

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
DANCING WILLOWS METROPOLITAN DISTRICT  
HELD  
SEPTEMBER 18, 2006

A regular meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as "Board") was convened on Monday, the 18th day of September, 2006, at 3:00 P.M., at the offices of Remington Homes, 9468 W. 58<sup>th</sup> Avenue, Arvada, Colorado. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Charles "Regan" Hauptman, President  
William A. "Bill" Angelovic  
Steven G. Knoll

Upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the absence of Paul "Ron" Hauptman was excused.

#### Also In Attendance Were:

Lisa Johnson and Deborah D. McCoy; Special District Management Services, Inc.

Mary Ann M. McGeady, Esq. and Lindsay Burleson; McGeady Sisneros, P.C.

Bill Swalling; Skyland Meadows Development, Ltd.

Matt Cavanaugh; Remington Homes

Gordon Yale; The Yale Group, Incorporated

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Ms. Johnson noted that a quorum was present and

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requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney McGeady noted that all Directors' Disclosure Statements have been filed.

### ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson 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 Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Minutes: The Board reviewed the minutes of the May 15, 2006 reconvened organizational meeting. Following discussion, upon motion duly made by Director Angelovic, seconded by Director Knoll and, upon vote, unanimously carried, the Board approved the minutes of the May 15, 2006 reconvened organizational meeting.

Resignation of Director: The resignation of Holly Bristol was accepted. Staff was directed to publish the Notice of Vacancy and the Board will consider appointment of a director to fill the vacancy at the next meeting.

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### FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims for the periods ending June 16, 2006, totaling \$5,837.15, July 17, 2006, totaling \$2,077.72 and August 21, 2006, totaling \$1,295.46.

Following discussion, upon motion duly made by Director Knoll, seconded by Director Regan Hauptman, and upon vote, unanimously carried, the Board ratified the approval of the payment of claims for the periods ending June 16, 2006, totaling \$5,837.15, July 17, 2006, totaling \$2,077.72 and August 21, 2006, totaling \$1,295.46.

The Board then considered approval of the payment of claims for the period ending September 18, 2006, totaling \$1,975.99.

Following discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic, and upon vote, unanimously carried, the Board approved payment of claims for the period ending September 18, 2006, as presented, subject to funding.

Financial Statements: The Board reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending August 31, 2006.

Following review, upon motion duly made by Director Angelovic, seconded by Director Knoll and, upon vote, unanimously carried, the unaudited financial statements for the period ending August 31, 2006 were approved, as presented.

2006 Budget amendment: The 2006 budget will need to be amended if bonds are issued in 2006.

Verification of infrastructure costs: EVO Consulting has not received any documentation for review.

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2007 Budget: Upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the Board appointed the District Manager to prepare the 2007 budget.

### LEGAL MATTERS

Engagement of District Financial Advisor: The engagement of Gordon Yale was discussed. Attorney McGeady will provide the addendum regarding illegal aliens. Following discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the Board approved the engagement of The Yale Group, Incorporated as the District's financial advisor.

Bond issue: Mr. Yale presented the financial plans and discussed the need to impose a system development fee. The goal is to issue bonds by the end of 2006.

Engagement of Kutak Rock LLP as District Bond Counsel: Following discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the Board approved the engagement of Kutak Rock LLP as District Bond Counsel

Resolution 2006-09-01 Amending and Restating Policy Regarding Recording of Public and Executive Session Meetings: Ms. McCoy presented a Resolution on Policy Regarding Recording of Public and Executive Session Meetings. Following review and discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the Board adopted Resolution 2006-09-01 Amending and Restating Policy Regarding Recording of Public and Executive Session Meetings. A copy of such Resolution is attached hereto and incorporated herein by this reference.

2006 legislative update: Attorney McGeady reported on the recent legislation regarding illegal aliens and its impact on the District.

2006 Operation Funding Agreement: Discussion was deferred.

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Facilities Acquisition Agreement: Discussion was deferred.

### OTHER BUSINESS

Maintenance Responsibilities: The Board reviewed a map showing District improvements and discussed maintenance responsibilities.

The District owns the Pool/Clubhouse facilities and the homeowners association will be responsible for operation and maintenance.

The District will own the roadways and the attached curb, gutter, sidewalk, and underdrains following acceptance by the District and expiration of the warranty period. The homeowners association will maintain the median and roadway landscaping. The District will provide snowplowing services for the roadways. Staff was directed to solicit bids to provide snowplowing services.

The District also owns and will maintain all storm sewer facilities.

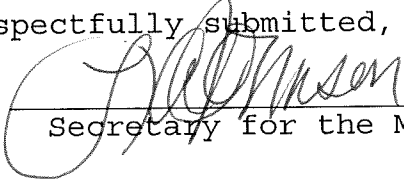
The District will need to adopt Rules and Regulations to provide maintenance specifications for all District improvements.

### ADJOURNMENT

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

Respectfully submitted,

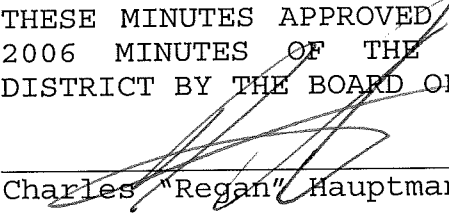
By

  
Secretary for the Meeting

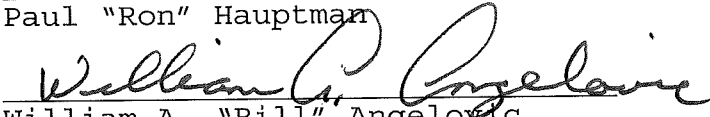
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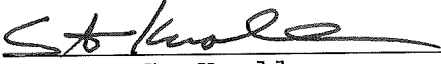
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THESE MINUTES APPROVED AS THE OFFICIAL SEPTEMBER 18,  
2006 MINUTES OF THE DANCING WILLOWS METROPOLITAN  
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
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Charles "Regan" Hauptman

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Paul "Ron" Hauptman

  
\_\_\_\_\_  
William A. "Bill" Angelovic

  
\_\_\_\_\_  
Steven G. Knoll

**RESOLUTION NO. 2006-09-01**

**DANCING WILLOWS METROPOLITAN DISTRICT**

**RESOLUTION AMENDING AND RESTATING POLICY REGARDING RECORDING OF  
PUBLIC AND EXECUTIVE SESSION MEETINGS**

WHEREAS, the Dancing Willows Metropolitan District (the "District") is a duly organized and validly existing special district, quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, the District is subject to and desires to comply with Section 24-6-401, C.R.S., et seq., (the "Open Meetings Law"), which provides that formation of public policy is public business and may not be conducted in secret; and

WHEREAS, the District adopted Resolution No. 2006-05-02, entitled Resolution Providing Policy Regarding Recording of Public and Executive Session Meetings, on May 1, 2006; and

WHEREAS, the 65<sup>th</sup> Colorado General Assembly passed and the Governor signed Senate Bill 06-009 which among other things, amended the Open Meetings Law by establishing new requirements for recording executive session meetings as authorized by Section 24-6-402(4), C.R.S.; and

WHEREAS, such amendments are effective August 9, 2006; and

WHEREAS, Section 32-1-1001(1)(m), C.R.S., authorizes the District's Board of Directors (the "Board") to adopt, amend and enforce bylaws and rules and regulations for carrying out the business, objects and affairs of the Board and the District;

NOW, THEREFORE, BE IT RESOLVED by the Board that beginning August 9, 2006, the District's Policy Regarding Recording of Public and Executive Session Meetings is as follows:

1. The Board shall use written summary minutes as the manner and media for recording its regular and special public meetings.
2. To the extent required by Section 24-6-402(2)(d.5)(II)(A), C.R.S, the Board shall electronically record executive session meetings by use of a cassette tape recorder.
3. The Board shall retain such electronic executive session meeting records for ninety (90) days after the date of the executive sessions in compliance with Section 24-6-402(2)(d.5)(II)(E), C.R.S.

4. The custodian of the District's records shall destroy such executive session meeting records upon expiration of the ninety-day (90-day) retention period.

ADOPTED this 18th day of September, 2006.

DANCING WILLOWS METROPOLITAN  
DISTRICT

By: \_\_\_\_\_

President

Attest:

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Secretary