

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSERVATORY METROPOLITAN DISTRICT
HELD
AUGUST 16, 2010

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, referred to hereafter as ("Board"), was convened on Monday, the 16th day of August, 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, Jr.
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.

Bill Barr; The Brickman Group

Terry Hallett: Resident

Cass McKenzie, McKenzie Rhody & Hearn, LLC (arrived at 11:00 a.m.)

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 Palmer 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 July 19, 2010 regular meeting.

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

There was no report from the Homeowners' Association.

COMMUNITY COMMENTS

Additional Mailbox: Mr. Hallett requested information regarding the rationale for adding an additional mailbox location. Director Dailey explained that three locations were combined into one by the developer in Tract JJ. The single location is now a very high traffic area and the District is attempting to re-distribute the traffic to multiple locations.

Mr. Hallett also requested that the District include information in the Community Update requesting that residents not discard rubber bands by the mail boxes.

OPERATIONS AND MAINTENANCE

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

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the Board had the following questions:

Director Palmer asked Mr. Barr if the irrigation reprogramming is complete. Mr. Barr advised the Board that the entire system has been adjusted to use less water. He further reported that he would forward to Mr. Beckman the date by which the reprogramming was complete and reported that he would forward information to Mr. Beckman regarding the current watering schedule.

Director Palmer asked about the status of the thistle control. Director Palmer requested that Mr. Barr follow up on the thistle control at the east corner of Conservatory and Hampden. Mr. Barr will have his crew follow up.

Director Palmer reported that the potato vines are missing from some of the planted flower beds and suspects that the plants were stolen. Mr. Barr was in agreement.

Director Dailey requested that future irrigation repair bills include reference to the Tract, zone, and irrigation clock.

Director Dailey asked about the irrigation requirements for bluegrass. Mr. Barr reported that bluegrass requires a minimum of 15 inches of water per year. Director Dailey reviewed the annual consumption chart with the Board. Mr. Dailey concluded that based on a 12 gallon per square foot per year benchmark, the current water usage is too high. Mr. Barr discussed the actual needs of the turf when temperatures are taken into account. Director Dailey discussed with the Board incorporating a water allocation requirement into the annual landscaping contract.

The Board discussed the capabilities of the District's irrigation controls to provide water usage and programming data. Director Dailey will follow up with Mr. Barr and ask what reports are available. Director Dailey requested that the Board email Mr. Beckman when watering is happening at inappropriate

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times. Mr. Beckman will then follow up with the Brickman Group.

The Board entered into a discussion regarding the need to operate within the annual water budget. Following discussion, upon motion duly made by Director Palmer seconded by Director Samsel and, upon vote, carried with Directors Samsel, Palmer and Davis, and Staley voting "Yes" and Director Dailey voting "No", the Board approved shutting the water off for the season the day after Labor Day, with irrigation to the planted beds to continue.

Proposal by The Brickman Group for Removal of Trees in coordination with Godi and Associates: Attorney Tanaka discussed the proposal from the third party arborist with the Board. She noted that in her recent discussions with him she learned that the landscape company would have to physically remove the trees keeping the root-ball intact and then dispose of the tree after the testing was complete.

Mowing Native Grass in Tract V: Mr. Beckman reported that the mowing was performed and he is in the opinion that the mowing included the appropriate area. The Board agreed that the recent mowing was appropriate for the area.

Recent Insurance Claim for Damages Associated with the District's Irrigation System: Mr. Beckman reviewed the claim for water damage by one of the residents with the Board. Mr. Beckman reported that the insurance adjuster concluded that the damage was a ground water issue. The claim was denied.

Tree Replacements: Mr. Beckman reported to the Board that tree replacements were made earlier this year by mistake. The executed contracts were forwarded to Brickman and the work was subsequently done. Mr. Beckman acknowledged that the contracts should have been held in order to avoid the misunderstanding. Mr. Beckman reported that the Brickman Group will honor the 10% discount offered for bulk replacements.

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Irrigation at the Corner of South Jericho Way and Conservatory Parkway: Mr. Beckman and Attorney Tanaka will follow up with D. R. Horton and request that they pay for installation of the improvements.

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"). The City will allow relocations to other areas previously approved with the landscape plan provided that the District agrees to maintain the areas immediately around the kiosks. Mr. Beckman is in the process of obtaining cost estimates for the proposed relocation.

Monument Light Repairs: Mr. Beckman reported that four residents have volunteered to be informational resources for reporting outages at the monuments. Director Palmer requested that Mr. Beckman distribute to the Board the list of residents that volunteered and the location that they will cover.

Meter Location and Electrical Usage Research: Mr. Beckman reported that he will follow up with Xcel to obtain historical cost on accounts recently added to the Meter Inventory List and report at the next meeting.

Proposal by Donald H. Godi & Associates, Inc. for Consulting Services Associated with Arborist Certifications and Removal of Trees: The Board reviewed and discussed the proposal by Donald H. Godi & Associates, Inc. for Consulting Services Associated with Arborist Certifications and Removal of Trees.

Complaint regarding Placement of Trash Cans: Mr. Beckman reported that he received a complaint that the trash cans near the picnic kiosk in tract HH were not being emptied in a timely manner. Mr. Beckman reported that he has addressed the issue with D. R. Horton. Mr. Beckman also noted that the resident recommended that the trash cans be removed. The Board determined not to pursue removal of the trash cans.

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"No Solicitation Signs": Director Dailey reported to the Board that he has spoken with the HOA and requested that they provide a mock up of the sign for review by the Board.

Request for Proposals for Landscape Maintenance and Snow removal: Mr. Beckman reviewed the request for proposals with the Board. The Board directed Mr. Beckman to revise as noted and to distribute by August 17, 2010.

FINANCIAL MATTERS

Claims: Mr. Simmons reviewed the claims dated August 16, 2010 with the Board, totaling \$56,817.76. The Board also discussed check #1853, payable to Don Samsel, in the amount of \$488.35 for reimbursement for the purchase of bags for the pet waste disposal stations.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Dailey and, upon vote, unanimously carried, the Board approved the claims for the period ending August 16, 2010 totaling \$56,817.76 and ratified approval of check #1853, payable to Don Samsel, in the amount of \$488.35.

Financial Statements: Mr. Simmons presented the unaudited financial statements for the period ending July 31, 2010 for the Board's review.

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

Cash Flow Projection: Mr. Simmons reviewed the cash flow projection through March 31, 2011 with the Board. The projection indicates a positive cash position through the first quarter of 2011.

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

2011 Budget Workshop: The Board discussed the 2011 Budget. The Board directed Mr. Beckman to follow up

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with Mr. Simmons to obtain a draft budget and email it to the Board prior to the next meeting for review.

LEGAL MATTERS

Ownership and Maintenance of Fences Separating District and Private Property: Attorney Tanaka reported that she is in discussions with the City regarding the ownership and maintenance of fences separating District, City, HOA and private property. She reported that she is waiting on the letter from the City detailing ownership between the District, HOA and private owners. She will follow up with the City regarding status of the letter.

Litigation against D.R. Horton, and groundwater issues within the District: EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Davis, seconded by Director Samsel and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:09 a.m. for the purposes of discussing legal matters as authorized by Section 24-6-402(4)(b) C.R.S. and discussing matters subject to negotiation pursuant to Section 24-6-402(4)(e), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 12:04 p.m. No action was taken by the Board.

OTHER BUSINESS

Community Outreach: No specific items to be included.

Posting Meeting Minutes and Agendas on the Website: Director Samsel reported to the Board that he will post agendas on the website.

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BOARD MEMBER INPUT

Board Member Input: Directory Dailey asked about the status of pest control services performed by Colorado Pest Control and asked about filling holes made by burrowing rodents. Mr. Beckman reported that the contractor has completed the work specified in the agreement. He will follow up with contractor about filling holes along the City owned trail and along Tract V.

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 from The Brickman Group and Daniel H. Godi & Associates: The Board discussed the proposal from Daniel H. Godi & Associates, Inc, for consulting services associated with arborist certifications and removal of one hundred trees.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved proposal from Daniel H. Godi & Associates, Inc, in the amount of \$16,000.00 for consulting services associated with arborist certifications and removal of one hundred trees.

The Board then discussed the proposal from the Brickman Group for removal and disposal of trees in coordination with Godi and Associates.

Following discussion, upon motion duly made by Director Samsel, seconded by Director Staley and, upon vote, unanimously carried, the Board approved the proposal from the Brickman Group for removal and disposal of trees in coordination with Godi and Associates.

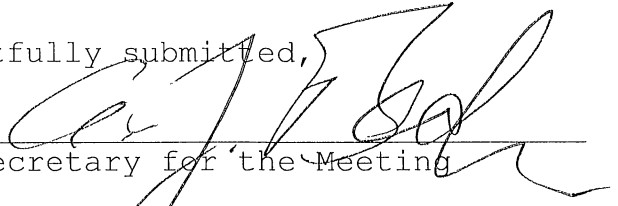
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ADJOURNMENT

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

THESE MINUTES WERE APPROVED AS THE OFFICIAL
AUGUST 16, 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.



THE BRICKMAN GROUP, LTD.

Property:

LANDSCAPE INSPECTION

Date: 8-3-2010

ATTENDING: Bill Barr Josh Roberts

CATEGORY I: MAINTENANCE CARRYOVER ITEMS.

Irrigation:

1. Controllers are being dialed back by Carlos to scale back run times on zones. We are closely going to monitor water usage.
2. Carlos is setting up program charts for the sixteen controllers.

Maintenance:

1. We have been pruning and trimming shrubs. The work should be done the first week of August.
2. Overseeding of the blue gramma Track U has been done. Notice of germination should happen the first part of August.

Turf:

1. Continue to spot spray for thistle.
2. Turf is in good healthy shape throughout property.

CATEGORY II: MAINTENANCE ITEMS

Irrigation:

1. Continue to work on system, to dial back times on controllers to use water as stringent as we possibly can.
2. Program charts are still being worked on by Carlos

Maintenance:

1. Trimming and pruning shrubs and multi stem trees on going.
2. Continue to dead head flower beds along with weeding weekly
3. Acid washed and Power sprayed sidewalk at Girard and Jerhico to rid of Algae on sidewalk due to ground water runoff.

Turf:

1. Turf maintains good color and vigor no signs of disease.
2. Blue Gramma seed starting to germinate. Track U

CATEGORY III: PROACTIVE SUGGESTIONS

Work Order:

1. Bid to drain off ground water on side walk causing slip hazard Girard and Jehico.
2. Bid to remove trees in areas to be inspected that have died.

CATEGORY IV: NOTES TO MANAGER