

**RECORD OF PROCEEDINGS**

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**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CONSERVATORY METROPOLITAN DISTRICT  
HELD  
MARCH 19, 2012**

A Regular Meeting of the Board of Directors of the Conservatory Metropolitan District, (referred to hereafter as "Board"), was convened Monday, the 19th day of March, 2012, 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:**

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

**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.

Mark Frederick and Pat Bruno; Summit Services, Inc.

Dawn Schilling, CPA; Schilling & Company, Inc.

**CALL TO ORDER**

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

**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

**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:** Director Dailey reviewed with the Board the proposed Agenda for the District's Regular Meeting.

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

**Minutes:** The Board reviewed the Minutes of the January 16, 2012 Regular Meeting.

Following discussion, upon motion duly made by Director Davis, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the minutes of the January 16, 2012 Regular Meeting.

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### CONSENT AGENDA

**Consent Agenda:** The Board considered the following actions:

- Acknowledge Homeowners' Association ("HOA") Meeting Reports/Updates (if available).
- Acknowledge Manager's Report.
- Acknowledge Director Palmer as Board member on duty for the month of April and confirm schedule for 2012.

Director Dailey discussed the request from the HOA to place three banners on District property announcing community events. He reported that the HOA would like to post the banners at the corner of Conservatory Parkway and Jericho as well as the corner of Conservatory Parkway and Hampden, and in the open field directly across from the elementary school.

The Board discussed the proposed placement of the banners noting that the field across from the school is not District property.

Following discussion, upon motion duly made by Director Speaect, seconded by Director Dailey and, upon vote, unanimously carried, the Board approved the requested banners and directed Mr. Beckman to send a letter to the HOA specifying that the banners could be placed on District property one week in advance of community events and would be required to be promptly removed following each event.

Mr. Beckman reported that the Board member on duty schedule has been updated to incorporate Director Speaect into the rotation. Director Palmer requested that future Agendas include the Board Members on Duty for the two months following the meeting under the Consent Agenda.

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Following discussion, upon motion duly made by Director Staley, seconded by Director Davis and, upon vote, unanimously carried, the Board acknowledged the HOA Meeting Report, acknowledged the Manager's Report and acknowledged Director Palmer as the Board member on duty for the month of April. Director Palmer then commented that she is pleased with the move by Director Dailey to the Walls and Fences Committee and Director Davis to the Landscaping Committee given Director Dailey's involvement with the walls, monuments and fences to date.

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### ADMINISTRATIVE MATTERS CONTINUED

**Requests for Proposal ("RFP") for Consulting Services:** Director Palmer reviewed and discussed the RFP with the Board of Directors. The Board members had no comments on the RFP and directed Director Palmer to proceed with RFP distribution for District management services in 2012 so that any cost adjustment can be incorporated into the District's 2013 budget.

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### COMMUNITY COMMENTS

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

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### FINANCIAL MATTERS

**Claims:** Ms. Harland distributed and reviewed with the Board a check register for the period ending February 29, 2012, including check numbers 2116 through 2127, in the amount of \$25,838.35.

Following discussion, upon motion duly made by Director Staley, seconded by Director Palmer and, upon vote, unanimously carried, the Board ratified approval of check numbers 2116 through 2127 in the amount of \$25,838.35.

Ms. Harland then presented a second check register for the period ending March 13, 2012, including check numbers 2128 through 2138, totaling \$21,024.24.

Following discussion, upon motion duly made by Director Staley, seconded by Director Palmer and, upon vote, unanimously carried, the Board approved the claims for the period ending March 13, 2012 totaling \$21,024.24.

**Financial Statements:** Ms. Harland presented the unaudited financial statements for the period ending February 29, 2012 for the Board's review.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Staley, and upon vote, unanimously carried, the February 29, 2012 unaudited financial statements were accepted.

**Current Cash Flow Projection:** Ms. Harland reviewed the current cash flow projection through March 2013 with the Board. She noted that the Cash Flow

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projection report would be modified to reflect a projection through February 2013 given the board's decision to meet every other month.

**Collections Report:** Attorney Tanaka reviewed the Collections Report with the Board. She noted that she has received several calls in response to the recent letters to delinquent account holders. She reported that through February approximately \$5,400 has been collected.

**2011 Audit:** Ms. Schilling reviewed the Auditor's letter to the Board and the adjusting journal entries. She then reviewed the 2011 Audited Financial Statements with the Board. She informed the Board that she has issued a clean and unqualified opinion.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Staley and, upon vote, unanimously carried, the Board accepted the 2011 Audited Financial Statements with amendments, as discussed.

**Signature Cards for Bank Accounts:** Ms. Harland distributed and requested approval of updated bank account signature cards.

Following discussion, upon motion duly made by Director Palmer, seconded by Director Dailey and, upon vote, unanimously carried, the Board approved the signature cards for the District's bank accounts.

### LANDSCAPING MATTERS

**Summit Services, Inc. ("Summit Services") – Monthly Report:** The Board reviewed the monthly report from Summit Services.

Director Staley inquired as to certain challenges with the snow removal this season. Mr. Bruno explained that the removal has been somewhat difficult due to wet and heavy conditions.

Director Staley then asked about the estimated date for irrigation start-up. Mr. Bruno explained that mid-April is the expected start-up date unless moisture content allows Summit Services to prolong the period of non-irrigation.

Director Staley then inquired about the irrigation audit. Mr. Beckman explained that he checked on the status of the irrigation audit which is expected to be performed in July. The Audit will be performed by the City of Aurora (the "City").

Director Staley discussed tree replacements and the need to prioritize landscaping improvements for the upcoming season. Following discussion, the Board directed Mr. Beckman to set up a conference call with the Landscaping Committee and Summit Services to discuss annual priorities. It was noted that

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Summit Services will send an annual schedule for review by the Board.

Director Dailey discussed the need to ask the City to replace the trees on tract JJ. Following discussion, the Board directed Attorney Tanaka to draft a letter to the City requesting that the trees be replaced.

**Scope of Snow Removal:** Director Dailey discussed the current snow removal areas and explained that he is happy with the snow removal efforts this season and noted that the ATV operators have not been crossing private property. Director Palmer discussed snow removal along Conservatory Parkway near the school and asked for clarification as to who is responsible for removal in these areas. Mr. Bruno explained that this area is cleared by the school. The Board then discussed potentially seeking approval to clear snow on non-District tracts. Attorney Tanaka discussed potential liability issues and the agreements that would be necessary for the District to engage in snow removal services on non-District property. Mr. Bruno noted that Summit Services would not want to take on that or any responsibility without a clear understanding of the scope of responsibility within a defined area. Director Dailey noted that there are several areas owned by the City, elementary school or HOA. The Board further directed Mr. Bruno to only remove snow in areas that are specific to the District. Following discussion, the Board directed Mr. Beckman to work with Director Dailey to update the snow removal map to clearly reflect the areas of snow removal responsibility and the contact information for responsible parties, and also directed Mr. Beckman to include this information with the Community Update this fall.

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**OPERATION AND  
MAINTENANCE  
MATTERS  
CONTINUED**

**Tract NN Drainage Design by Olsson Associates, Inc.:** Mr. Beckman reported that Olsson Associates, Inc. has made a submittal to the City and have received a few minor comments. Olsson Associates, Inc. expects to have the permitting process completed within the next two to three weeks. Director Dailey requested that proposals for the work be presented at the next meeting.

**Repairs and Maintenance of Faux Stone Walls, Piers and Monuments and Wrought Iron Fencing:** Director Palmer inquired as to the scope of work for the Project Manager. Mr. Beckman explained that the scope of work for the current contract includes 40 hours of planning work. Once this phase is complete, the contract can be amended to include bidding and project management services.

Director Dailey explained that Jack O'Rourke is expected to be the Project Manager. He reported that Mr. O'Rourke worked with the District in the investigation and deconstructive testing of the walls, fences and monuments and is extremely familiar with the project.

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**Painting Mailbox Clusters:** The Board discussed the condition of the mailboxes and mailbox shelters. Mr. Beckman reported that he is in the process of getting proposals to paint the shelter and mailbox clusters.

The Board then discussed the nails and tacks in the bulletin boards at the mailbox shelters.

Following discussion, upon motion duly made by Director Staley, seconded by Director Davis and, upon vote, unanimously carried, the Board authorized Mr. Beckman to expend up to \$200 for removal of nails and tacks in bulletin boards.

**Options for Repairs to Monuments at 2718 South Ireland Way and 20587 East Eastman Avenue:** Mr. Beckman reviewed proposals for solar power to the monuments from Control Tech USA, Inc. Following discussion, the Board determined to address the fences and walls before addressing the monuments. The Board directed Mr. Beckman to obtain proposals for non-solar options for both monuments in time to include with the 2013 Budget and to inquire as to the best time of year to do the work.

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### **LEGAL MATTERS**

**May 8, 2012 Director Election:** Attorney Tanaka reported on directors elected by acclamation and reported that new terms will commence May 8, 2012.

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### **BOARD MEMBER INPUT**

**Board Member Input:** Director Palmer discussed the need to address wrought iron fence repairs in certain areas. She noted that a section near the new model homes is in need of paint. The Walls and Fences Committee will discuss a plan to make high priority repairs to certain sections of wrought iron fencing.

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### **NEW BUSINESS**

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

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### **CONTRACT APPROVALS**

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

**Independent Contractor Agreement between the District and John J. O'Rourke for Project Management Services:** The Board discussed the Independent Contractor Agreement between the District and John J. O'Rourke for Project Management Services.

Following discussion, upon motion duly made by Director Speaect, seconded by Director Davis and, upon vote, unanimously carried, the Board approved

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the Independent Contractor Agreement between the District and John J. O'Rourke for Project Management Services, subject to the receipt of certificate of insurance verifying appropriate coverages for John J. O'Rourke.

**OTHER BUSINESS**

**Community Outreach:** The Board discussed the following items as information to be included in the April 2012 Community Update:

- Election update
- Status of flower beds
- Tree replacements along Conservatory; approximately 50 trees
- Irrigation start-up
- Irrigation audit
- Walls and Fence Committee – planning major repairs with more information to follow as a plan is developed

**ADJOURNMENT**

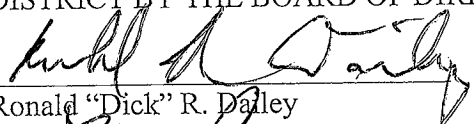
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

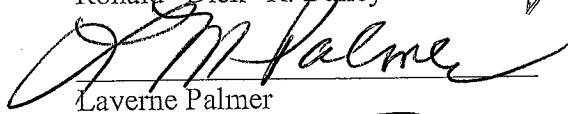
Respectfully submitted,


By: 

Secretary for the Meeting

THESE MINUTES WERE APPROVED AS THE OFFICIAL MARCH 19, 2012 MINUTES OF THE CONSERVATORY METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
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Ronald "Dick" R. Dalley

  
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Laverne Palmer

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

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

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Rick Speaect