

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DANCING WILLOWS METROPOLITAN DISTRICT HELD JUNE 23, 2011

A regular meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, the 23<sup>rd</sup> day of June, 2011, 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 Anderson, seconded by Director Walker and, upon vote, unanimously carried, the absences of Charles "Regan" Hauptman and Judith Grice were not excused.

#### Also In Attendance Were:

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

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

Steve Knoll and Doug Edwards; Remington Homes

John Simmons; Simmons & Wheeler, P.C.

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

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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 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 17, 2010 regular meeting.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the Minutes of the November 17, 2010 regular meeting.

**Resolution No. 2011-06-01 regarding 24-hour Posting Place:** The Board considered Resolution No. 2011-06-01 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 No. 2011-06-01, as presented. A copy of the Resolution is attached hereto, and incorporated herein, by this reference.

**SDA 2011 Annual Conference:** Ms. Johnson discussed having Board Members attend the SDA 2011 Annual Conference.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board authorized three Board members to attend the SDA 2011 Annual Conference.

### FINANCIAL MATTERS

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

	Period Ending Dec. 14, 2010	Period Ending Jan. 13, 2011	Period Ending Feb. 15, 2011
General Fund	\$ 6,212.97	\$ 8,173.77	\$ 6,214.72
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Projects Fund	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims:</b>	<b>\$ 6,212.97</b>	<b>\$ 8,173.77</b>	<b>\$ 6,214.72</b>

	Period Ending Mar. 11, 2011	Period Ending Apr. 12, 2011	Period Ending May 11, 2011
General Fund	\$ 3,704.03	\$ 5,316.10	\$ 5,783.38
Debt Service Fund	\$ -0-	\$ -0-	\$ 400.00
Capital Projects Fund	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims:</b>	<b>\$ 3,704.03</b>	<b>\$ 5,316.10</b>	<b>\$ 6,183.38</b>

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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 14, 2010, January 13, 2011, February 15, 2011, March 11, 2011, April 12, 2011 and May 11, 2011.

The Board then considered approval of the payment of claims for the period ending June 23, 2011, as follows:

General Fund	\$	10,356.36
Capital Projects Fund		<u>-0-</u>
<b>Total Claims:</b>	<b>\$</b>	<b><u>10,356.36</u></b>

Following review and discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending June 23, 2011.

**Financial Statements:** Ms. Johnson 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, 2011.

Following review, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the unaudited financial statements for the period ending March 31, 2011 were accepted.

**Electronic Account with Applicable State and Federal Authorities for Submitting Payroll Withholding Payments:** The Board discussed authorizing Special District Management Services, Inc. to establish an electronic account with applicable State and Federal authorities for submitting payroll withholding payments.

Following discussion, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the Board authorized Special District Management Services, Inc. to establish an electronic account with applicable State and Federal authorities for submitting payroll withholding payments.

**2010 Audit:** Mr. Simmons reviewed the 2010 draft Audit with the Board.

Following review and discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board accepted the 2010 Audit, subject to final review by legal counsel, and authorized execution of the Representations Letter.

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**2012 Budget:** The Board discussed the 2012 Budget.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2012 Budget. The Board determined to hold the public hearing to consider adoption of the 2012 Budget on Wednesday, November 16, 2011 at 6:30 p.m. at the regular meeting place.

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### **OPERATIONS AND MAINTENANCE**

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

**Extension of Pool Hours:** The Board entered into discussion regarding the extension of pool hours to 9 a.m. to 9 p.m. with the hour from 9 a.m. to 10 a.m. dedicated to adult-swim only.

Following discussion, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the Board ratified approval of the extension of pool hours to 9 a.m. to 9 p.m. with the hour from 9 a.m. to 10 a.m. dedicated to adult-swim only.

**Weather-treating Exterior Wooden Structures at Clubhouse and Pool:** It was noted that the weather treatment of the exterior wooden structures at the clubhouse and pool has been completed.

**Furniture at the Clubhouse:** Director Walker discussed with the Board the need for additional furniture at the Clubhouse. He noted that the "Fun Squad" has requested additional chairs. The Board then discussed the purchase and installation of blinds for the west-side top windows. The Board also discussed the purchase and benefit of a pool cover.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board approved \$250 toward the purchase of chairs and \$750 for the purchase and installation of five blinds for the west-facing top windows in the Clubhouse.

**Speed Bumps:** The Board entered into discussion regarding the homeowner request concerning speed bumps. It was noted that the District is not responsible for the area where the installation of speed bumps was requested. The Board then discussed whether the District had been snow plowing the roads in question and directed the District Manager to review and report back to the District.

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### LEGAL MATTERS

**Repairs to Pool Deck:** It was noted that Remington Homes has repaired the affected areas.

**Punch-List for the Clubhouse, Pool and Other Completed Projects:** The Board entered into discussion regarding the status of the punch-list items for the clubhouse, pool, Bowles right-of-way and round-about. It was noted that the punch-list items are 99% complete.

**Settlement Agreement with Remington Homes: EXECUTIVE SESSION:** Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director Thomas, seconded by Director Walker and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 7:45 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 Settlement Agreement with Remington Homes.

The Board reconvened in regular session at 8:20 P.M.

The Board entered into discussion regarding the proposed Settlement Agreement with Remington Homes. Attorney McGeady summarized the proposed Settlement Agreement for the Board. The Board requested that legal counsel prepare a counter offer to include the discussed terms, including a \$7,500 cap in legal fees, to be paid by Remington Homes. The counter offer will terminate on August 1, 2011 if not accepted. The Board will schedule a special meeting for August 2, 2011, if the offer is not accepted.

**Street Light Agreement between the District and Xcel Energy:** The Board considered approval of the Street Light Agreement between the District and Xcel Energy.

Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the Street Light Agreement between the District and Xcel Energy.

**Service Agreement for Pool and Spa Maintenance between the District and Apollo Aquatics, Inc.:** The Board considered approval of the Service Agreement for Pool and Spa Maintenance between the District and Apollo Aquatics, Inc.

Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Pool and Spa Maintenance between the District and Apollo Aquatics, Inc. Additionally, the Board requested a quote from Apollo Aquatics, Inc. to add a timer to the pool lights and to re-pipe to fill the pool and

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hot-tub. The Board further determined that the cost of a new pool cover is not a viable expenditure at this time.

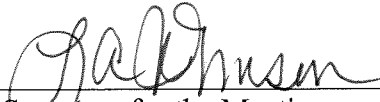
**PUBLIC  
COMMENTS**

**Public Comments:** Residents Bill and Karen Kaseman informed the Board of a possible irrigation issue on Bowles Avenue. Messrs. Knoll and Edwards will look into the issue and report back to the Board.

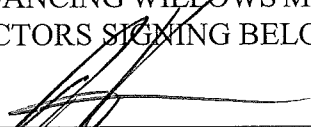
**ADJOURNMENT**

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.

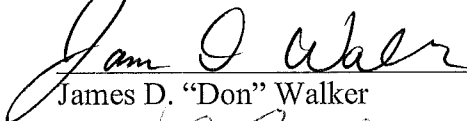
Respectfully submitted,

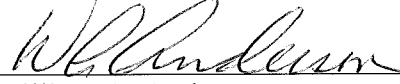
By  \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL JUNE 23, 2011 MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
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Charles "Regan" Hauptman

  
\_\_\_\_\_  
Bobby Thomas

  
\_\_\_\_\_  
James D. "Don" Walker

  
\_\_\_\_\_  
William A. Anderson

\_\_\_\_\_  
Judith Grice