

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
DANCING WILLOWS METROPOLITAN DISTRICT
HELD
JUNE 18, 2007

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 June, 2007, 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
Douglas R. Edwards

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

Also In Attendance Were:
Lisa Johnson and Lisa Jacoby; Special District Management Services, Inc.

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

Don Yowell; Community Solutions, 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 disclosures made by the Board members prior to this

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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 Angelovic 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 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 November 20, 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 November 20, 2006 regular meeting.

The Board then reviewed the minutes of the January 15, 2007 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 January 15, 2007 regular meeting.

SDA 2007 Annual Conference: Ms. Johnson discussed having Board Members attend the SDA 2007 Annual Conference. Following discussion, the Board determined not to attend the Conference.

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FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims for the periods ending February 12, 2007, totaling \$5,724.22, March 12, 2007, totaling \$2,597.24, April 18, 2007, totaling \$2,320.11 and May 21, 2007, totaling \$3,369.23.

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, as presented.

The Board then considered approval of the payment of claims for the period ending June 18, 2007, totaling \$8,683.45.

Following discussion, upon motion duly made by Director Knoll, seconded by Director Edwards, and upon vote, unanimously carried, the Board approved payment of claims for the period ending June 18, 2007, 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 periods ending December 31, 2006 (revised) and May 31, 2007.

Following review, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the unaudited financial statements for the periods ending December 31, 2006 and May 31, 2007 were approved, as presented.

2006 Application for Exemption from Audit: The Board reviewed the 2006 application for exemption from audit. Following review and discussion, upon motion duly made by Director Angelovic, seconded by Director Knoll and, upon vote, unanimously carried, the Board ratified approval of the execution of the 2006 Application for Exemption from Audit.

2008 Budget: The Board discussed the 2008 budget. Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board appointed Ms. Johnson to prepare the 2008 budget and determined to schedule the public hearing to consider adoption of the

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2008 budget on Monday, November 19, 2007 at 3:00 p.m. at the regular meeting place.

LEGAL MATTERS

Facilities Funding and Acquisition Agreement between the District and Remington Homes, Inc and Operation Funding Agreement between the District and Remington Homes, Inc: Attorney McGeady presented the Facilities Funding and Acquisition Agreement and the Operation Funding Agreement for the Board's review.

EXECUTIVE SESSION: Pursuant to §24-6-402(4), C.R.S., Director Regan Hauptman moved that the regular public meeting of the Board adjourn and, upon an affirmative vote of at least two-thirds of the quorum present, that the Board reconvene in Executive Session for the sole purpose of receiving from the Board's attorney legal advice on specific legal questions as authorized by § 24-6-402(4)(b), 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 counsel, constitutes privileged attorney-client communication pursuant to §24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 3:45 p.m.

The Board deferred further discussion to the July 2007 meeting.

Rules and Regulations for the maintenance specifications for the underdrain system: Director Regan Hauptman noted that he will contact the civil engineer associated with the underdrain system and obtain the maintenance requirements for the system. The Board deferred discussion.

Rules and Regulations for the Pool and Clubhouse Improvements: Attorney Burleson presented the Rules and Regulations for the pool and clubhouse improvements.

Following review and discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Angelovic and, upon vote, unanimously carried, the Board approved the Rules and Regulations for the pool

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and clubhouse improvements, subject to final review by counsel.

Engineer's Report on reimbursement recommendations for infrastructure costs to Remington Homes, Inc.: The Board reviewed the verification letter received from EVO Consulting Services, Inc. for invoices submitted by Mike Pekas, for Remington Homes, Inc., in the amount of \$4,456,963.41.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Angelovic and, upon vote, unanimously carried, the Board approved the verification letter received from EVO Consulting Services, Inc. for invoices submitted by Mike Pekas, for Remington Homes, Inc., in the amount of \$4,456,963.41.

Operation and maintenance of District owned facilities: MSI, LLC. Attorney Burleson presented a draft Service Agreement between the District and MSI, LLC for operation and maintenance of District owned facilities. The Board deferred discussion to the next meeting.

Community Solutions, Inc. Mr. Yowell presented a proposal from Community Solutions, Inc. for operation and maintenance of District owned facilities. The Board deferred discussion to the next meeting.

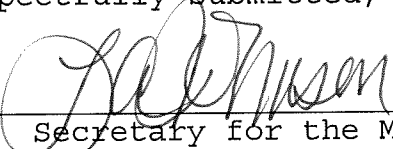
November 2007 Election: Ms. Johnson addressed the Board regarding the necessity for an election in November. Following discussion, the Board determined there was no need to conduct an election in November.

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 Knoll and, upon vote, unanimously carried, the meeting was adjourned.

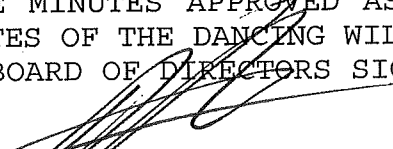
Respectfully submitted,

By

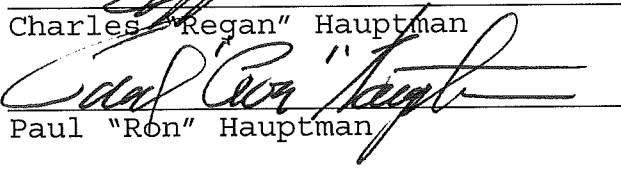

Secretary for the Meeting

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THESE MINUTES APPROVED AS THE OFFICIAL JUNE 18, 2007
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