

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CONSERVATORY METROPOLITAN DISTRICT HELD NOVEMBER 15, 2010

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 15th day of November, 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  
Dan Staley

Following discussion, upon motion duly made by Director Samsel seconded by Director Palmer and, upon vote, unanimously carried, the absence of Jud Davis was excused.

##### 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.

Bill Barr; The Brickman Group, Ltd.

#### 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 matters listed on the Agenda.

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

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**CONSENT AGENDA**

The Board considered the following actions:

- Review and approve Minutes from the October 18, 2010 regular meeting and the November 4, 2010 special meeting.
- Acknowledge Homeowners' Association Meeting Reports/Updates.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Dailey and, upon vote, unanimously carried, the Board approved the October 18, 2010 regular meeting minutes and the November 4, 2010 special meeting minutes, as amended. No Homeowners' Association Report or Update was presented.

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**ADMINISTRATIVE MATTERS CONTINUED** **2011 Meeting Dates:** Mr. Beckman reviewed the business to be conducted in 2011 to meet the statutory compliance requirements.

Following discussion, the Board determined to meet on the third Monday of every month at 9:00 A.M., except for December, 19 at the Conservatory Clubhouse.

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**COMMUNITY COMMENTS**

**Community Comments:** Director Palmer reported that she attended a public safety meeting at which the park on Tract HH was discussed as being an area where vandalism and illicit activity was occurring in the evening and late night hours. Officer Speer with the Aurora Police Department advised the attendees that he is working with the District on the matter. Director Palmer reported that she advised Officer Speer that the area in question is owned by DR Horton. It was noted that the District mailed Officer Speer a letter on October 21, 2010 to clarify the ownership of the tract.

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**FINANCIAL MATTERS**

**Claims:** Ms. Harland reviewed the claims dated November 15, 2010 with the Board, totaling \$30,946.93. Director Dailey reported that the water tap at 2886 South Conservatory Parkway is being billed at a higher rate for the rest of the

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2010 and requested that Mr. Beckman make note of this in case winter watering in 2010 becomes necessary.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the claims for the period ending November 15, 2010 totaling \$30,946.93.

**Financial Statements:** Ms. Harland presented the unaudited financial statements for the period ending October 31, 2010 for the Board's review. She noted that at least one property owner had successfully protested their property taxes. Ms. Harland will research the matter further and report back to the Board at the next meeting.

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

**Current Cash Flow Projection:** Ms. Harland reviewed the current cash flow projection through March 2011 with the Board.

**2010 Budget Amendment Hearing:** The President opened the public hearing to consider the Resolution to Amend the 2010 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2010 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that a 2010 Budget Amendment was not needed.

**2011 Budget:** The President opened the public hearing to consider the proposed 2011 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2011 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

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No public comments were received and the public hearing was closed.

Ms. Harland reviewed the estimated 2010 expenditures and the proposed 2011 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2011 Budget, Set Mill Levies, for the General Fund at 20.000 mills and the Debt Service Fund at 52.000 mills for a total mill levy of 72.000 mills, and Appropriate Sums of Money. Upon motion duly made by Director Staley, seconded by Director Samsel and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2010. Mr. Beckman was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County and the Division of Local Government, not later than December 15, 2010. Mr. Beckman was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2011. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

**District Accountant to prepare and sign the DLG-70 Mill Levy Certification:** The Board discussed the authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Staley, seconded by Director Dailey and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

**2010 Audit:** The Board reviewed the proposal from Schilling & Company, Inc. to perform the 2010 audit.

Following discussion, upon motion duly made by Director Staley, seconded by Director Samsel and, upon vote, unanimously carried, the Board approved the engagement of Schilling & Company, Inc. to perform the 2010 Audit, for an amount not to exceed \$4,700.

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### Operations and Maintenance

**The Brickman Group, Ltd. ("Brickman") – Monthly Report:** The Board reviewed the monthly report by Brickman. The Board discussed the leak detection test recently performed. Director Dailey reported that he has observed several hundred gallons of water used which appears to be more than expected. Mr. Beckman addressed the Board that The Brickman Group reported no signs of a water break. The Board directed Mr. Beckman to have the landscape contractor check for a leak next spring when the system is charged but not yet in use.

**Value Boxes:** The Board discussed the transfer of keys from The Brickman Group to Summit Services, Inc. The Board directed Mr. Barr to return the keys to Mr. Beckman for the value boxes. Mr. Beckman noted that he will then give the keys to Summit Services, Inc.

**Invoices:** Director Palmer asked about past invoices from Brickman. She noted that invoices from August through November were included in this billing cycle. Director Palmer asked Mr. Barr if there will be any more invoices for 2010. Ms. Harland reported that she had discussed the matter with a representative from Brickman and confirmed that all invoices have been received.

**Rodent Control:** Mr. Beckman reported that he has requested a proposal from Orkin for pest control services and has obtained a proposal from Colorado Pest Control. He is having difficulty finding another service provider. Attorney Tanaka will follow up with Mr. Beckman regarding other possible service providers.

**Relocation of Mailboxes:** Mr. Beckman reported that a location suitable to the United States Postal Service and the City of Aurora (the "City") has been identified. He distributed a map of the proposed site located at South Jericho Way and East Conservatory Parkway and reported that the District will proceed with construction once the service agreement with Capco Inc. has been executed.

**Monument at 2718 South Ireland Way:** Mr. Beckman reported that DR Horton is aware that there is no meter at the monument. He has requested that they proceed with repairs but has received no indication that this will happen.

**Pet Waste Cleanup and Disposal Service:** Mr. Beckman reviewed the proposal for the increased scope from the Grand Poobah for pet waste cleanup and disposal service and monthly posting of the Community Update. It was noted that the 2011 budget includes the increased scope of services.

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**Drainage Improvements at Jericho and Girard:** Mr. Beckman reported that he is working with the City to obtain a license agreement for the installation of a French drain. Once the agreement is in place and the City is satisfied with the scope of work STP Concrete Inc. will be authorized to proceed.

**Community Lighting:** Director Palmer reported that there is no permit needed for the lighting, the Service Contract with Linkable Lights, Inc. has been executed and the City has approved the community lighting. She noted that there is no monument or trees at the third entrance. The Board discussed adding an outlet. Director Dailey noted that he will check on the cost for installing a third outlet and will report back at the next meeting.

**LEGAL MATTERS** **Ownership and Maintenance of Fences Separating District and Private Property:** Attorney Tanaka reported that Dana Spade, the City Attorney, has requested a meeting to review the ownership and maintenance of the fences separating District and private property.

**2011 §32-1-809:** Attorney Tanaka discussed the 2011 §32-1-809 reporting requirements and mode of eligible elector notification.

Following discussion, the Board determined to post the required information to the District's website and the SDA website.

**2011 Annual Administrative Matters Resolution:** Attorney Tanaka discussed the 2011 Annual Administrative Matters Resolution with the Board.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the 2011 Annual Administrative Matters Resolution. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**BOARD MEMBER**  
**INPUT**

**Board Meeting Efficiency:** Director Samsel discussed the importance of keeping on point at District meetings and encouraged the Board of Directors to keep on track and let the Board know that he will redirect the focus when necessary going forward. Director Palmer requested that the Board members review the meeting packet materials prior to the meetings.

**Prairie Dogs:** Director Dailey reported that he is aware of a resident who may be able to perform pest control services. He reported that he will

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research the matter further and report back at the next meeting.

**GIS Mapping:** Directors Dailey and Staley reported they will meet to review the data to be included in the GIS mapping.

**Operational Expenditure Tracking:** Director Dailey reported that he is in the process of creating a database to track expenditures per vendor or purpose. He requested Board authorization for electronic access to the District's bank account for the purpose of downloading reports.

Following discussion, upon motion duly made by Director Staley, seconded by Director Samsel and, upon vote, unanimously carried, the Board authorized electronic access of the District's bank account to Director Dailey for the purpose of downloading reports.

**2011 Accounting Reports:** Director Palmer discussed accounting reports for 2011 and volunteered to prepare the cash flow projection. The Board discussed the work involved and relevance of the reports. The Board determined to continue the reports in 2011 and to have the District's Accountant prepare them.

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### **LEGAL MATTERS** **CONTINUED**

**New Business:** There was no new business to discuss.

### **CONTRACT** **APPROVALS**

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

**Service Contract with The Grand Poobah for pet waste cleanup and disposal service:** The Board discussed the increase in the scope of work to The Grand Poobah Service Contract for pet waste cleanup and disposal service.

Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the increase to the scope of work to The Grand Poobah Service Contract for pet waste cleanup and disposal service.

**Service Contract with Linkable Lights, Inc. for Community Lighting:** The Board considered ratifying approval of the Service Contract with Linkable Lights, Inc. for Community Lighting.

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Following discussion, upon motion duly made by Director Dailey, seconded by Director Staley and, upon vote, unanimously carried, the Board ratified approval of the Service Contract with Linkable Lights, Inc. for Community Lighting.

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**LEGAL MATTERS**  
**CONTINUED**

**Litigation against D.R. Horton:** No updates on the litigation were provided.

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**OTHER BUSINESS**

**Community Outreach:** The Board directed Mr. Beckman to include the following items in the November 2010 Community Update:

- Update on status of entry lighting
- Reminder not to put trash in doggy pot stations
- No mill levy increase to the 2011 Budget
- Reintroduce Summit Services, Inc.

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**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,

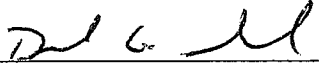
By: \_\_\_\_\_  
Secretary for the Meeting




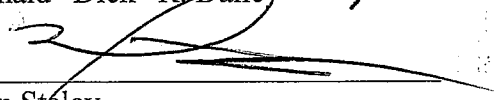
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THESE MINUTES WERE APPROVED AS THE OFFICIAL  
NOVEMBER 15, 2010 MINUTES OF THE CONSERVATORY  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

  
\_\_\_\_\_  
Don G. Samsel

  
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Ronald "Dick" R. Dailey

  
\_\_\_\_\_  
Dan Staley

  
\_\_\_\_\_  
Laverne Palmer

\_\_\_\_\_  
Jud Davis