

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
DANCING WILLOWS METROPOLITAN DISTRICT
HELD
JUNE 15, 2009

A regular meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as "Board") was convened on Monday, the 15th day of June, 2009, 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
Bobby Thomas
Steven G. Knoll
James D. "Don" Walker

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

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

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

Virginia Hemphill; Simmons & Wheeler, P.C.

Douglas R. Edwards; Remington Homes

See attached sign-in sheet for a list of District residents in attendance.

PUBLIC COMMENTS

Ms. Watson addressed the Board regarding various matters including: taxes, snow removal, weed control, and pond landscaping. Director Regan Hauptman informed the residents that the assessed value is calculated by the County Assessor. Director Regan Hauptman further informed the residents that the District has a contract for 2009 that requires snow removal when snow

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accumulation is 6"+ on roads and 4"+ on sidewalks and that landscaping and weed control are HOA issues. Foothills Park and Recreation District is responsible for the pond landscaping.

Mr. Cristello addressed the Board regarding concerns about rust stains created from the fertilizer. Mr. Yowell suggested a remedy.

Mr. Banghart addressed the Board regarding broken concrete in three parking spaces.

Mr. Anderson expressed his concern regarding discrepancies between the Rules and Regulations for the District and the Clubhouse Rules. Mr. Anderson rewrote the Rules and Regulations and requested that the Board review and consider approval. The Board determined to review the revised Rules and Regulations and provide their comments in the next few weeks.

Mr. Anderson expressed the need for future improvements including installing an awning or blinds for the clubhouse and installing a security light at the east end of W. Ida Drive. The Board determined to add these items to the list of future capital improvements.

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 regular meeting.

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Thomas and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the minutes of the November 17, 2008 regular meeting.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Regan Hauptman and, upon vote, unanimously carried, the Board approved the minutes of the November 17, 2008 regular meeting, as amended.

Resolution No. 2009-06-01 regarding 24-hour posting place: The Board considered Resolution No. 2009-06-01 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 Regan Hauptman, seconded by Director Knoll and, upon vote, unanimously carried, the Board adopted Resolution 2009-06-01, as amended. A copy of the Resolution is attached hereto, and incorporated herein, by this reference.

SDA 2009 Annual Conference: Ms. Johnson discussed Board Member attendance at the SDA 2009 Annual Conference. Following discussion, the Board determined not to attend the Conference.

FINANCIAL MATTERS

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

	Period Ending Dec 9, 2008	Period Ending Jan 14, 2009	Period Ending Feb 24, 2009
General Fund	\$ 5,277.67	\$ 6,352.74	\$ 6,966.24
Capital Projects Fund	-0-	-0-	500.00
Total Claims:	\$ 5,277.67	\$ 6,352.74	\$ 7,466.24

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	Period Ending Mar 16, 2009	Period Ending Apr 21, 2009	Period Ending May 26, 2009
General Fund	\$ 3,705.98	\$ 4,078.89	\$ 9,699.96
Capital Projects Fund	-0-	400.00	-0-
Total Claims:	\$ 3,705.98	\$ 4,478.89	\$ 9,699.96

Following discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the periods ending December 9, 2008, January 14, 2009, February 24, 2009, March 16, 2009, April 21, 2009, and May 26, 2009, subject to receipt of funding.

The Board then considered approval of the payment of claims for the period ending June 15, 2009, as follows:

General Fund	\$ 5,901.28
Debt Service Fund	71,000.00
Total Claims:	<u>\$ 76,901.28</u>

Following review and 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 June 15, 2009.

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 March 31, 2009.

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 March 31, 2009 were accepted.

2008 Audit: The Board considered ratifying the approval of the engagement of Simmons & Wheeler, P.C. to perform the 2008 Audit.

Following review, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board ratified the approval of

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the engagement of Simmons & Wheeler, P.C. to perform the 2008 Audit, for an amount not to exceed \$3,800.

2010 Budget: The Board discussed the 2010 Budget.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Regan Hauptman and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2010 Budget under the existing management agreement with Special District Management Services, Inc. The Board determined to hold the public hearing to consider adoption of the 2010 budget on Monday, November 16, 2009 at 3:00 p.m. at the regular meeting place.

2008 Audit: Ms. Hemphill reviewed the 2008 draft Audit.

Following review and discussion, upon motion duly made by Director Regan Hauptman, seconded by Director Thomas and, upon vote, unanimously carried, the Board accepted the 2008 Audit and authorized execution of the Representations Letter.

LEGAL MATTERS

Public improvements: Director Knoll and Mr. Yowell will prepare a punch-list for the clubhouse, pool, and other completed projects. The Board will review the punch-list at the next meeting.

Amendment 54: There was discussion regarding Colorado Constitutional Amendment 54 which was voted into law on November 4, 2008. Attorney McGeady reported the provisions of Amendment 54 define "Sole Source Contracts" as all contracts with governmental entities which are not publicly bid, and imposes certain contractual obligations upon such Sole Source Contracts. Non-compliance with the provisions of this new law may constitute corrupt misconduct or malfeasance and may result in removal from office and disqualification to hold any office in the State.

Following discussion, the Board directed Director Regan Hauptman to work with the District's manager/Attorney to implement procedures to ensure the District is in compliance with the provisions of Amendment 54.

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EXECUTIVE SESSION: Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director Regan Hauptman, seconded by Director Thomas and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 5:06 P.M. for the purpose of receiving from the Board's attorney legal advice as authorized by Section 24-6-402(4)(b), C.R.S. regarding the status of payment of outstanding 2008 invoices and funding.

The Board reconvened in regular session at 5:25 P.M.

Notice of Default under Operations and Funding Agreement to Dancing Willows by Remington Homes: Following review and discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board ratified the approval of the communication of Notice of Default under Operations and Funding Agreement to Dancing Willows by Remington Homes.

Promissory Note with Special District Management Services, Inc. for payment of 2008 invoices: The Board discussed the current available funds and proposed revenue for 2009 and determined that under the current budget assumptions, there are no funds to pay the invoices for services provided in 2008 that have not yet been paid.

Following review and discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the Promissory Note with Special District Management Services, Inc. for payment of 2008 invoices.

Promissory Note with McGeady Sisneros, P.C. for payment of 2008 invoices: The Board discussed the current available funds and proposed revenue for 2009 and determined that under the current budget assumptions, there are no funds to pay the invoices for services provided in 2008 that have not yet been paid.

Following review and discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the

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Promissory Note with McGeady Sisneros, P.C. for payment of 2008 invoices.

Promissory Note with Yale Group, Inc.: Following review and discussion the Board did not approve the Promissory Note with Yale Group, Inc. because they felt the work performed was not requested by the District.

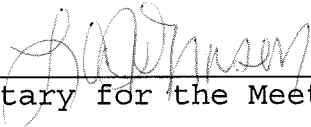
OTHER BUSINESS

2009 Landscape Maintenance and Snow Removal Service Agreement with Remington Homes: The Board directed staff to negotiate a Service Agreement with Remington Homes to provide landscape maintenance and snow removal services through 2009.

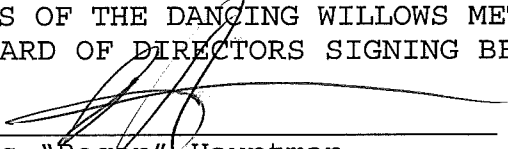
ADJOURNMENT

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

Respectfully submitted,

By 
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL JUNE 15, 2009 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