

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
DANCING WILLOWS METROPOLITAN DISTRICT
HELD
MARCH 11, 2008

A special meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as "Board") was convened on Tuesday, the 11th day of March, 2008, at 9:00 A.M., at the offices of Kutak Rock, LLP, 1801 California Street, Suite 3100, Denver, 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
Paul "Ron" Hauptman

Also In Attendance Were:

Lisa A. Johnson; Special District Management Services, Inc.

MaryAnn McGeady, Esq.; McGeady Sisneros, P.C.

Ken Guckenberger and Jordan Oates; Kutak Rock, LLP.

Gordon Yale; The Yale Group, 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. Ms. Johnson noted that all Directors' Disclosure Statements have been filed.

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ADMINISTRATIVE
MATTERS

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's special meeting. Following discussion, upon motion duly made by Director Paul 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 Paul 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 December 17, 2007 regular meeting. Following discussion, upon motion duly made by Director Paul Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board approved the minutes of the December 17, 2007 regular meeting.

Resolution No. 2008-03-01 regarding 24-hour posting place: The Board considered Resolution No. 2008-03-01 designating the place at which notice will be posted at least 24 hours prior to each meeting. Following review, upon motion duly made by Director Paul Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board adopted Resolution 2008-03-01 as presented. A copy of the Resolution is attached hereto and incorporated herein by this reference.

FINANCIAL
MATTERS

Claims: The Board considered ratifying the approval of the payment of claims through the periods ending:

Fund	Period Ending January 14, 2008	Period Ending February 11, 2008
General	\$ 16,470.02	\$ 3,835.58
Total	\$ 16,470.02	\$ 3,835.58

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Following discussion, upon motion duly made by Director Knoll, seconded by Director Angelovic, and upon vote, unanimously carried, the Board ratified approval of the payment of claims for the periods ending January 14, 2008 and February 11, 2008.

The Board then considered approval of the payment of claims through the period ending March 11, 2008:

General Fund	\$ 9,199.29
Debt Service Fund	<u>91,900.00</u>
Total	\$101,099.29

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending March 11, 2008.

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, 2007 and January 31, 2008.

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, 2007 and January 31, 2008 were approved, as presented.

2007 Application for Exemption from Audit: The Board discussed the requirements for an audit. Following review and discussion, upon motion duly made by Director Regna Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board approved execution of the 2007 Application for Exemption from Audit.

2008 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2008 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2008 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. There were no comments from the public in attendance and the public hearing was closed.

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Following review and discussion, Director Regna Hauptman moved to adopt the Resolution to Amend 2008 Budget, Director Angelovic seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2008 Budget, subject to final review. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

LEGAL MATTERS

2008 Bonds: Mr. Guckenberger presented the documents for adoption of the bond resolution to the Board for review.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board adopted the Resolution authorizing the issuance by the Dancing Willows Metropolitan District of its General Obligation (Limited Tax Convertible to Unlimited Tax) Capital Appreciation Bonds, Series 2008A, in the approximate original principal amount of \$610,903.89, and its General Obligation (Limited Tax Convertible to Unlimited Tax) Convertible Capital Appreciation Bonds, Series 2008B, in the approximate original principal amount of \$3,108,609.00, authorized the execution and delivery of all documents, agreements and certificates in connection therewith.

Agreement regarding Dedication and Acceptance of Facilities: Attorney McGeady reviewed and discussed with the Board the Agreement regarding Dedication and Acceptance of Facilities by and between the District and Dancing Willows by Remington Homes, Inc.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board approved the Agreement regarding Dedication and Acceptance of Facilities by and between the District and Dancing Willows by Remington Homes, Inc.

Bill of Sale: Attorney McGeady reviewed and discussed with the Board the Bill of Sale from Dancing Willows by Remington Homes, Inc., for completed public improvements.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board approved the acceptance of the Bill of Sale from Dancing Willows by Remington Homes, Inc., for completed public improvements.

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Termination of Facilities Funding and Acquisition Agreement: Attorney McGeady reviewed and discussed with the Board the termination of Facilities Funding and Acquisition Agreement dated November 19, 2007, by and between the District and Dancing Willows by Remington Homes, Inc.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board approved the termination of Facilities Funding and Acquisition Agreement dated November 19, 2007, by and between the District and Dancing Willows by Remington Homes, Inc.

Letter Agreement regarding Bond Issuance Costs: Attorney McGeady reviewed and discussed with the Board the letter agreement regarding bond issuance costs by and between the District and Dancing Willows by Remington Homes, Inc.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Edwards and, upon vote, unanimously carried, the Board approved the letter agreement regarding bond issuance costs by and between the District and Dancing Willows by Remington Homes, Inc.

Acknowledgement of full payment of net bond proceeds with respect to the Facilities Funding and Acquisition Agreement: Attorney McGeady reviewed and discussed with the Board the acceptance from Dancing Willows by Remington Homes, Inc., of acknowledgement of full payment of net bond proceeds with respect to the Facilities Funding and Acquisition Agreement dated November 19, 2007, by and between the District and Dancing Willows by Remington Homes, Inc.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Knoll and, upon vote unanimously carried, the Board approved the acceptance from Dancing Willows by Remington Homes, Inc., of acknowledgement of full payment of net bond proceeds with respect to the Facilities Funding and Acquisition Agreement dated November 19, 2007, by and between the District and Dancing Willows by Remington Homes, 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 continued to April 29, 2008 at 3:00 p.m.


Respectfully submitted,

By



Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL MARCH 11, 2008 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