

**RECORD OF PROCEEDINGS**

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**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CONSERVATORY METROPOLITAN DISTRICT  
HELD  
AUGUST 20, 2012**

A regular meeting of the Board of Directors of the Conservatory Metropolitan District, (referred to hereafter as "Board"), was convened Monday, the 20<sup>th</sup> day of August, 2012, at 9:00 A.M., at the Conservatory Clubhouse, 2665 South Jebel Way, Aurora, Colorado. The meeting was open to the public.

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**ATTENDANCE**

**Directors In Attendance Were:**

Ronald "Dick" R. Dailey  
Laverne Palmer  
Dan Staley  
Jud Davis  
Rick Speaect

**Also In Attendance Were:**

AJ Beckman and Debbie McCoy; Special District Management Services, Inc.

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

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**CALL TO ORDER**

Director Dailey noted that a quorum of the Board was present and called the meeting to order.

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**ADMINISTRATIVE  
MATTERS**

**Agenda:** Director Dailey reviewed with the Board the proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Speaect, seconded by Director Palmer and, upon vote, unanimously carried, the Agenda was approved, as amended.

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**DISCLOSURES OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

**Disclosures 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

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member and consultant confirmed that they had no conflicts of interest in connection with any of the matters listed on the Agenda.

### COMMUNITY COMMENTS

Community Comments: There were no members of the community present.

### OTHER BUSINESS

Construction Contract for Monuments, Walls and Piers between the District and ASR Companies, Inc. ("ASR"): Attorney Tanaka discussed the status of the Construction Contract for Monuments, Walls and Piers between the District and ASR Companies, Inc. with the Board.

Attorney Tanaka noted that some typographical errors were found in Sections 5.2 and 5.3 and will be revised accordingly. She also reported that legal counsel for ASR has additional comments to be incorporated into the contract.

Attorney Tanaka explained the statutory requirements of the contract including the requirements for public bidding, bonds and retainage. The Board discussed the process for final payment, including the publication of notice of final payment.

Attorney Tanaka also discussed the requested down payment and informed the Board that this is not uncommon. She further explained that ASR will provide the required bonds. She then discussed insurance coverages and explained that Builder's Risk Coverage is a standard requirement of construction contracts. Either party can provide the coverage; however, contractors typically mark up the cost when they provide the coverage. She explained the change order process and progress payment process. Director Dailey reported that ASR has requested that they not be held responsible for pre-existing trash along the wall.

It was noted that the District has already awarded the Contract to ASR and the purpose of today's discussion was to review the provisions of the contract documents.

### INTERVIEWS WITH DISTRICT MANAGEMENT FIRMS

EXECUTIVE SESSION -- §24-6-402(4)(e), C.R.S. regarding Third-Party Negotiations; RFP Submittals for District Management Services: Pursuant to § 24-6-402(4)(e), C.R.S., upon motion duly made by Director Palmer, seconded by Director Dailey and, upon an affirmative vote of at least two-thirds of the quorum present, the Board

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convened in executive session at 9:15 a.m. for the purpose of discussing negotiations with third parties and receiving legal advice as authorized by §§ 24-6-402(4)(b) and (e), C.R.S.

Furthermore, pursuant to §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 at 9:45 a.m.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Dailey and, upon vote, unanimously carried, the Board awarded the management services contract to Special District Management Services, Inc., subject to the receipt of resumes from the administrative support team.

### OTHER BUSINESS CONTINUED

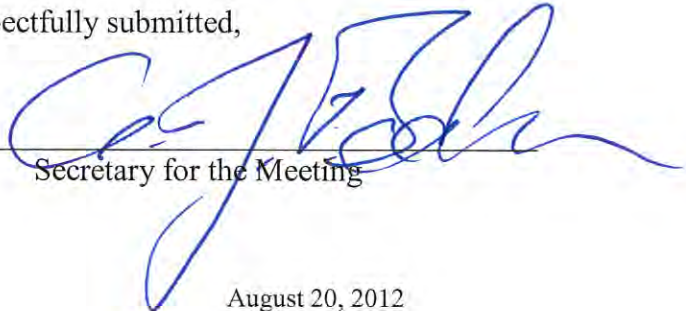
**Prairie Dogs:** The Board entered into discussion regarding the continuing infiltration of prairie dogs despite eradication efforts. Director Staley will contact the City of Aurora's Park and Recreation Department to obtain ideas of how to mitigate the situation.

**District Manager Roles:** The Board entered into discussion regarding methods to lessen the time the District Manager spends on District matters in an effort to reduce costs. It was noted that Board members will consider methods for discussion at the next meeting. Attorney Tanaka suggested that a Board member contact Mr. Beckman to obtain his insight and thoughts, as well.

### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Davis, seconded by Director Speaect and, upon vote, unanimously carried, the meeting was adjourned.


Respectfully submitted,

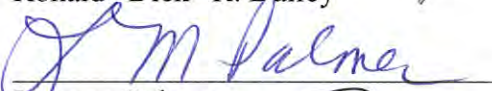
By:   
Secretary for the Meeting


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THESE MINUTES WERE APPROVED AS THE OFFICIAL  
AUGUST 20, 2012 MINUTES OF THE CONSERVATORY  
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

  
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Ronald "Dick" R. Dailey

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

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

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

  
\_\_\_\_\_  
Rick Speaect