

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD
OCTOBER 18, 2010

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 18th day of October, 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.

John Simmons; Simmons & Wheeler, P.C.

Kent Vanderploeg and Bill Barr; The Brickman Group, Ltd.

Joe Pobar; Linkable Lights

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

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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 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 September 20, 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 September 20, 2010 regular meeting minutes, as amended. No Homeowners' Association Meeting Report/Update was provided.

COMMUNITY COMMENTS

Community Comments: There were no members of the community present. It was noted that the orange safety cones located at Jericho and Girard have been removed. Mr. Vanderploeg and Mr. Barr reported that the Brickman Group will replace the cones.

FINANCIAL MATTERS

Claims: Mr. Simmons reviewed the claims dated October 18, 2010 with the Board, totaling \$58,291.53.

Following discussion, upon motion duly made by Director Staley, seconded by Director Samsel and, upon vote, unanimously carried, the Board approved the claims for the period ending October 18, 2010 totaling \$58,291.53.

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unaudited financial statements for the period ending September 30, 2010 for the Board's review.

Director Palmer requested that Mr. Simmons split the audit and the accounting into two separate line items.

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

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

2011 Draft Budget: Mr. Simmons reviewed the 2011 draft Budget with the Board. The Board reviewed the list of capital items and discussed which should be included in the 2011 Budget. The Board discussed the priority of projects to be addressed. Directors Dailey and Palmer will meet to further review the Budget and provide comments to Mr. Simmons.

The Board directed Mr. Beckman to obtain bids for painting the wrought iron fences.

Operations and Maintenance

Lighting Presentation by Joe Pobar: Mr. Pobar presented and demonstrated LED Wall Washers for use at the entrance areas. The Board discussed the need to include lighting at all three entrance areas and the logistical problems associated with illuminating the Northern entrance.

Research by Director Palmer. The Board reviewed the information provided by Director Palmer outlining options for community lighting.

The Brickman Group - Monthly Report: The Board reviewed the monthly report by The Brickman Group, Ltd. Mr. Beckman asked Vanderploeg about the fall fertilization and aeration. Mr. Vanderploeg reported that the fertilizer is an annual slow release fertilizer. Mr. Vanderploeg reported that he will be happy to do a walk-through with Summit Services.

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Irrigation Schedule. Mr. Vanderploeg reported that the system has been winterized and is turned off. Mr. Beckman advised the Board that he discussed the seasonal irrigation with Mr. Godi, who agreed that the water could be turned off.

Accident at Jericho and Eastman: Mr. Beckman reviewed with the Board map of the location of the accident at Jericho and Eastman that knocked down two trees. Mr. Beckman reported that an insurance claim has been filed.

Proposed Tree Replacements: Mr. Beckman reviewed the proposal for tree replacements from The Brickman Group, Ltd. and Summit Services. Mr. Beckman also discussed pricing by Urban Farmer. Director Staley discussed with the Board a bulk replacement program in which the District could purchase bulk quantities of trees in the Spring, directly from a nursery. There was no action taken by the Board.

Irrigation at the Corner of South Jericho Way and Conservatory Parkway: Mr. Beckman reviewed and discussed with the Board a map of the un-irrigated area at the corner of South Jericho and Conservatory Parkway. The Board determined to address the issue following the outcome of the litigation with DR Horton.

Relocation of Mailboxes: Mr. Beckman reported to the Board that he is working with the United States Postal Service to identify which boxes can be moved. He also reported that he is meeting with Valley Crest Landscaping Services to discuss the irrigation modifications necessary for the area.

Monument at 2718 South Ireland Way: Mr. Beckman reported that he has researched the matter and DR Horton had engaged a contractor to complete the repairs in December of 2009. The meter was not installed at that time because Xcel Energy determined the repairs were incomplete. Mr. Beckman reported that he has requested a response from DR Horton as to whether they will correct the deficiency but has not

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yet heard back from them. Mr. Beckman then reviewed a proposal from Parker Electric to repair the lighting. The Board directed Mr. Beckman not to pursue the repairs and to report back as to whether DR Horton will finish the repairs.

Meter Inventory List: Mr. Beckman reviewed the meter inventory list with the Board.

"No Solicitation Signs": Mr. Beckman reported that he is waiting on the mock-up from the Homeowners' Association.

Pest Control: Director Dailey reported to the Board that the proposed installation of a silt fence turned out to be an extremely large project. He further reported that additional research has revealed that this method may not be highly effective. The Board directed Mr. Beckman to obtain bids for pest control services.

Drainage Improvements at Jericho and Girard: Mr. Beckman reported that the plan is to install two channels on each side of the corner storm drain. He expects the work to be done by the end of October. Director Dailey noted that the work should be expedited to the extent possible and encouraged Mr. Beckman to work with the Board member on duty as necessary.

LEGAL MATTERS

Ownership and Maintenance of Fences Separating District and Private Property: Attorney Tanaka reported that she spoke with Dana Spade the City Attorney and noted that the City has an ordinance which makes landscaping the responsibility of the underlying property owner. The City considers fencing to be landscaping. Attorney Tanaka will obtain the City's position, regarding landscaping, in writing.

BOARD MEMBER INPUT

Director Palmer discussed an email from the Aurora Police regarding illegal activity in the park at Conservatory and Ireland Way. She will forward the

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email to Mr. Beckman to respond on behalf of the District.

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.

Contracts with Summit Services, Inc.: Mr. Dailey discussed with the Board his findings from the landscape contractor interviews. Mr. Dailey noted that Summit Services, Inc. was chosen for several reasons including their ability to manage water consumption and the quality of the work observed in other communities they maintain.

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 Summit Services, Inc. for landscape maintenance and snow removal.

Service Contract with Parker Electric for Repairs to Monument at 2718 South Ireland Way: The Board directed Mr. Beckman to put a list together of issues to be addressed following the conclusion of the settlement with DR Horton. There was a consensus among the Directors that the District should not assume a developer responsibility.

Service Contract with STP Concrete: The Board considered ratifying approval of the contract with STP Concrete for installation of chase drains at Jericho and Girard.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Samsel and, upon vote, unanimously carried, the Board ratified approval of the contract with STP Concrete for installation of chase drains at Jericho and Girard.

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Lighting: Mr. Staley discussed possible lighting ordinances with the Board. Attorney Tanaka will review the ordinances and report back to the Board.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Dailey and, upon vote, unanimously carried, the Board authorized Director Palmer to do community lighting for an amount not to exceed \$6,000.

LEGAL MATTERS
CONTINUED

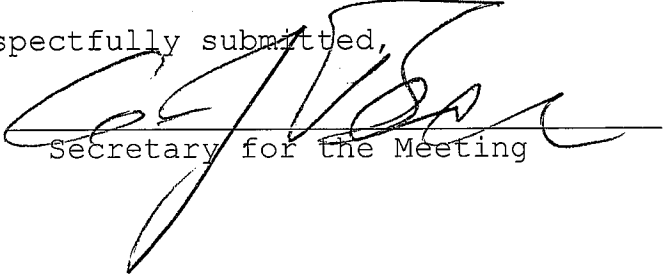
Litigation against D.R. Horton: EXECUTIVE SESSION: Attorney Tanaka reported that Mr. McKenzie will need to report on the litigation at another time. Discussion was deferred.

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,

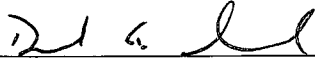
By


Secretary for the Meeting

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THESE MINUTES WERE APPROVED AS THE OFFICIAL
OCTOBER 18, 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