

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
DANCING WILLOWS METROPOLITAN DISTRICT
HELD
NOVEMBER 17, 2010

A regular meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as the "Board") was convened on Wednesday, the 17th day of November, 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:

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

Upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the absences of Charles "Regan" Hauptman and Judith Grice were excused.

Also In Attendance Were:

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

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

Steve Knoll; 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 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 Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the June 24, 2010 special 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 June 24, 2010 special meeting.

2011 Meeting Dates: Ms. Johnson reviewed the business to be conducted in 2011 to meet the statutory compliance requirements.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board determined to meet on June 23 and November 16, 2011, at 6:30 p.m., at the Community Clubhouse, 11893 W. Long Circle, Littleton, Colorado.

§ 32-1-809, C.R.S. Reporting Requirements and Mode of Eligible Elector Notification: The Board discussed § 32-1-809, C.R.S. reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board directed staff to post the District's required transparency notice information on the Special District Association's website and on the HOA's website.

Appointment of Executive Committee: The Board discussed the establishment of an Executive Committee to address operations and maintenance issues that arise between meetings that need immediate attention.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board ratified the appointment of Directors Thomas and Anderson to the Executive Committee.

Request from Linda Clore: The Board discussed the request from Linda Clore regarding an exception to the District Clubhouse Rules & Regulations. Ms. Clore has rented the Clubhouse on New Year's Eve and requests that the rental end time be extended to 1:00 a.m.

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Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the request from Linda Clore to extend the time that the Clubhouse must be vacated from midnight on December 31, 2010 to 1:00 a.m. on January 1, 2011.

FINANCIAL MATTERS

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

	Period Ending July 15, 2010	Period Ending Aug. 16, 2010	Period Ending Sept. 15, 2010
General Fund	\$ 18,554.33	\$ 11,441.10	\$ 6,927.63
Debt Service Fun	\$ -0-	\$ -0-	\$ -0-
Capital Projects Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims:	\$ 18,554.33	\$ 11,441.10	\$ 6,927.63
	Period Ending Oct. 15, 2010		
General Fund	\$ 6,321.33		
Debt Service Fund	\$ -0-		
Capital Projects Fund	\$ -0-		
Total Claims:	\$ 6,321.33		

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the periods ending July 15, 2010, August 16, 2010, September 15, 2010 and October 15, 2010.

The Board then considered approval of the payment of claims for the period ending November 17, 2010, as follows:

General Fund	\$ 4,391.48
Capital Projects Fund	-0-
Total Claims:	\$ <u>4,391.48</u>

Following review and discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending November 17, 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 September 30, 2010.

Following review, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the unaudited financial statements for the period ending September 30, 2010 were accepted.

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2010 Audit: The Board reviewed the engagement letter from Simmons & Wheeler, P.C. to perform the 2010 Audit.

Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2010 Audit, for an amount not to exceed \$3,800.

Wells Fargo, N.A. Treasury Management Services: Convert District's Wells Fargo Account to Wells Fargo Treasury Management CEO analyzed account. The Board discussed converting the District's Wells Fargo Account to a Wells Fargo Treasury Management CEO analyzed account.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board determined to convert the District's Wells Fargo Account to a Wells Fargo Treasury Management CEO analyzed account.

Authorize access to the CEO services to be granted to the District Treasurer, District Manager, and the District Accountant and establish dual control requirements for services described in the letter from Wells Fargo, N.A. The Board considered authorizing access to the CEO services to be granted to the District Treasurer, District Manager, and the District Accountant to establish dual control requirements.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board authorized access to the CEO services to be granted to the District Treasurer, District Manager, and the District Accountant to establish dual control requirements.

2010 Budget Amendment Hearing: The Board determined a 2010 Budget Amendment was unnecessary.

2011 Budget Hearing: The President opened the public hearing to consider the proposed 2011 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2011 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.

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

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Mr. Lallier reviewed the estimated 2010 expenditures and the proposed 2011 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2011 Budget, Set Mill Levies, for the General Fund at 21.000 mills and the Debt Service Fund at 40.000 mills, for a total mill levy of 61.000 mills and Appropriate Sums of Money. Upon motion duly made by Director Walker, seconded by Director Thomas 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, 2010 and subject to the execution of agreements and receipt of funding from the bond holder and Remington Homes by November 21, 2010 and December 10, 2010. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Jefferson County and the Division of Local Government, not later than December 15, 2010. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2011. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification: Ms. Johnson discussed with the Board the DLG-70 Mill Levy Certification form.

Following discussion, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form, for certification to the Board of County Commissioners and other interested parties.

OPERATIONS AND MAINTENANCE

Executive Committee Actions: There were no Executive Committee actions to report.

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. It was reported that Remington Homes has agreed to provide this service for the District.

Year-round Maintenance of Hot Tub: The Board discussed the extension of the pool contract to include maintenance of the hot tub year-round.

Following discussion, the Board determined that based on current budget constraints there were no surplus funds available for this service in 2011.

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Administrative Functions and Inspections Related to Private Use of Clubhouse: Ms. Johnson discussed with the Board the administrative functions and inspections related to the private use of the Clubhouse.

Proposal from Stillwater Community Management for Clubhouse Administrative and Inspection Services. Mr. Bristol reviewed with the Board his proposal for administrative and inspection services.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the Board approved the proposal from Stillwater Community Management for Clubhouse administrative and inspection services.

Review Current Rental Rate for Private Use. The Board reviewed the current rental rate for private use and considered an increase in rate.

Following discussion, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the Board increased the rental fee to \$150 and decreased the deposit to \$350. The rate remains at the current rate for reservations in place as of the meeting date (November 17, 2010), with the increased rates taking effect for all new rental agreements.

Holiday Lighting: The Board entered into discussion regarding holiday lighting.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board directed Attorney McGeady to prepare a License Agreement with the HOA for the installation and storage of holiday lights.

LEGAL MATTERS

Punch-List for the Clubhouse, Pool and Other Completed Projects: Mr. Knoll reported to the Board that Remington Homes is working on the items on the punch-list. He noted that Remington Homes will also schedule an appointment with the Executive Committee to address the items that have not been repaired.

EXECUTIVE SESSION: Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director Anderson, 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 8:15 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 punch-list for the Clubhouse, pool and other completed projects.

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The Board reconvened in regular session at 8:45 P.M.

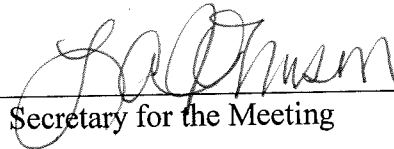
Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board directed staff to work with Remington Homes on punch-list items, to review the files for the builder and designer of the pool and to review the contract for warranties.

PUBLIC COMMENTS Public Comments: There were no public comments.

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 NOVEMBER 17, 2010
MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY
THE BOARD OF DIRECTORS SIGNING BELOW:

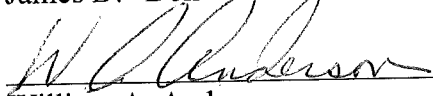
Charles "Regan" Hauptman



Bobby Thomas



James D. "Don" Walker



William A. Anderson

Judith Grice