

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
DANCING WILLOWS METROPOLITAN DISTRICT
HELD
JULY 21, 2008

A regular meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as "Board") was convened on Monday, the 21st day of July, 2008, at 3:00 P.M., at the Community Clubhouse, 11893 W. Long Circle, Littleton, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Charles "Regan" Hauptman, President
Paul "Ron" Hauptman
Bobby Thomas
Steven G. Knoll
James D. "Don" Walker

Also In Attendance Were:

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

MaryAnn McGeady; McGeady Sisneros, P.C.

Don Yowell; Community Solutions, Inc.

See attached sheet for members of the public in attendance.

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.

RECORD OF PROCEEDINGS

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, as amended.

Minutes: The Board reviewed the minutes of the May 19, 2008 regular meeting. Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the minutes of the May 19, 2008 regular meeting.

FINANCIAL
MATTERS

Claims: The Board considered ratifying the approval of the payment of claims through the period ending June 16, 2008:

General Fund	\$ 34,722.47
Debt Service Fund	<u>67,874.16</u>
Total	<u>\$102,596.63</u>

Following discussion, upon motion duly made by Director Knoll, seconded by Director Ron Hauptman and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims for the period ending June 16, 2008.

The Board then considered approval of the payment of claims through the period ending July 21, 2008 totaling \$9,932.87 for general fund expenditures.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending July 21, 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 period ending June 30, 2008.

Following review, upon motion duly made by Director Regan Hauptman, seconded by Director Thomas and, upon vote, unanimously carried, the unaudited financial statements for the period ending June 30, 2008 were accepted, as presented.

RECORD OF PROCEEDINGS

Property insurance: Mr. Yowell presented the proposal for property insurance coverage for the clubhouse building, the entry monuments along Bowles Avenue and the wood fences owned by the District.

Following discussion, upon motion duly made by Director Ron Hauptman, seconded by Director Regan Hauptman and, upon vote, unanimously carried, the Board directed staff to bind coverage for the improvements for a total coverage amount of \$687,000 with a \$1,000 deductible for a premium amount of \$822.53.

DEVELOPER'S CONSTRUCTION REPORT

Project Construction Status: Director Knoll reported on the project construction status, the goal is to open the pool on August 2, 2008.

OTHER MATTERS

Operation and Maintenance Monthly Report from Community Solutions, Inc.: Mr. Yowell reviewed the monthly report.
Amendment to the Rules and Regulations: The Board discussed amending the Rules and Regulations to include the Clubhouse Rules and Regulations.

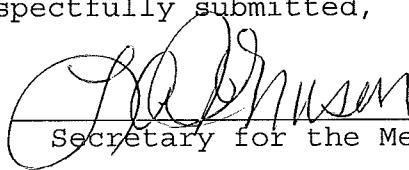
Following discussion, upon motion duly made by Director Paul Hauptman, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the inclusion of the Clubhouse Rules and Regulations as part of the Rules and Regulations of the District. A copy of the Clubhouse Rules and Regulations is attached hereto and incorporated herein by this reference.

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.

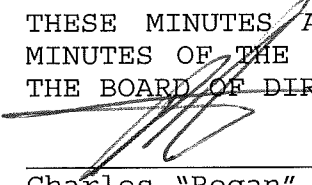
Respectfully submitted,

By


Secretary for the Meeting

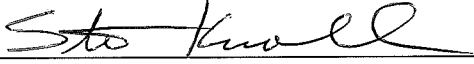
RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL JULY 21, 2008
MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY
THE BOARD OF DIRECTORS SIGNING BELOW:

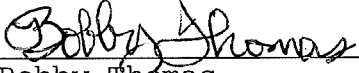


Charles "Regan" Hauptman

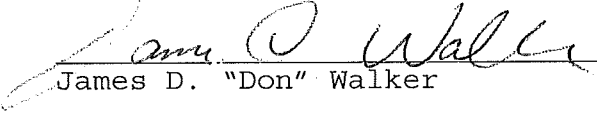
Paul "Ron" Hauptman



Steven G. Knoll



Bobby Thomas



James D. "Don" Walker