation at the time a fence post on or adjacent to the Arndt property was installed. Mr. Beckman reported that he previously discussed this matter with Mrs. Arndt and based on the conversation the fence post was installed by Richmond Homes. The Board determined not to pursue reimbursement from Mr. and Mrs. Arndt, and directed Mr. Beckman to file a claim with the District's insurance company.

OPERATIONS AND MAINTENANCE

The Brickman Group - Monthly Report: Mr. Barr reviewed the May 2010 report with the Board, which is attached hereto and incorporated herein by this reference.

Irrigation Repairs. Mr. Barr reported that Brickman is in the process of checking controllers and making the system operational for the season. They are in the process of repairing two significant leaks in the system; one at Nepal and Conservatory, and one at Jericho and Conservatory.

The Board requested that Brickman monitor consumption when the system is turned off to determine if shut off valves are closing completely. The Board also requested that Mr. Beckman and the Brickman Group track system repairs on a map.

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Weeds and Crab Grass. Mr. Barr reported that the weeds and crab grass are being closely monitored. Director Samsel noted that the weeds are a recurring complaint by homeowners. Mr. Barr reported that they will continue to monitor for weeds and make adjustments to the treatment process as necessary.

Tract B. Mr. Beckman reported that he has received a complaint of excessive weeds in Tract B and burrowing under one of the fence piers adjacent to the tract. Mr. Barr reported that the majority of the native growth on the tract is alfalfa which can be mowed, or the area could be reseeded with native grass. Mr. Barr recommended Colorado Pest Control Service to address the burrowing.

The Board requested a quote from the Brickman Group for the native seed option and directed Mr. Beckman to follow up with Colorado Pest Control Service for a quote and to follow up with the Board member on duty for approval on both.

Annual Color Planting. Mr. Barr discussed the annual color planting. Brickman will begin planting on Friday, May 21st, and will install annual color in accordance with the plan developed by Ms. Keevak and Director Palmer.

Deep Root Fertilization. Mr. Barr then discussed deep root fertilization with the Board and offered to put together an annual fertilization program. The Board directed Brickman to provide a proposal for the program. Director Palmer requested that they provide two proposals, one for an extensive program and one for a case by case application.

Replacing Trail Surface with Stabilized Crusher Fines on Tract NN and Proposal from The Brickman Group to Replace Trail Surface on Tract NN: Mr. Barr reported that the replacement of the trail surface on Tract NN is scheduled for early June. Director Dailey inquired as to allowing the grass to encroach on the path in order to help stabilize natural surfaces. Mr. Barr explained that the grass may help in some cases but

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numerous factors could contribute to or mitigate erosion.

Creation and Maintenance of GIS Map: Mr. Beckman discussed the status of the map and reported that he has followed up with Mr. Staley and the County. Mr. Staley reported that he has the information needed to move forward with the creation of a GIS Map.

Relocation of Mailboxes: Mr. Beckman reviewed the letter dated April 26, 2010 to the Post Master with the Board. Mr. Beckman will follow up with the Post Master regarding permission to relocate the mailboxes and clarification of the process to pursue such approval.

Monument Light Repairs: Mr. Beckman reported that all monument lights should be functional at this time. Director Palmer recommended writing a letter to the homeowners near the monuments requesting that they report any outages. The Board directed Mr. Beckman to write the letter to the homeowners and to check on a service contract with Parker Electric for ongoing maintenance and inspections of the monument lights.

FINANCIAL MATTERS

Claims: Ms. Harland reviewed the first set of claims dated May 17, 2010 with the Board totaling \$28,802.13.

Director Dailey recommended that the Board hold the payment to Xcel Energy until the responsibility for usage for certain meters has been determined. The Board directed Mr. Beckman to verify the locations and associated usage and to follow up with Xcel Energy to correct any incorrect billing to the District.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the claims for the period ending May 17, 2010 totaling \$28,802.13.

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The Board then discussed approving an additional check to the City of Aurora.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Dailey and, upon vote, unanimously carried, the Board approved check #1826, payable to the City of Aurora, in the amount of \$2,030.81.

Financial Statements: Ms. Harland presented the unaudited financial statements for the period ending April 30, 2010 for the Board's review.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley, and upon vote, unanimously carried, the April 30, 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: Ms. Harland reported that the field work is in process.

DELINQUENT FEES REPORT

Delinquent Account Report: Attorney Tanaka distributed and discussed the Delinquent Account Report with the Board.

LEGAL MATTERS

Ownership and Maintenance of Fences Separating District and Private Property: Attorney Tanaka reported that she is researching the documents to submit to the City of Aurora.

OTHER BUSINESS

Community Outreach: Items for Community Update. Director Palmer requested that a reminder of the quarterly information and orientation meetings be included in the June edition.

Website. Director Palmer requested that the telephone number for the Homeowners Association and the after

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hours number for the landscape contractor be updated.

Action Items Status Matrix: Mr. Beckman reviewed and discussed the action items with the Board. Director Staley reported on the recent addition of a blinking light added to the cross walk signage near the school.

Director Dailey requested additional information regarding item 95, the Public Arts Fund Obligation, and requested that Attorney Tanaka review the background with the Board. He expressed concern that the public arts fund obligation set forth in the District's original Service Plan requiring public arts improvements to be funded by the District is no longer set forth in the Amended Service Plan. Attorney Tanaka explained that the City removed the districts' public arts fund requirements from the new model service plans due to the implementation of the Aurora Regional Mill Levy requirement. Director Dailey noted that the District has an agreement with the developer, ADM-SAN, 7353, LLC whereby the developer agreed to provide the funds for the public arts in lieu of the District, pursuant to the Original Service Plan. Director Dailey requested clarification on the sections of the Amended Service Plan drafted by the District's General Counsel. Attorney Tanaka reported that the City has adopted a model service plan which districts are required to follow and that there are a few pieces of information that need to be completed for the service plan drafting procedures. Attorney Tanaka noted that a provision self-imposing an operations mill levy cap on the District was added to the Amended Service Plan but no other revisions to the model service plan were made. Director Dailey further expressed concern that Legal Counsel may have a conflict of interest as he believes she, or her firm, currently represents the Developer in other transactions. Attorney Tanaka reported that there is no such known conflict and she would confirm with the attorneys in her office that no conflict exists. Further, Attorney Tanaka will confirm whether the public arts funding obligations continue to exist after passage of the Amended

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Service Plan.

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 approval of Third Addendum to 2010 Independent Contractor Agreement with The Brickman Group: There was no new proposals at this time.

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

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 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 Palmer and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:27 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 11:43 a.m.

Following discussion, upon motion duly made by Director Davis, seconded by Director Staley, and

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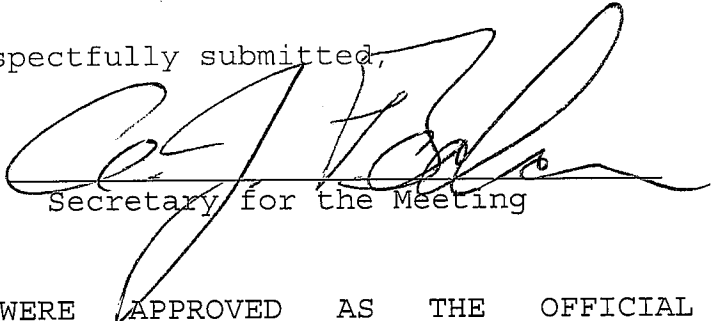
upon vote, unanimously carried, the Board determined not to consolidate the claim against D.R. Horton regarding improperly planted trees with the claim regarding improperly constructed walls, monuments and piers.

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,

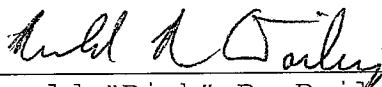
By


Secretary for the Meeting


THESE MINUTES WERE APPROVED AS THE OFFICIAL
MAY 17, 2010 MINUTES OF THE CONSERVATORY METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:




Don G. Samsel




Ronald "Diek" R. Dailey



Dan Staley



Laverne Palmer



Judson R. Davis, Jr.



THE BRICKMAN GROUP, LTD.

Property: Conservatory

LANDSCAPE INSPECTION

Date: 5-12-2010

NEXT INSPECTION

ATTENDING:

CATEGORY I: MAINTENANCE CARRYOVER ITEMS.

Irrigation:

Maintenance:

Turf:

CATEGORY II: MAINTENANCE ITEMS

Irrigation:

Maintenance:

Turf:

CATEGORY III: PROACTIVE SUGGESTIONS

Work Order: Monument .

CATEGORY IV: NOTES TO MANAGER

1. Fence out at the monument sign taken down
2. Continue to work on Irrigation
3. Annual Flowers and perennials to be installed on the 21st 24th of May
4. Landscape installation at Monument Sign on Conservatory Pkwy was completed in April.
5. Job to remove crusher fines on path Tract NN and replaced with stabilized crusher fines is being scheduled for June, I have not been told of a true date set yet for install, I will let you know as soon as I'm told.