

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DANCING WILLOWS METROPOLITAN DISTRICT HELD DECEMBER 12, 2011

A special meeting of the Board of Directors of the Dancing Willows Metropolitan District (referred to hereafter as the "Board") was convened on Monday, the 12th day of December, 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 Walker, seconded by Director Anderson and, upon vote, unanimously carried, the absence of Charles "Regan" Hauptman was excused.

Also In Attendance Were:

Lisa A. Johnson and George Turtle; Special District Management Services, Inc.

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

Bruce O'Donnell; George K. Baum & Co.

Bill Swalling; Bondholder

Alex Brown; Alex Brown Consulting

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

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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.

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

Resignation of Director: The resignation of Director Hauptman was acknowledged.

Minutes: The Board reviewed the Minutes of the August 2, 2011 special meeting.

Following discussion, upon motion duly made by Director Walker, seconded by Director Anderson and, upon vote, unanimously carried, the Board approved the Minutes of the August 2, 2011 special meeting.

2012 Meeting Dates: Ms. Johnson reviewed the business to be conducted in 2012 to meet the statutory compliance requirements.

Following discussion, upon motion duly made by Director Walker, seconded by Director Thomas and, upon vote, unanimously carried, the Board determined to meet on June 21 and November 14, 2012, at 6:30 p.m., at the Community Clubhouse, 11893 W. Long Circle, Littleton, Colorado.

Mission Statement: The Board reviewed the Dancing Willows Metropolitan District Mission Statement as drafted by Director Anderson.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board adopted the Dancing Willows Metropolitan District Mission Statement.

Resolution No. 2011-12-01 Authorizing Certain Expenditures and the Execution of Certain Contracts and Agreements ("Resolution No. 2011-12-01"): Director Anderson discussed with the Board the need for Resolution No. 2011-12-01. He felt it important that the District adopt Resolution No. 2011-12-01 which outlines the procedures to be followed outside of Board meetings to address emergency expenditures.

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Following discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, unanimously carried, the Board adopted Resolution No. 2011-12-01.

PUBLIC COMMENT **Public Comments:** There were no public comments.

FINANCIAL MATTERS

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

Fund	Period Ending July 14, 2011	Period Ending Aug. 11, 2011	Period Ending Sept. 13, 2011
General	\$ 15,358.70	\$ 18,056.97	\$ 15,912.89
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
Total	\$ 15,358.70	\$ 18,056.97	\$ 15,912.89

Fund	Period Ending Oct. 14, 2011	Period Ending Nov. 15, 2011
General	\$ 15,697.70	\$ 13,692.38
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-
Total	\$ 15,697.70	\$ 13,692.38

Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

The Board then considered approval of the payment of claims for the period ending December 12, 2011, as follows:

General Fund	\$ 1,823.88
Capital Projects Fund	-0-
Total Claims:	\$ <u>1,823.88</u>

Following review and discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending December 12, 2011.

Financial Statements: Mr. Turtle 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, 2011 and the schedule of cash position for the period ending November 30, 2011.

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Following review, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the unaudited financial statements for the period ending September 30, 2011 and the schedule of cash position for the period ending November 30, 2011 were accepted.

2011 Audit: The Board reviewed the engagement letter from Simmons & Wheeler, P.C. to perform the 2011 Audit.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Walker and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2011 Audit, for an amount not to exceed \$3,800.

2011 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2011 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the Resolution to Amend 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. There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, Director Anderson moved to adopt the Resolution to Amend 2011 Budget, Director Walker seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2011 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Loan Agreement to Refinance District Debt: Mr. O'Donnell presented to the Board a plan to restructure the current debt. The following actions were then taken.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, unanimously carried, the Board ratified approval of the engagement of George K. Baum & Co. as the District's Financial Advisor related to the 2011 Bond Restructure.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the Board ratified approval of the engagement of Kutak Rock LLP as the District's Bond Counsel related to the 2011 Bond Restructure.

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The Board acknowledged the agreement of the bondholder to pay for all reasonable and necessary costs of issuance.

Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the Board adopted an Amended and Restated General Obligation Bond Resolution with respect to the District's outstanding General Obligations Bonds, Series 2008A and Series 2008B.

2012 Budget Hearing: The President opened the public hearing to consider the proposed 2012 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2012 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.

Mr. Turtle reviewed the estimated 2011 expenditures and the proposed 2012 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2012 Budget, Set Mill Levies (for the General Fund at 26.000 mills and the Debt Service Fund at 40.000 mills, for a total mill levy of 66.000 mills) and Appropriate Sums of Money. Upon motion duly made by Director Anderson, seconded by Director Walker 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. 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, 2011. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2012. 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 Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form,

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for certification to the Board of County Commissioners and other interested parties.

OPERATIONS AND MAINTENANCE

Letter Agreement for 2011-2012 Snow Removal Services with Verdi Services, LLC: The Board reviewed the Letter Agreement for 2011-2012 snow removal services with Verdi Services, LLC.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Walker and, upon vote, unanimously carried, the Board ratified approval of the Letter Agreement for 2011-2012 Snow Removal Services with Verdi Services, LLC.

Fees Associated with Rental of Club House: The Board discussed the current fee structure related to the rental of the Club House.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, carried with Directors Anderson and Thomas voting "Yes" and Director Walker abstaining, the Board authorized the increase in Club House rental fees to \$250.00 for residents residing within the boundaries of the District and \$350.00 for residents residing outside of the District's boundaries, effective January 1, 2012.

LEGAL MATTERS

Facility and Infrastructure Repairs: Attorney McGeady discussed with the Board the Agreement with Remington Homes related to the facility and infrastructure repairs.

Mr. O'Donnell reported to the Board that his firm, George K. Baum & Co., has revised the projection prepared by Remington Homes related to the repayment of promissory notes and provided their own analysis to determine if revenue would be available to pay the notes.

Following discussion, upon motion duly made by Director Anderson, seconded by Director Thomas and, upon vote, unanimously carried, the Board approved the Agreement with Remington Homes related to the facility and infrastructure repairs.

Resolution to Call the May 8, 2012 Regular Election: The Board discussed the upcoming election and Resolution No. 2011-12-07 to Call the May 8, 2012 Election.

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Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the Board adopted Resolution No. 2011-12-07 to Call the May 8, 2012 Election and appointed Lisa A. Johnson as the Designated Election Official and authorized her to perform all tasks required for the May 8, 2012 Regular Election of the Board of Directors for the conduct of a polling place/mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

OTHER BUSINESS

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


Following discussion, upon motion duly made by Director Thomas, seconded by Director Anderson and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the SDA website and the HOA's website.

ADJOURNMENT

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

Respectfully submitted,

By _____

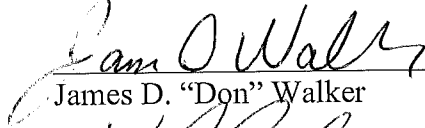

Secretary for the Meeting

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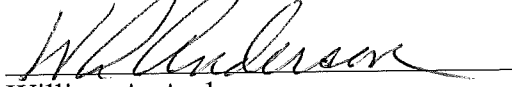
THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 12, 2011
MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY
THE BOARD OF DIRECTORS SIGNING BELOW:



Bobby Thomas



James D. "Don" Walker



William A. Anderson

