

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD
SEPTEMBER 20, 2010

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 20th day of September, 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
Laverne Palmer
Jud Davis
Dan Staley

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, Ltd.

Ramone Garcia; Conservatory Homeowners' Association Board Member

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 Dailey, 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 Minutes from the September 20, 2010 regular meeting.
- Acknowledge Homeowners' Association Meeting Reports/Updates.

Following discussion, upon motion duly made by Director Davis, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the September 16, 2010 regular meeting minutes, as presented. No Homeowners' Association Meeting Report/Update was provided.

COMMUNITY COMMENTS

Community Comments: Mr. Garcia addressed the Board regarding the "No Soliciting" signage proposal and reported that the Homeowners' Association will provide a sample of the proposed "No Soliciting" signage for approval by the Board. Discussion ensued regarding improved enforceability for restricting solicitation within the District. The Board advised Mr. Garcia to inquire with the proper authorities regarding any enforcement matters.

FINANCIAL MATTERS

Claims: Ms. Harland reviewed the claims dated September 20, 2010 with the Board, totaling \$60,296.40.

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Following discussion, upon motion duly made by Director Samsel, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the claims for the period ending September 20, 2010 totaling \$60,296.40.

The Board also discussed check #1865 to Don Godi and Associates in the amount of \$2,000 for consulting services.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Palmer and, upon vote, unanimously carried, the Board ratified approval of check #1865 to Don Godi and Associates in the amount of \$2,000 for consulting services.

Financial Statements: Ms. Harland presented the unaudited financial statements for the period ending August 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 August 31, 2010 unaudited financial statements were accepted.

Delinquent Account Report: Attorney Tanaka distributed and reviewed the delinquent account report with the Board.

Operations and Maintenance

The Brickman Group - Monthly Report: The Board reviewed the monthly report by The Brickman Group, Ltd.

Irrigation Controllers. Director Dailey requested that The Brickman Group, Ltd. provide data from the irrigation controllers (ET Managers) detailing the irrigation schedule, current settings and other information that may be available. Mr. Barr reported that he would provide the information to Mr. Beckman within the next week.

Irrigation Schedule. Director Palmer reported that she had observed watering occurring in certain areas that

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appeared to be in excess of three days per week and twenty minutes per cycle, and reiterated the need for the Board to have the irrigation schedule.

Proposed Tree Replacements: The Board reviewed the proposal for Tree Replacements from The Brickman Group, Ltd. for an amount not to exceed \$5,550. Following review and discussion, Director Palmer requested clarification on the proposal submitted for tree replacements and requested that they be resubmitted to clarify the total cost of each option presented. Director Palmer requested confirmation that the pricing included a 10% discount. Mr. Barr confirmed that the pricing did include a 10% discount.

Irrigation at the Corner of South Jericho Way and Conservatory Parkway: Mr. Beckman reported that they will follow up with Attorney Cass McKenzie regarding the irrigation matter at the corner of South Jericho Way and Conservatory Parkway.

Relocation of Mailboxes: Mr. Beckman reviewed proposals by Compass Construction, Blueprint Design & Construction, Inc. and CAPCO General Contracting for the replacement of the mailbox kiosk.

Meter Location and Electrical Usage Research: Mr. Beckman reviewed the water list with the Board. He reported that he will follow up on address 3348 South Nepal regarding the status of the installation of a meter. Director Dailey pointed out that a meter has not been installed at 2718 Ireland Way. Mr. Beckman and Director Dailey will visit the location following the meeting.

"No Solicitation Signs": This matter was discussed under Community Comments above.

Proposals for Landscape Maintenance and Snow Removal Contractor: Mr. Beckman reviewed the Bid Comparison with the Board. Following review and discussion, the Board directed that Mr. Beckman follow up with JBK Landscape, LLC, Summit Services Incorporated and Valley Crest Landscape Maintenance to schedule dates

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and times for Directors Dailey and Staley to conduct interviews.

Holiday Lighting: Director Palmer reported that she has several contractors in mind for the proposed holiday lights and one interested community volunteer. She will report further at the next meeting.

Pest Control: Mr. Beckman discussed the current prairie dog population on Tract V and along the eastern boundary of the District. The Board discussed the need for on-going pest control. Director Dailey discussed the use of silt fence as a visual barrier which is believed to render nearby locations less habitable to prairie dogs. Director Dailey reported that he will purchase and install the materials to address the issue in Tract V.

Financial
Matters
Continued

2011 Draft Budget: Mr. Beckman reviewed the 2011 draft Budget with the Board.

The Board members decided to forward their individual recommendations for capital projects to Mr. Beckman who will then compile them and distribute for review prior to the next Board meeting for consideration with the 2011 budget.

LEGAL MATTERS

Ownership and Maintenance of Fences Separating District and Private Property: Attorney Tanaka reported that she is awaiting a response letter from the City regarding the ownership and maintenance of fences separating District, City, HOA and private property.

Daniel H. Godi & Associates: The Board discussed the contract with Daniel H. Godi & Associates, Inc. for consulting services associated with arborist certifications and removal of an additional one hundred trees. Attorney Tanaka reported that Mr. Godi had requested an increased scope due to communications with Attorney McKenzie and that she is awaiting the additional scope for review.

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BOARD MEMBER
INPUT

Ballot Initiatives on November 2010 Ballot (Amendments 60 and 61 and Proposition 101): Director Staley inquired if the Board would like to add information to the Community Update regarding the November 2010 Ballot Initiatives. Attorney Tanaka advised the Board that the District cannot advocate but only educate on the matters.

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.

Contract with Community Preservation & Management, LLC: The Board considered ratifying approval of the contract with Community Preservation & Management, LLC for Column Repair.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Dailey and, upon vote, unanimously carried, the Board ratified approval of the contract with Community Preservation & Management, LLC for Column Repair.

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.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the City of Aurora Addendum to the Master License Agreement No. 04-03, subject to language limiting the Tract JJ landscaping area to the area immediately adjacent to and associated with the mailbox kiosk.

Drainage Improvements at Corner of South Jericho Way and East Girard Drive: The Board discussed the necessity for drainage improvements at the corner of South Jericho Way and East Girard Drive.

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Following discussion, upon motion duly made by Director Samsel, seconded by Director Davis and, upon vote, unanimously carried the Board authorized drainage improvements at the corner of South Jericho Way and East Girard Drive in an amount not to exceed \$4,000.

Mailbox Kiosk Construction: The Board considered authorization of construction for a mailbox kiosk.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board authorized engagement of CAPCO General Contracting for construction for a mailbox kiosk, contingent upon the execution of the Mater License Agreement between the District and the City of Aurora.

Tree Replacements: The Board discussed bidding tree replacement services and directed Mr. Beckman to verify that the proposal by The Brickman Group, Ltd. for fall bulk tree replacements included a 10% discount and to request a renegotiation of the price.

LEGAL MATTERS CONTINUED

Litigation against D.R. Horton, and groundwater issues within the District: EXECUTIVE SESSION: Discussion was deferred.

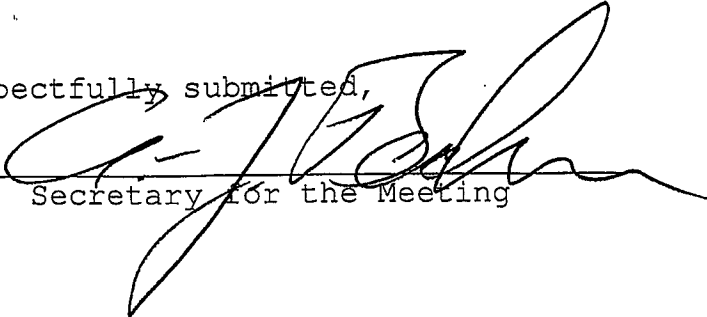
Groundwater Issues within the District: EXECUTIVE SESSION: Discussion was deferred.

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.

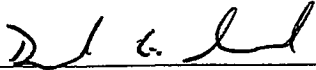
Respectfully submitted,

By

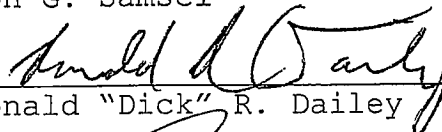

Secretary for the Meeting

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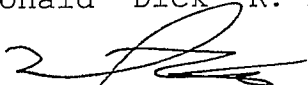
THESE MINUTES WERE APPROVED AS THE OFFICIAL
SEPTEMBER 20, 2010 MINUTES OF THE CONSERVATORY
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:



Don G. Samsel



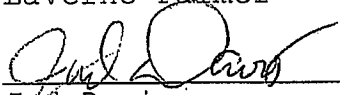
Ronald "Dick" R. Dailey



Dan Staley



Laverne Palmer



Jud Davis



THE BRICKMAN GROUP, LTD.

Property: Conservatory

LANDSCAPE INSPECTION

Date: 9/10/2010

ATTENDING: Bill Barr, Josh Roberts

NEXT INSPECTION

CATEGORY I: MAINTENANCE CARRYOVER ITEMS.

Irrigation:

1. Most Irrigation was dialed back to 2 days a week, we have been very hot and dry with no rain for the Month.

Maintenance:

1. All ginnella maples have been raised and thinned.
2. Second overseed Blue Gramma at Tract U was completed middle of August. The first overseed was not that successful so we did another and is coming in very well.

Turf:

1. Turf is off color but seems to have enough turgidity. We want to keep an eye on this its been very dry.

CATEGORY II: MAINTENANCE ITEMS

Irrigation:

1. Turf irrigation has been shut down since September 7th. We want to keep an eye on things its been hot and dry with no rain. We may have to start system up for a few days if we do not get any moisture. We have to keep in mind the stress the plants may have to deal with.

Maintenance:

1. Cutting back on perennials and Annuals.
2. Spray all fence lines with round-up.
3. Continue to cut dead out of several shrubs.

Turf:

1. Turf is under some good stress with no moisture. If we do not get any rain I would suggest to water for a couple days before blowing out the system. For the benefit of the trees.

CATEGORY III: PROACTIVE SUGGESTIONS

Work Order:

1. Attached is some pricing for Five Locust Trees at tracts V, EE, FF, RR.

CATEGORY IV: NOTES TO MANAGER

AJ,

We can spray weeds along South Jericho. I would suggest a late summer fall application of Selective Herbicide, in the contract. With all the field weeds in the area it would be good for two applications, a season. I feel the chunk of concrete that is broken could be from a piece of equipment but I could not identify what type.