

RECORD OF PROCEEDINGS

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

JUNE 21, 2010

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 21st day of June, 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.

Chris Elliott; ADM-SAN 7353, LLC

Georgia Harland; Simmons & Wheeler, P.C.

Bill Barr; The Brickman Group

Diana Rael; Norris Design

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

RECORD OF PROCEEDINGS

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 Staley, 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 amended Minutes from the April 19, 2010 regular meeting and the May 17, 2010 regular meeting.
- Acknowledge Homeowners' Association Meeting Reports/Updates.

Following discussion, upon motion duly made by Director Staley, seconded by Director Samsel and, upon vote, unanimously carried, the Board approved the April 19, 2010 regular meeting minutes and the May 17, 2010 regular meeting minutes, as presented.

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

COMMUNITY COMMENTS

No Soliciting Signs: The Board discussed a request by the Conservatory Homeowners' Association to consider the installation of "No Soliciting" signs at the entrance monuments to the Conservatory at the Plains. The Board discussed the impact of such signage. Director Palmer raised the issue that some soliciting such as fund raising for schools is generally accepted by most members of the community. Director Staley suggested that individuals could install signs on their own property. No action was taken.

RECORD OF PROCEEDINGS

Traffic Calming: Director Staley reported that he recently sent an email correspondence to the Homeowners' Association regarding the traffic calming measures in the District. He has not received any response from the HOA.

Pet Waste Stations: Director Samsel reported that he received a request by the Homeowners' Association that the District consider installing additional stations. Director Samsel discussed the original layout and planning involved with the existing stations. The number of additional stations and the associated cost was not known. The Board determined not to pursue additional stations.

Lots owned by ADM-SAN 7353, LLC (the "Developer"): Mr. Elliott addressed the Board regarding the undeveloped area in the District. He reported that there are currently one hundred and six lots remaining, and that he is in negotiations to sell the lots to a builder that has previously been active in the community. He reported that he will seek an amendment to the site plan to reconfigure development plans to include approximately 20 additional lots. He expects approximately half of the homes constructed to be of average size when compared to the rest of the District, and approximately half to be of above average size. He noted that no lots will be smaller than those already existing in the District.

Mr. Elliott then discussed the public arts fund obligation of the Developer and revenue of approximately \$80,000 to the District for construction of public art upon the commencement of development in the remaining undeveloped area. Mr. Elliott reported that Norris Design will work with the District, the City and the Developer to assist with the public art selection and approval. It was noted that the public art would be placed in Tract I and that the street layout would not change. Norris Design will receive 10% of the actual cost for the art for its work on the project. Director Palmer inquired as to the authority of the designer to select the public art. Mr. Elliott explained that

RECORD OF PROCEEDINGS

Norris Design will assist with the lot platting and coordination with the City of Aurora and that ultimately, the District will approve the final art selection.

Director Palmer then raised the question concerning dumping on the undeveloped property. Mr. Elliott explained that he has been picking up the trash when the native grass is cut. The grass is scheduled to be cut in the next few weeks. Ms. Palmer inquired into whether a "No Dumping" sign could be placed on the property to deter the dumping. Mr. Elliott noted that he did not believe that would deter people any more than with no sign.

OPERATIONS AND MAINTENANCE

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

Blue Gramma Grass. Director Staley inquired as to the area where the Blue Gramma grass was installed. He requested that the area be changed pursuant to the original plan. Following discussion, it was noted that Director Staley and Mr. Barr will walk the area together to locate the appropriate area for the Blue Gramma grass. The Brickman Group will make any necessary corrections at no cost to the District.

Natural Surface Trail on Tract NN. Mr. Beckman inquired as to the status of the crusher fines. Mr. Barr reported that the improvements are withstanding. Mr. Beckman then requested notification if a wash-out occurs.

Watering Cycles. Director Palmer asked about watering cycles. She reported that irrigation is currently happening on twenty minute cycles, twice per day. She also reported that the frequency and number of broken sprinkler heads should be looked into. Her belief is that they are related to machine run-over when mowing. Mr. Barr reported that he will relay this information on to his field staff and will instruct them to adjust the cycles so that the water will not

RECORD OF PROCEEDINGS

run on to the street.

Irrigation Repairs. Mr. Barr requested clarification regarding charting repairs on a maintenance map. Mr. Beckman requested that repairs be noted with the date and nature of the repair.

Proposal from Brickman Group, Ltd. for Deep Root Fertilization: The Board discussed the proposal by the Brickman Group, Ltd. for Deep Root Fertilization in the amount of \$2,184. Director Staley discussed the matter and recommended that the Board not approve the proposal because of the belief that the need for deep root fertilization is due to over watering and will not help restore the trees.

Following discussion, the Board rejected the proposal by the Brickman Group, Ltd. for Deep Root Fertilization in the amount of \$2,184.

Annual Landscaping Contract: The Board discussed the annual Landscaping Services Contract and Directed Mr. Beckman to work with Director Staley to develop an appropriate scope of services and request for proposal. Adequate time for responses is needed for 2011 Budget planning.

Creation and Maintenance of GIS Map: Director Staley reported that the creation of the GIS map is still in the development phase and that there was nothing new to report.

Relocation of Mailboxes: Director Dailey reported that he recently met with Jamie Osborne, a representative of the United States Postal Service ("USPS") regarding the relocation of some of the mailboxes currently located at South Jebel Way and South Ireland Way. The actual number of mailboxes that can be relocated is not yet known, and this information will be provided by the USPS. He explained that the District would be responsible for installing a cement pad, performing the relocation and construction of any new shelter structures. Mr. Dailey and Mr. Osborne visited several possible locations. The best location appears to be the

RECORD OF PROCEEDINGS

entrance to the greenbelt area near the intersection of South Jebel Way and South Jericho Way. Attorney Tanaka advised the Board that relocation to this area may require an easement from the City of Aurora. She will check on this matter. Mr. Beckman reported that the cost of an 8' X 10' concrete pad would be approximately \$1,000. Cost for construction of Kiosk house over the mail stations should also be considered. Director Dailey requested that the Board consider an allocation of \$10,000 to be taken from the District's Budget Contingency line item for the relocation of the mailboxes. He expressed the necessity to communicate this proposed move to District residents. The Post Office will take the necessary steps to notify home owners of the change for mail pick-up.

Tract B Vegetation and Rodent Control: The Board discussed the proposal from Colorado Pest Management for Tract B Vegetation and Rodent Control and requested that Mr. Beckman follow up with Colorado Pest Management to include all Tracts owned by the District on the east boundary.

Monument Light Repairs: Mr. Beckman discussed correspondence dated June 14, 2010 from Parker Electric regarding the Monument Lighting. He also discussed a letter that was drafted to home owners requesting their help in reporting outages at the monuments.

Meter Location and Electrical Usage Research: Mr. Beckman distributed and discussed the 2010 District Xcel Meter Inventory List (attached hereto and incorporated herein by this reference) with the Board. Mr. Beckman noted that seven meters would no longer appear on the District's bill and two addresses on the list would appear on the District's bill; one of which was receiving service with no meter installed at the location, and the other was assigned to an unknown account. Director Palmer requested that Mr. Beckman follow up with Xcel to get historical cost on the address with no meter if available. The historical data will be of use for budget planning going forward.

RECORD OF PROCEEDINGS

Recent Insurance Claim and Proposal by Brickman Group, Ltd. for Plant Replacement: Mr. Beckman reported that there was an auto accident at the intersection of East Dartmouth and Conservatory Parkway. One of the stone piers was hit as well as a tree and some shrubs. A police report was filed, and all costs should be assessed against the driver. The proposal is for the replacement of the damaged landscaping. Mr. Beckman is pursuing a quote for repairs to the stone pier.

FINANCIAL MATTERS

Claims: Ms. Harland reviewed the claims dated June 21, 2010 with the Board totaling \$82,272.21.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the claims for the period ending June 21, 2010 totaling \$82,272.21.

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

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

Cash Flow Projection: Ms. Harland reviewed the cash flow projection through March 31, 2011 with the Board. She recommended careful monitoring of the District's water consumption and budget line items in order to end the year within budget.

2009 Audit: Attorney Tanaka reported that field work on the 2009 Audit is complete and the draft is expected to be presented at the July 19, 2010 meeting for review and approval.

Delinquent Account Report: Attorney Tanaka distributed and discussed the Delinquent Account Report with the Board. The Board discussed the request from Customer No. 212001 for waiver of costs

RECORD OF PROCEEDINGS

incurred.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Samsel and, upon vote, unanimously carried, the Board determined to deny the request from Customer No. 212001 for waiver of costs incurred.

LEGAL MATTERS

Ownership and Maintenance of Fences Separating District and Private Property: Attorney Tanaka reported that she has sent a letter to Ms. Irvin with the City of Aurora regarding the ownership and maintenance of fences separating District and private property. She has requested a meeting to review the City's drawings on file and discuss the ownership with representatives of the City. Director Staley directed Attorney Tanaka to ask the City of Aurora to reimburse the District for the Legal Fees it incurs associated with this matter.

Public Arts Funding Obligations: Attorney Tanaka reviewed the Developer's obligation to fund \$80,000 of public arts within the District with the Board and noted that communication was previously sent to all Directors by email.

Consolidation of Dead and Declining Tree Matters with Existing Litigation against DR Horton for Monuments and Walls: The Board considered ratifying the approval of the consolidation of the Dead and Declining Tree Matters with the existing litigation against DR Horton for Monuments and Walls.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer and, upon vote, unanimously carried, the Board ratified approval of the consolidation of the Dead and Declining Tree Matters with the existing Litigation against DR Horton for Monuments and Walls.

Tree Consulting Services: Attorney Tanaka discussed the current process for removing dead or declining trees. She reported that Attorney Cass McKenzie with McKenzie, Rhody & Hearn, LLC. is in agreement with

RECORD OF PROCEEDINGS

the replacement of dead or declining trees as long as proper documentation of the removal is kept. Attorney Tanaka then reported that she will request a proposal from Arborist Dan Godi for data gathering and documentation for one hundred trees instead of the original proposal for twenty-five trees. She will bring the proposal to the next meeting for consideration.

OTHER BUSINESS

Community Outreach: Director Palmer reported that she has had four residents attend the last quarterly information and orientation meeting.

Dead Trees. The Board requested that Mr. Beckman include information about the dead and declining trees to be drafted by Attorney McKenzie.

Tract U Native Grass: The Board requested that Mr. Beckman include information about the installation of Blue Gramma grass on Tract U, and that signs be posted at the location identifying the test area and explaining the purpose.

Action Items Status Matrix: Mr. Beckman reviewed and discussed the action items with the Board.

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

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

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: The Board discussed proposals involving the expenditure of funds received from the Brickman Group, Ltd. and approval of the Third Addendum to the 2010 Independent Contractor Agreement incorporating the same.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried, the Board approved proposals involving the expenditure of funds received from the Brickman Group, Ltd. and approval of the Third Addendum to the 2010 Independent Contractor Agreement incorporating the same.

Contract with Colorado Pest Control Services, Inc.: The Board discussed the contract with Colorado Pest Control Services, Inc. for an amount not to exceed \$434.00.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the contract with Colorado Pest Control Services, Inc. for an amount not to exceed \$434.00.

Contract for Ongoing Electrical Maintenance Services with Parker Electric, Inc.: No action was taken.

Relocation of Mailboxes: The Board discussed the request from Director Dailey to allocate up to \$10,000 to relocate the mailboxes to the cement pad.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Davis, and upon vote, unanimously carried, the Board authorized the relocation of the mailboxes for an amount not to exceed \$10,000 to be funded from the District's Budget Contingency with direction to Attorney Tanaka to research the need for an easement at the proposed location and with direction to Mr. Beckman to communicate the proposed relocation to residents.

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.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried, ~~(AJ I was not in the room for this vote)~~ the Board approved proposals involving the expenditure of funds received from the Brickman Group, Ltd. and approval of the Third Addendum to the 2010 Independent Contractor Agreement incorporating the same.

Contract with Colorado Pest Control Services, Inc.:
The Board discussed the contract with Colorado Pest Control Services, Inc. for an amount not to exceed \$434.00.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the contract with Colorado Pest Control Services, Inc. for an amount not to exceed \$434.00.

Contract for Ongoing Electrical Maintenance Services with Parker Electric, Inc.: No action was taken.

Relocation of Mailboxes: The Board discussed the request from Director Dailey to allocate up to \$10,000 to relocate the mailboxes to the cement pad.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Davis, and upon vote, unanimously carried, the Board authorized the relocation of the mailboxes for an amount not to exceed \$10,000 to be funded from the District's Budget Contingency with direction to Attorney Tanaka to research the need for an easement at the proposed location and with direction to Mr. Beckman to communicate the proposed relocation to residents.

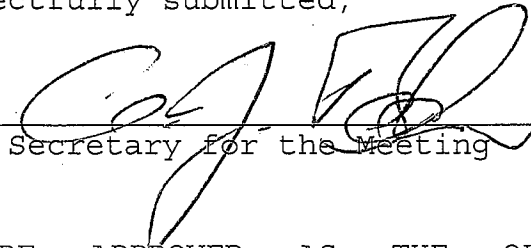
ADJOURNMENT

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.

RECORD OF PROCEEDINGS

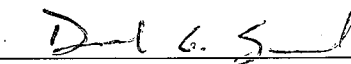
Respectfully submitted,

By

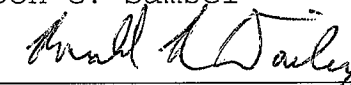


Secretary for the Meeting


THESE MINUTES WERE APPROVED AS THE OFFICIAL
JUNE 21, 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.



THE BRICKMAN GROUP, LTD.

Property: Conservatory

LANDSCAPE INSPECTION

Date: 6-14-2010

ATTENDING: OM Bill Barr

Forman Josh Roberts

CATEGORY I: MAINTENANCE CARRYOVER ITEMS.

Irrigation:

1. All leaks have been taken care of, system up and running.
2. Going through sections checking spray patterns and adjusting heads.

Maintenance:

1. Continue to spray shrub beds and perennial beds for weed and grasses
2. Cutting dead out of shrubs and bushes in all beds.

Turf:

1. All turf has been aerated and fertilized.
2. Turf has come out of winter in pretty good shape, old diseases seem to be in good recovery mode.

CATEGORY II: MAINTENANCE ITEMS

Irrigation:

1. Maintaining system with some minor leaks fixed that have been called in by homeowners.
2. Continue to work through system and use only as much water as needed.

Maintenance:

1. Continue to spray shrub and perennial beds for weeds and grasses
2. Continue to cut dead out of shrubs
3. Path on track NN has had new breeze installed seems to be holding up so far
4. Section of grass on tract CC has been sprayed with non-selective herbicide to kill for the overseed of blue gramma grass. Drill seed to be done end of June
5. All annuals have been planted in beds along with some new perennials for the 2010 season
6. We will be mowing all designated native areas the week of June 14th

Turf:

1. Turf is doing fine most areas have been sprayed for broadleaf weeds and will be checked for more spot spray as season goes on.

CATEGORY III: PROACTIVE SUGGESTIONS

Work Order:

1. Work order was made for replacement of pine tree and shrubs due to accident at the corner of Dartmouth and Conservatory with a vehicle.
2. Deep root feeding the spruce trees I believe is a good Idea for their future health. We can charge on a per tree basis but I would recommend doing all spruce because they seem to need it the most.

CATEGORY IV: NOTES TO MANAGER

Line/Map	Service Address	Tract	CMD Usage	Concern	Bill Meter No.	Location Description	Operates District Improvement?	Notes
1	2365 S Ireland Wwy Unit Light	Y	Monument	unlocated, Hampden Pl is S of Hampden Ave	2138879	outside NW corner of rear lot @2365 S Ireland Way	Y	
2	20679 E Hampden Pl Unit Spktr	UU			2135680		?	still unlocated by Xcel as of 6/15/10
3	20539 E Hampden Ave Unit Spktr	UU	Ctrr		58503833	50' E of Killarney Ct on Hampden Ave	Y	
4	20518 E Hamilton Cr Unit Lts	TT	Monument	Currently not receiving invoice for usage	W2610286	SE corner of rear lot of 20518 E Hamilton Cir	Y	set up service with Xcel on 6/15/10. Will be receiving invoices under new service address 20569 E Hampden Ave.
5	21355 E Hampden Ave Unit Spktr	TT	Ctrr		W2401135	200' E of S Jericho Way on Hampden Ave	Y	
6	20600 E Dartmouth Dr Unit Light	J	Monument		D2116780	outside SW corner of rear lot @ 20600 E Dartmouth Dr	Y	
7	20368 E Hamilton Pl Unit Light	RR	Monument		W2391700	inside SW corner of 20368 E Hamilton Pl rear lot	Y	
8	21208 E Hampden Ave Unit Spktr	III	Ctrr		W1138505	outside SW corner of 21224 E Greenwood Pl	Y	
9	2886 S Conservatory Pkwy Unit Spktr	M	Ctrr?	opposite end of Tract	W113848S	E side of Conservatory Pkwy, 50' N of E Brunswick Pl	Y	
10	20977 E Hampden Ave Unit Spktr	UU	Ctrr	Ctrr E for City tract YY	W3014522	50' W of Tract YY on Hampden Ave	N	met with DR Horton on 6/15/10
11	20653 E Girard Pl Unit Spktr	WW	Ctrr		3004566		Y	
12	3298 S Jericho Ct Unit Spktr	YY			61705979	50' N of E Girard Pl in Tract WW	Y	
13	2471 S Conservatory Pkwy Unit Spktr	EE	Ctrr		W113851S	N of 20373 E Girard Dr, E side of S Jericho Way	N	met with DR Horton on 6/15/10
14	2659 S Jebel Way Unit Spktr	HH			W2703638	side of Conservatory	Y	
15	3137 S Conservatory Pkwy Unit Spktr	MM	Ctrr		D2308565	outside SE corner of 2655 S Jebel Way, in Tract HH	N	met with DR Horton on 6/15/10
16	2664 S Conservatory Pkwy Unit Spktr	HH		City Tract: No Ctrr in proximity	35938644	NW corner of intersection of S Jericho Way & Conservatory Pkwy	Y	
17	3259 S Conservatory Pkwy Unit Spktr	D	Ctrr		5049835	SE corner of Tract HH	N	met with DR Horton on 6/15/10
18	3202 S Conservatory Pkwy Unit Spktr	F	Ctrr		D2243732	150' S of E Eastman Ave, E side of Conservatory	Y	
19	3270 S Conservatory Pkwy Unit Spktr	EEE	Ctrr		20410914	E side of Conservatory Pkwy, SW corner of Tract F	N	Richmond American Homes
20	3425 S Jebel Ct Unit Spktr	QQ	Ctrr		2134927		Y	
21	20539 E Dartmouth Dr Unit Light	JJ	Monument		61705971	150' N of S Liverpool Way, W side of Conservatory	Y	
22	20022 E Doane Dr Unit Light	OO	Monument		D2283927	N of 3423 S Jebel Ct	N	met with DR Horton on 6/15/10
23	20497 E Columbia Pl Unit Light	LL	Monument		43893156	backside of monument @ NW corner of Conservatory & E Dartmouth Dr	Y	
24	20288 E Dartmouth Dr Unit Spktr	NN	Ctrr		43897286	backside of monument, rear of lot @ 20020 E Doane Dr	Y	
25	3352 S Conservatory Pkwy Unit Spktr	B	Monument		43897284	backside of monument @ NW corner of Conservatory & E Columbia Pl	Y	
26	21496 E Greenwood Pl Unit Lght Entr	III	Monument		43897227	Tract NN, middle W side	Y	
27	2718 S Ireland Way Unit Mon Lite	KK	Monument		62485673	outside SE corner of 3348 S Nepal Way	Y	
28	S Conservatory Pkwy	A	Monument	Currently not receiving invoice for usage	D2522274	S of 21494 Greenwood Pl	Y	DR Horton to schedule inspection w/Xcel; meter to be installed on inspection
					no meter	monument on SW corner of Conservatory & S Ireland Way	Y	
					2502917	100' N of Hampden Ave on E side of Conservatory Pkwy	Y	