

RECORD OF PROCEEDINGS

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

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

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

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

John Simmons; Simmons & Wheeler, P.C.

Dawn Schilling; Schilling & Company, Inc.

Bill Barr; 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

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which each Board member confirmed that they had no 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 Staley 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 June 21, 2010 regular meeting.
- Acknowledge Homeowners' Association Meeting Reports/Updates.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the June 21, 2010 regular meeting minutes, as presented.

There was not a report from the HOA.

COMMUNITY COMMENTS

No Soliciting Signs: Director Samsel discussed the request by the Conservatory Homeowners' Association ("HOA") to consider the installation of "No Soliciting" signs at the entrance monuments to the Conservatory at the Plains. It was noted that the HOA has offered to pay for the signs. The Board discussed the placement and design of the signs. Director Dailey reported that he will attend the next HOA meeting and request that the HOA provide a sample of the proposed signage for the Board to review.

OPERATIONS AND MAINTENANCE

The Brickman Group - Monthly Report: Mr. Barr reviewed the July 2010 report with the Board, which

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is attached hereto and incorporated herein by this reference.

Watering Cycles. Director Staley expressed concern that the irrigation has been so active given the current moisture. The Board emphasized the need to closely manage the water usage and if necessary, to allow the grass color to be less green rather than to use excessive water. Director Dailey presented a chart detailing water billing from last year versus this year and noted that the billing is approximately 10% higher this year. He also noted that there was a water rate increase earlier this year. Director Dailey reported that he also has data showing prior years' consumption that he will share with the Board. Director Samsel directed Mr. Barr to use the ET Managers and irrigation controls as he sees fit and to manage the water usage to avoid excessive consumption, but emphasized the need to provide active and continuous oversight and judgment with regard to the District's irrigation system.

Trail Surface Erosion on Tract NN: Mr. Beckman reported that, due to recent heavy rains, part of the trail surface washed out. The washed out area was repaired by The Brickman Group. Mr. Beckman reported that the extent of the erosion appears to have been mitigated by the recently installed stabilized crusher fines trail surface.

Creation and Maintenance of GIS Map: There was nothing new to report.

Relocation of Mailboxes: Mr. Beckman reported that he and Attorney Tanaka recently met with representatives of the City of Aurora ("the City") to verify that the relocation of the mailboxes to City owned property could be achieved. Relocation to the proposed location at South Jebel Way and South Jericho Way does not appear to be an option due to the City's requirement for voter approval for conveyance of the needed easement. However, there is a chance that one of the locations previously approved with the landscape plan could be used. The City is currently researching this matter. Director Dailey asked about

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costs by the United States Postal Service ("USPS") associated with relocation. Mr. Beckman reported that he will follow up with the USPS to obtain the estimated costs for relocation.

Monument Light Repairs: Mr. Beckman reported that the letter to homeowners requesting their help in reporting outages at the monuments was mailed last week.

Meter Location and Electrical Usage Research: Mr. Beckman reported that the District has successfully cancelled the meter accounts that were in question. He noted that he will follow up with Xcel to get historical cost on accounts recently added to the Meter Inventory List.

Contract with Colorado Pest Management for Rodent Control: The Board discussed the proposal from Colorado Pest Management for Rodent Control and the ongoing service versus a one-time treatment.

Proposal by Donald H. Godi & Associates, Inc. for Consulting Services Associated with Arborist Certifications and Removal of Trees: Attorney Tanaka reported that she has requested and is awaiting additional clarification on the revised proposal from Mr. Godi. She will follow up with Mr. Godi and will report back at the next meeting.

Mowing Native Grass in Tract V: Mr. Beckman reported that he received several requests by residents adjacent to Tract V to cut the native vegetation. He verified with the City that the grass in the wetland area could be cut. The Brickman Group cut the grass up to and around the cat-tails growing in the marsh areas at no additional cost. He reported that the area that was cut appears to be acceptable and asked that the Board also take a look at the area and let him know if it is acceptable.

Recent Insurance Claim for Damages Associated with the District's Irrigation System: Mr. Beckman reported that he received a claim for water infiltration damages to one of the homes in the

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District. The matter was turned over to the District's insurance provider who assigned a claims adjuster to the case. It is not yet known if the District's insurance will pay the claim as the matter is still being investigated. Mr. Barr reported that he observed no leaks from the District's irrigation system in the area. This information was reported to the claims adjuster.

Proposal by The Brickman Group, Ltd. for Installation of Irrigation at the Corner of South Jericho Way and Conservatory Parkway: Mr. Barr reviewed the proposal in the amount of \$3,275. He reported that it appears that the improvements were never installed in this area. Following discussion, the Board determined to review the proposal at the next meeting and to request that the builder pay the costs of installation if it was not installed as specified in the plans for the development.

FINANCIAL MATTERS

Claims: Mr. Simmons reviewed the claims dated July 19, 2010 with the Board totaling \$72,285.11.

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 July 19, 2010 totaling \$72,285.11.

Financial Statements: Mr. Simmons presented the unaudited financial statements for the period ending June 30, 2010 for the Board's review.

Following discussion, upon motion duly made by Director Staley, seconded by Director Samsel, and upon vote, unanimously carried, the June 30, 2010 unaudited financial statements were accepted.

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

2009 Audit: Ms. Schilling reviewed the 2009 draft Audit. Following review and discussion, upon motion

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duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the Board accepted the 2009 Audit and authorized execution of the Representations Letter, subject to legal review and final review by Director Palmer by July 23, 2010.

Delinquent Account Report: Attorney Tanaka requested direction from the Board to allow Special District Management Services, Inc. ("SDMS") to draft and transmit a collection letter to all delinquent customers with accounts under \$120 that have not yet been turned over to legal counsel for collections. Following discussion, the Board directed SDMS to send the letter.

LEGAL MATTERS

Ownership and Maintenance of Fences Separating District and Private Property: Attorney Tanaka reported that she and Mr. Beckman met with the City regarding the ownership and maintenance of fences separating District, City, HOA and private property. She reported that she has requested that the City issue a letter detailing ownership between the District, HOA and private owners.

Resolution No. 2010-07-01 Opposing Amendments 60, 61 and Proposition 101: The Board reviewed and discussed Resolution No. 2010-07-01 Opposing Amendments 60, 61 and Proposition 101.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried, the Board approved Resolution No. 2010-07-01 Opposing Amendments 60, 61 and Proposition 101. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Covenant Control and Other Responsibilities the District Can Perform: Attorney Tanaka reported that the issue of covenant control was raised at the meeting with the City. Following discussion, the Board determined not to pursue the matter.

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Litigation against D.R. Horton (§ 24-6-401 (4) (b) and (e), C.R.S.): There was nothing new to report.

OTHER BUSINESS

Community Outreach: No specific items to be included.

Action Items Status Matrix: Mr. Beckman reviewed and discussed the action items with the Board. Director Samsel requested that the Action Items Status Matrix not be reviewed unless new information that is not covered on the agenda is included on the Action Items Status Matrix. Mr. Beckman reported that he will add the Action Items Status Matrix as information enclosure item on the meeting agendas from this point forward.

BOARD MEMBER INPUT

Board Member Input: Directory Dailey suggested that the Board meeting enclosures be presented by projector. Mr. Beckman will bring a laptop and projector to future meetings to present Board meeting enclosures. Director Dailey noted that he will provide the projector screen.

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: There were no matters up for approval.

First Addendum to Contract with Colorado Pest Control Services, Inc. for Rodent Control: The Board discussed the First Addendum to the Contract with Colorado Pest Control Services, Inc. for Rodent Control.

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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 Contact with Colorado Pest Control Services, Inc. for Rodent Control.

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,

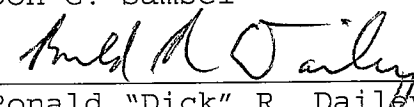
By


Secretary for the Meeting


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




Don G. Samsel



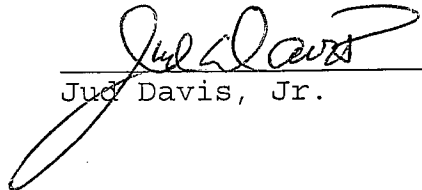
Ronald "Dick" R. Dailey



Dan Staley



Laverne Palmer



Jud Davis, Jr.

Resolution No. 2010-07-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT**

OPPOSING AMENDMENTS 60, 61 AND PROPOSITION 101

WHEREAS, three measures appearing on the November 2010 statewide ballot would significantly damage Colorado's special districts, state and local governments from funding their most basic level of services related to safety, water, sanitation, fire protection, education, hospitals, rural health care, and transportation; and

WHEREAS, these measures drastically limit government's ability to construct new buildings and infrastructure; and

WHEREAS, the ability to finance long-term capital improvements like water and wastewater treatment plants, fire stations, recreational projects, schools and other public facilities are dramatically impaired by the restrictions on debt financing as proposed by Amendment 61; and

WHEREAS, amendments 60 & 61 would slash at least \$1 billion annually in state taxes, cutting in half the property tax dollars schools currently receive; and

WHEREAS, one of the many components of Amendment 60 would overturn the election decisions made by voters over the last eighteen years, creating financial chaos for local communities; and

WHEREAS, one of the many components of Amendment 61 eliminates any practical means for state and regional governments to make future road, highway and bridge improvements, or other capital improvements to their districts, such as DIA, FasTracks, the Anschutz Medical Center, colleges and universities, water conservation districts, or improvements to public schools, cities and counties; and

WHEREAS, proposition 101 reduces the vehicle registration fee (annual license plate fee) to a level which would devastate Colorado's ability to maintain safe roads and bridges, by lowering the fee to the assessment rate from the year 1919; and

WHEREAS, these measures individually and collectively significantly reduce or otherwise restrict both state and local revenues in a number of different ways, including, but not

limited to: specific ownership taxes, telecommunication taxes, state income taxes, state-shared revenues to assist municipalities with local street and transit improvements, other state grants and loans to help local government, and property taxes; and

WHEREAS, the cumulative and destructive nature of the three measures ensures that Colorado will surrender its competitive standing to attract large and small employers alike, resulting in little to no economic growth for the state and a steady decline in property values and erosion of the state and local tax base; and

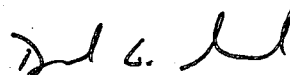
WHEREAS, the facilities, services and programs in the Conservatory Metropolitan District (the "District") will be severely limited or curtailed because of the numerous restrictions and revenue reductions proposed by these three measures; and

WHEREAS, on November 2, 2010, state voters will have the opportunity to protect the fiscal health of Colorado by defeating Amendments 60, 61 and Proposition 101.

NOW, THEREFORE, the Board of Directors of the District hereby takes an official position OPPOSING Amendments 60, 61 and Proposition 101.

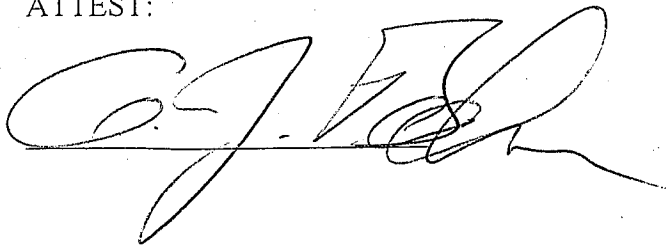
ADOPTED AND APPROVED THIS 19th DAY OF JULY 2010.

CONSERVATORY METROPOLITAN DISTRICT



Don Samsel, President

ATTEST:





THE BRICKMAN GROUP, LTD.

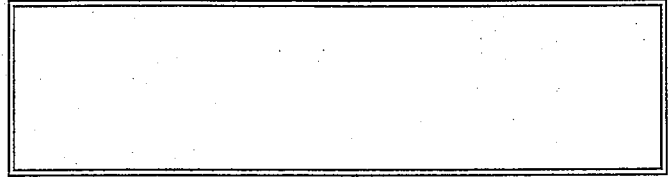
Property:

LANDSCAPE INSPECTION

Date: 7-13-2010

ATTENDING: OM Bill Barr

Forman Josh Roberts



CATEGORY I: MAINTENANCE CARRYOVER ITEMS.

Irrigation:

1. All Controllers in field switched to ET Control
2. Carlos continues to check field conditions for valve and head malfunctions.

Maintenance:

1. Continue to spray shrub beds for weeds and Grasses
2. Continue to spray crack weeds on sidewalk and street curbs
3. Overseed of blue gramma to get done July 19th

Turf:

1. Spot spraying thistle in miscellaneous areas of turf throughout greenbelt areas.
2. Tract U has been sprayed with round-up for overseed project with Blue Gramma

CATEGORY II: MAINTENANCE ITEMS

Irrigation:

1. All Irrigation seems to be working efficiently throughout greenbelts. ET controllers have been set to run off weather station. To save on water.
2. Run off from homes into greenbelt areas is being looked at by Carlos. He states its been a problem as in previous year.

Maintenance:

1. Walking Path on Tract NN that was replaced with stabilized crusher fines suffered some minor erosion with some heavy thunderstorms. We can visit with this.
2. Pruning and trimming of shrubs will begin the week of July 19th
3. All flower beds with annuals and new perennials have been deadheaded and cultivated. Will continue to maintain
4. Removal of Tree stakes will be done in the next couple of weeks for all trees not in need of them anymore.

Turf:

1. Mowing and Trimming going well overall turf conditions holding up well.

CATEGORY III: PROACTIVE SUGGESTIONS

Work Order:

1. Add irrigation and Install sod to section of green belt at Conservatory Pkwy and S. Jerhico Way.

CATEGORY IV: NOTES TO MANAGER