

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
DANCING WILLOWS METROPOLITAN DISTRICT  
HELD  
NOVEMBER 19, 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 19th day of November, 2007, 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  
Paul "Ron" Hauptman  
Douglas R. Edwards

Upon motion duly made by Director Regan Hauptman, seconded by Director Edwards and, upon vote, unanimously carried, the absences of William A. "Bill" Angelovic and Steven G. Knoll were excused.

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

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 meeting in accordance with the statute. Attorney

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totaling \$11,088.41; August 10, 2007, totaling \$2,002.11; September 11, 2007, totaling \$2,917.12 and October 15, 2007, totaling \$3,598.86.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Edwards, 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 November 19, 2007, totaling \$4,793.47 for general fund expenses.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Edwards, and upon vote, unanimously carried, the Board approved payment of claims for the period ending November 19, 2007, as presented.

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, 2007.

Following review, upon motion duly made by Director Regan Hauptman, seconded by Director Edwards and, upon vote, unanimously carried, the unaudited financial statements for the period ending October 31, 2007 were approved, as presented.

2007 Application for Exemption from Audit: The Board appointed the District Accountant to prepare and file the Application for Exemption from Audit for 2007.

2008 Budget: The President opened the public hearing to consider the proposed 2008 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.

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No public comments were received and the public hearing was closed.

Ms. Johnson reviewed the estimated 2007 expenditures and proposed 2008 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2008 Budget, Set Mill Levies, and Appropriate Sums of Money. Upon motion duly made by Director Regan Hauptman, seconded by Director Ron Hauptman and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, 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, 2007. 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, 2007. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2008. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

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### LEGAL MATTERS

Facilities Funding and Acquisition Agreement between the District and Dancing Willows by Remington Homes, Inc.: Attorney Burleson presented the Agreement.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Edwards and, upon vote, unanimously carried, the Board ratified the approval of the Facilities Funding and Acquisition Agreement between the District and Dancing Willows by Remington Homes, Inc.

Operation Funding Agreement between the District and Dancing Willows by Remington Homes, Inc.: The Board reviewed the finance plan and determined to impose a one-time maintenance fee on each lot to be collected at closing. A public hearing will be scheduled for the December meeting.

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Rules and Regulations for the maintenance specifications for the underdrain system: Discussion was deferred.

Operation and maintenance of District owned facilities: The Board reviewed the proposals from MSI, LLC and Community Solutions, Inc.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Ron Hauptman and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and Community Solutions, Inc., subject to final review by the developer.

May 6, 2008 Regular Election of the Board of Directors:

The Board discussed the upcoming election. Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Ron Hauptman and, upon vote, unanimously carried, the Board appointed Lisa A. Johnson as Designated Election Official and authorized her to perform all tasks required for the May 6, 2008 Regular Election of the Board of Directors for the conduct of a mail ballot election. The Board also determined that there would be no issues on the ballot.

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### OTHER BUSINESS

2007-2008 snow removal services: The Board reviewed the proposals from CoCal Landscape and Nu Style Landscape & Design Inc.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Edwards and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and Nu Style Landscape & Design Inc.

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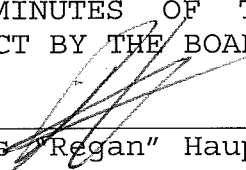
### ADJOURNMENT

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.

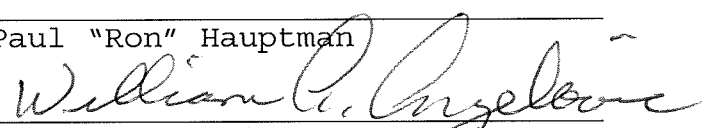
Respectfully submitted,

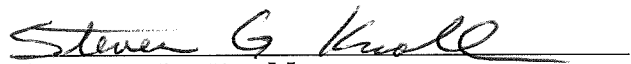
By   
Secretary for the Meeting

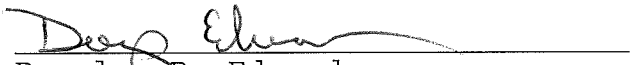
THESE MINUTES APPROVED AS THE OFFICIAL NOVEMBER 19, 2007 MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
Charles "Regan" Hauptman

Paul "Ron" Hauptman

  
William A. "Bill" Angelovic

  
Steven G. Knoll

  
Douglas B. Edwards