

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
DANCING WILLOWS METROPOLITAN DISTRICT
HELD
NOVEMBER 20, 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 20th day of November, 2006, at 3:00 P.M., at the offices of Remington Homes, 9468 W. 58th 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 Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the absence of Paul "Ron" Hauptman was excused.

Also In Attendance Were:

Lisa Johnson; Special District Management Services, Inc.

Lindsay Burleson, Law Clerk; McGeady Sisneros, P.C.

Matt Cavanaugh and Douglas R. Edwards; Remington Homes, Inc.

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 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

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disclosures made by the Board members prior to this meeting in accordance with the statute. Ms. Burleson 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 Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Agenda was approved.

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 Regan Hauptman, seconded by Director Knoll 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 September 18, 2006 regular meeting. Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Angelovic and, upon vote, unanimously carried, the Board approved the minutes of the September 18, 2006 regular meeting.

Consideration of Board Appointment After Publication of Notice of Vacancy: It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was made on September 28, 2006 in The Golden Transcript. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

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Following discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the Board appointed Douglas R. Edwards to fill the vacancy created by the resignation of Holly Bristol. The Oath of Office was administered.

2007 Meeting Dates: Ms. Johnson reviewed the business to be conducted in 2007 to meet the statutory compliance requirements.

The Board determined to meet on 3rd Monday of every month starting in January 2007, at 3:00 p.m., at the offices of Remington Homes, Inc., 9468 West 58th Avenue, Arvada, Colorado.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims for the period ending October 16, 2006, totaling \$3,458.67.

Following discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic, and upon vote, unanimously carried, the Board ratified the approval of the payment of claims, as presented, subject to funding.

The Board then considered approval of the payment of claims for the period ending November 20, 2006, totaling \$2,080.61.

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 November 20, 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 October 31, 2006.

Following review, upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried, the unaudited financial statements

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for the period ending October 31, 2006 were approved, as presented.

2006 Application for Exemption from Audit: The Board appointed Special District Management Services, Inc. to prepare the application for exemption from Audit for 2006.

Verification of infrastructure costs: There was no report.

2007 Budget: The Chairman opened the public hearing to consider the proposed 2007 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 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.

Ms. Johnson reviewed the estimated 2006 expenditures and proposed 2007 expenditures.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2007 Budget, Set Mill Levies, and Appropriate Sums of Money. Upon motion duly made by Director Regan Hauptman, seconded by Director Angelovic and, upon vote, unanimously carried, the Resolution was adopted, as discussed subject to final review by counsel, 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, 2006. Ms. Johnson was authorized to transmit the Certification of Mill Levy to the Board of County Commissioners of Jefferson County, the Division of Local Government and the Division of Property Taxation, not later than December 15, 2006. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later

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than January 31, 2007. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

LEGAL MATTERS

Bond issue: The Board discussed the timing of issuance of bonds, it was determined that the District will not issue bonds in 2006.

2006 Operation Funding Agreement between the District and Dancing Willows by Remington Homes, Inc.: The Board considered ratifying the approval of the 2006 Operation Funding Agreement. Following discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic and, upon vote, unanimously carried the Board ratified the approval of the 2006 Operation Funding Agreement between the District and Dancing Willows by Remington Homes, Inc. approved May 15, 2006, subject to final review by counsel.

Facilities Acquisition Agreement between the District and Remington Homes, Inc.: Discussion was deferred.

2007 Operation Funding Agreement between the District and Dancing Willows by Remington Homes, Inc.: Discussion was deferred.

Rules and Regulations for the maintenance specifications for all District improvements: Discussion was deferred.

Amendment 41: Ms. Burleson reported on Amendment 41. It has not yet been determined if this Amendment applies to Special Districts. Ms. Burleson will keep the Board updated.

OTHER BUSINESS

Snowplowing Services: The Board considered engaging a contractor for snowplowing services. The Board determined there was no need for snowplowing services at this time and will revisit the issue in 2007.

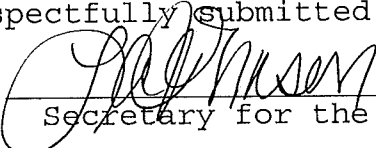
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ADJOURNMENT

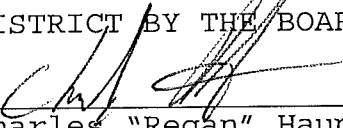
There being no further business to come before the Board at this time, upon motion duly made by Director Regan Hauptman, seconded by Director Edwards and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,


By

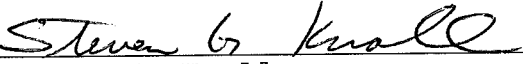

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL NOVEMBER 20, 2006 MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Charles "Regan" Hauptman

Paul "Ron" Hauptman


William A. "Bill" Angelovic


Steven G. Knoll


Douglas R. Edwards