

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DANCING WILLOWS METROPOLITAN DISTRICT HELD MARCH 4, 2013

A special meeting of the Board of Directors (referred to hereafter as the "Board") of the Dancing Willows Metropolitan District (referred to hereafter as the "District") was convened on Monday, the 4<sup>th</sup> day of March, 2013, 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  
William A. Bristol  
Robert "Lee" Jennings

##### Also In Attendance Were:

Doug Edwards; Remington Homes

See attached sign-in sheet for additional attendees.

#### 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.

It was noted that a quorum was present and members of the Board were asked to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and such disclosures will be incorporated for the record along with those applicable disclosures made by the Board members prior to this meeting in accordance with the statute.

It was noted that Director Bristol has a personal relationship with Stillwater Community Management, LLC. His son and daughter-in-law, Scott and Holly Bristol, are owners and employees of Stillwater Community Management, LLC. It was also noted that the District entered into a Service Agreement for Clubhouse Management

## RECORD OF PROCEEDINGS

---

with Stillwater Community Management, LLC dated January 7, 2011. Director Bristol does not feel that this relationship constitutes a conflict of interest.

Director Jennings disclosed his position as a board member on the Dancing Willows Patio Homes Homeowners Association.

### ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District's special meeting.

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

### OPERATIONS AND MAINTENANCE

Meeting with Remington Homes: Director Walker introduced Doug Edwards, with Remington Homes ("Remington"), to the Board and residents in attendance. Director Walker reported on the recent meeting and walk-through he had with Regan Hauptman and Doug Edwards. Remington confirmed the scheduled repairs on the paved roads when both townhome buildings are fully constructed and also at the same location where the two final townhomes are to be built. Remington will formally notify the District of the date they plan to start the road repairs. Planned work will include repairs to Ida Drive east of Union Court that was damaged by the heavy construction traffic. Remington further agreed to straighten up the existing, leaning rock columns in the fence along Bowles Avenue east of Union Court.

Upon query from Director Anderson, Mr. Edwards stated that Remington would contact Jefferson County regarding the heavy drainage from the adjacent church parking lot and report back to Director Walker. Mr. Edwards responded to another question from Director Anderson, agreeing that Remington would also implement concrete curb repairs to damage caused by the recent construction traffic.

Mr. Edwards advised that Remington expected to complete the last two condominium buildings containing 16 units this year. He noted that currently there are 11 condominium units left to sell. One patio lot is left and Remington plans to build a spec model 835, which has been submitted to Jefferson County for approval. Approval is expected in two months and of the 15 new townhome units, only 6 units are left to sell. Remington expects full build-out in 2014.

When questioned by a resident about construction parking, Mr. Edwards replied that he would check with Remington's superintendent to see if he could enlist subcontractors to park away from the construction areas.

## RECORD OF PROCEEDINGS

---

**Subcommittee Reports:** Director Jennings reviewed with the Board and residents the presentations from the committees that were formed at a previous Board meeting. The committee reports are attached hereto and incorporated herein by this reference.

**Service Agreement for Pool and Spa Maintenance between the District and Apollo Aquatics, Inc.:** The Board entered into discussion regarding a Service Agreement for Pool and Spa Maintenance between the District and Apollo Aquatics, Inc.

Following discussion, the Board determined to notify the District's management company, Special District Management Services, Inc. ("SDMS"), of their pending approval of the Service Agreement for Pool and Spa Maintenance between the District and Apollo Aquatics, Inc.

### **Subcommittee Reports Continued:**

**Insurance:** Pat Keller, resident of the Dancing Willows Patio Homes and representative of the Patio Homes HOA, presented an unsolicited review of the District's insurance coverage.

- Ms. Keller noted that the District was in an insurance pool for better coverage and better rates.
- She also reported that the District's Board members were covered against dishonesty and theft in the amount of \$5,000, per occurrence.
- She reported that SDMS presented proof that they were covered up to \$500,000 for theft or misconduct by their employees.
- She noted that the Patio Homes HOA (and potentially the Condo and Townhome HOAs) are asking for a Waiver of Subrogation to prevent the District's insurance company from recovering from the HOA for damages for which the HOA or its members are responsible.
- Additional details will be available in the book assembled by Director Bristol.

**Pool and Clubhouse:** Directors Walker, Anderson and Jan Walker presented the committee report on the needs of the pool and clubhouse.

- The committee reported that pool fence painting for the amount of \$1,866 could wait.
- They reported that painting the pool building for the amount of \$546 was not needed in the near future.
- It was noted that a pool cover (to limit the annual pool cleaning expense) was estimated at \$6,000 plus installation of \$880.
- The committee recommended the purchase of pool chairs for the first year - five chaise lounge chairs at \$154 each and five standard chairs at \$80 each and in the second year, duplicating the purchase.

## RECORD OF PROCEEDINGS

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- They recommended pool repairs (re-plumb the pool boiler, install louvered vents in the door, convert the pool/spa fill lines and eliminate the deckside fills) by Apollo Aquatics, Inc. for \$2,800 to prolong the life of the boiler and eliminate exposed fill pipes for the spa and pool.
- It was noted that the pool umbrellas were not deemed manageable.
- Additional details will be available in the book assembled by Director Bristol.

Landscape, Water Use and Snow Removal: Directors Thomas and Jennings, Carol Swomley, Debbie Patterson, Rita McCall, Barbara Bergonz and Larry Sterns formed the Landscaping Committee. Carol Swomley presented the landscaping plans for the main entrances at Union Court and Taft Street and the round-about as prepared by Keesen Landscape Management, Inc.

- The committee recommended:
  - Deferring the entry landscaping at the monuments until these monuments can be repaired.
  - Replacing the dead clubhouse and pool plants and correcting the irrigation.
  - Replacing the three dead locust trees on Bowles Avenue with two pairs of evergreens.
  - Execute the round-about plan in the amount of \$12,000.
  - Plan for the entry landscaping in the amount of \$33,000.
  - Extend the 4 foot wide gravel bed in front of the Bowles Avenue fencing for the full length of the fence.
- Additional details will be available in the book assembled by Director Bristol.

Monuments and Fences: Directors Jennings and Thomas, Carol Swomley and Rita McCall formed the committee on the fencing and entryway monuments on Taft Street and Union Court. Director Jennings reported:

- That repair to the monuments may not be possible as the foundations were examined and found to be sloping on the ends.
- One bid was received for \$26,000 to replace the monuments.
- One electrical bid was received to provide power to the monuments for \$3,900 (not including asphalt cutting or repair to cross Union Court).
- Partial replacement of rails and repair of fencing on Bowles Avenue was estimated at \$5,900.
- Estimated cost to partially replace rails, repair the fencing and clean and stain the fence was \$12,000.
- Estimated cost to replace the fence along Bowles Avenue was \$24,000.

## RECORD OF PROCEEDINGS

---

- Estimated cost to replace the wood fence along Bowles Avenue with a concrete masonry unit sound wall was \$75,000.
- Additional details will be available in the book assembled by Director Bristol.

Streets, Sidewalks and Under Drains: Director Walker and Bristol formed the Road Committee. Director Bristol reported:

- Miscellaneous road repairs would cost \$3-\$5 / square foot.
- Crack seal would cost \$4,000-\$5,000 per year.
- Crack seal along approximately 9,000 linear feet of curb would cost \$25,000.
- Seal coat would cost \$25,000 to \$40,000.
- Parking lot repairs at the clubhouse would cost \$15,574.
- Storm drains and under-drains -- annual maintenance to flush out storm drains would cost \$1,000 per year.
- Sidewalk repair and maintenance would cost \$15,000 per year.
- The Board would need to address the church drainage issue and determine if it is a responsibility of the District or the Dancing Willows Townhomes HOA. This requires further study.
- He recommended a \$4,000 budget for legal counsel to investigate drainage from the church parking lot.
- Additional details will be available in the book assembled by Director Bristol

Audits, Budgets and Planning: Director Bristol presented a spreadsheet with his recommendations for budgeting the work presented by the committees for years 2013, 2014, 2015 and 2016. General discussion ensued.

- Director Walker suggested that the District maintain an average of \$75,000 per year over the \$120,000 per year budget.
- Director Anderson suggested a line for emergency funds and Director Bristol agreed with his suggestion.
- Terry Railton, resident and townhome owner, strongly recommended that Board do the transition crack seal along the 9,000 linear feet of curb to prevent further deterioration of the asphalt paving.
- Residents agreed that roads were a priority and Carol Swomley agreed the round-about landscaping could be put off.
- Directors Anderson and Thomas agreed that roads were a priority.
- Director Thomas suggested that the townhome streets below the church be investigated by a geotechnical engineer, before any work was done to that area.
- It was noted that the monuments could be moved out four years and the landscaping could be phased in as long as it stayed 4-5 feet from the monuments. Director Jennings pointed out that failure of the surface of the monuments may not be repairable and that two contractors had refused to bid on repair due to the unstable nature of the foundation.

## RECORD OF PROCEEDINGS

---

- A resident noted that he believed there should be a line item for the “reserves” as he understood that this was why the mill levy was recently raised. Disagreement between Director Bristol, Jan Walker and the resident ensued. Director Bristol pointed out that the proposed budget before the Board was a suggested start to the 20-year reserve document since the District has never formalized a 20-year plan.
- The Board discussed moving various items on Director Bristol’s spreadsheet (proposed Budget) around. No consensus was reached. It was recommended that Director Bristol e-mail his spreadsheet to each Board member for review and to make recommendations. All agreed that this budget was important and required extra time to examine all priorities.

Following discussion, the Board determined to review each budget independently and to reconvene to discuss the budget appropriations for the next four years of the 20-year plan. The Board also agreed to ask SDMS to verify the reasoning behind the recent mill levy increase.

### ADJOURNMENT

Upon determination that the Board had unfinished business, upon motion duly made by Director Thomas, seconded by Director Jennings, and upon vote, unanimously carried, the meeting was continued to Sunday, March 10, 2013 at 2:00 p.m. at the regular meeting location.

Respectfully submitted,

By Billy Thomas  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

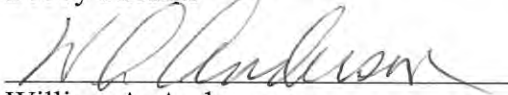
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THESE MINUTES APPROVED AS THE OFFICIAL MARCH 4, 2013 MINUTES OF THE DANCING WILLOWS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

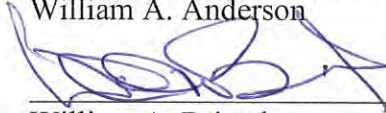
~~James D. "Don" Walker~~



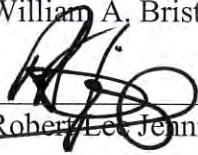
Bobby Thomas



William A. Anderson



William A. Bristol



Robert Lee Jennings