

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
DANCING WILLOWS METROPOLITAN DISTRICT
HELD
JUNE 24, 2010

A special meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, the 24th day of June, 2010, at 6:30 P.M., at the Community Clubhouse, 11893 W. Long Circle, Littleton, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Bobby Thomas
James D. "Don" Walker
William A. Anderson
Judith Grice

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

Also In Attendance Were:

Lisa A. Johnson, Meric Lallier and Dan Cordova; Special District Management Services, Inc.

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

Douglas R. Edwards; Remington Homes

Scott Bristol; Stillwater Community Management

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

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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.

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 Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the November 16, 2009 regular meeting.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the Minutes of the November 16, 2009 regular meeting.

Resolution No. 2010-06-01 Regarding 24-hour Posting Place: The Board considered Resolution No. 2010-06-01 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 Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board adopted Resolution 2010-06-01, as presented. A copy of the Resolution is attached hereto, and incorporated herein, by this reference.

May 4, 2010 Election: Ms. Johnson explained that there were four Board seats available for the May 4, 2010 election. She only received four self-nomination and acceptance forms by the February 26, 2010 due date and therefore, the election was cancelled and the four qualified candidates were deemed elected. They have taken their oaths and the oaths have been filed with the Court and the Division of Local Government.

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Appointment of Officers: Following discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, unanimously carried, the following slate of officers was appointed:

President	James D. (Don) Walker
Treasurer	Bobby Thomas
Secretary	Lisa A. Johnson
Assistant Secretary	Charles "Regan" Hauptman
Assistant Secretary	William A. Anderson
Assistant Secretary	Judith Grice

Directors' Fees: The Board discussed the payment of directors' fees in compliance with State statutes.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, carried with Directors Thomas, Anderson and Grice voting "Yes" and Director Walker abstaining, the Board approved the payment of directors' fees, in the amount of \$100 per meeting, not to exceed \$1600 per year, in compliance with State statutes.

Request from Residents to Use Clubhouse for Community Events: Jo Wessels addressed the Board regarding the request to utilize the Clubhouse for community events.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the request from District residents to utilize the Clubhouse for community events free of charge.

Appointment of Executive Committee: The Board discussed establishing an Executive Committee to address operations and maintenance issues that arise between meetings that need immediate attention. Director Anderson and Director Thomas volunteered to sit on the committee. Some of the pending items that will be addressed by the committee are as follows:

- Additional signage for the pool
- Purchase of a vacuum, pool clock and supplies for the clubhouse

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Following discussion, upon motion duly made by Director Thomas, seconded by Director Grice and, upon vote, unanimously carried, the Board appointed Directors Thomas and Anderson to the executive committee.

FINANCIAL
MATTERS

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

	Period Ending Dec. 18, 2009	Period Ending Jan. 8, 2010	Period Ending Feb. 14, 2010
General Fund	\$ 6,618.24	\$ 8,121.34	\$ 3,640.92
Debt Service Fun	\$ -0-	\$ -0-	\$ -0-
Capital Projects Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims:	\$ 6,618.24	\$ 8,121.34	\$ 3,640.92
	Period Ending Mar. 16, 2010	Period Ending Apr. 15, 2010	Period Ending May 18, 2010
General Fund	\$ 2,545.83	\$ 2,501.05	\$ 6,334.49
Debt Service Fund	\$ -0-	\$ 400.00	\$ 100,000.00
Capital Projects Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims:	\$ 2,545.83	\$ 2,901.05	\$ 106,334.49

Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the periods ending December 18, 2009, January 8, 2010, February 14, 2010, March 16, 2010, April 15, 2010, and May 18, 2010.

The Board then considered approval of the payment of claims for the period ending June 24, 2010, as follows:

General Fund	\$ 2,871.88
Capital Projects Fund	-0-
Total Claims:	\$ <u>2,871.88</u>

Following review and discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending June 24, 2010.

Financial Statements: Mr. Lallier presented to the Board 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, 2010.

Following review, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the unaudited financial statements

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for the period ending March 31, 2010 were accepted.

2009 Application for Exemption from Audit: The Board discussed the requirements for an audit.

Following review and discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the execution of the Application for Exemption from Audit for 2009.

2011 Budget: The Board discussed the 2011 Budget.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2011 Budget and appointed the executive committee to also serve as the budget committee and work with staff on the preparation of the 2011 Budget.

OPERATIONS AND MAINTENANCE

Service Agreement with Apollo Aquatics, Inc. for Pool Maintenance: Ms. Johnson presented to the Board a proposal from Apollo Aquatics, Inc. for pool maintenance. Director Walker suggested the cleaning of the chairs, tables and pool deck on a more frequent basis. Mr. Edwards will contact Apollo and request a bid for this additional service.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board ratified approval of a service agreement with Apollo Aquatics, Inc. for pool maintenance, subject to final review by legal counsel.

Pool Cover: The Board discussed the need for a pool cover. The Board determined to defer discussion on this issue until the 2011 Budget is available for review.

Clubhouse Inspection Policy and Return of Damage Deposit Procedure: The Board discussed the current clubhouse inspection policy. Director Walker is currently inspecting the clubhouse after each rented event. He has noticed some issues with the cleaning of the clubhouse after the event is concluded. The Board

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and the community entered into discussion on the inspection process going forward.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board authorized Special District Management Services, Inc. to inspect the clubhouse after each private event and the Board will rotate the inspection of the clubhouse for public events.

Distribution of Pool Key: Mr. Edwards reported that the pool key will now be given to all new residents at the time of closing on the property. Director Anderson requested that each Board member be provided with a key to the clubhouse. Mr. Edwards will provide Ms. Johnson with the keys for distribution to the Board.

Weather-treating Exterior Wooden Structures at Clubhouse and Pool: The Board discussed the necessity for exterior wooden structures at the clubhouse and pool to be weather-treated. Mr. Edwards reported that Remington Homes will be providing this service to the District free of charge.

Movement of Concrete Pool Deck on South Side of Pool: The Board discussed the movement of the concrete pool deck on the south side of the pool which has caused issues with the pool gate. Mr. Edwards reported that the gate has been repaired and this will be included in the walk-through with Remington Homes.

LEGAL MATTERS

Punch-List for the Clubhouse, Pool and Other Completed Projects: Attorney McGeady asked if two Board members would be interested in volunteering to meet with Remington Homes to conduct a punch-list walk-through of the facilities. Director Thomas and Director Walker volunteered. Mr. Edwards will schedule the punch-list walk-through meeting with the necessary individuals.

Proposition 101 and Amendments 60 and 61: Attorney McGeady explained the impact of Proposition 101 and Amendments 60 and 61 on the District should the legislation pass. She advised the Board that they could choose to adopt a resolution in support or in

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opposition of Proposition 101 and Amendments 60 & 61. Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, carried with Directors Anderson, Walker and Thomas voting "Yes" and Director Grice abstaining, the Board authorized Attorney McGeady to draft a resolution in opposition of Proposition 101 and Amendments 60 and 61.

Depository Trust Company ("DTC"): Attorney McGeady presented the documentation necessary to authorize District Boards to be eligible for deposit at the Depository Trust Company. Attorney McGeady reported that the current bond holder has agreed to pay the legal fees associated with the implementation of this action.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, unanimously carried, the Board authorized the completion of the documentation necessary to authorize District Boards to be eligible for deposit at the Depository Trust Company.

PUBLIC COMMENTS

Public Comments: Jo Wessels, resident of 5774 S. Vivian Street, inquired about dead trees in the park area. Mr. Edwards confirmed that Remington Homes is working with Foothills Park and Recreation District on removal of the dead trees.

Cheryl Guth, resident of 11977 W. Long Circle, #203, suggested the installation of locks on both sides of the pool gate in order to mitigate the issue of trespassers.

Scott Bristol, HOA Manager of Stillwater Community Management, offered to police the pool area on a regular basis, free of charge.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board authorized Stillwater Community Management to police the pool area on a regular basis, at no charge to the District.
