

## **DANCING WILLOWS METROPOLITAN DISTRICT HISTORY HIGHLIGHTS AS OF JANUARY 2014**

### **2005 to 2006**

Skyland Meadows Development, LLC (to be referred to herein as “Skyland”), owner of the property within the boundaries of the proposed District, submitted and processed a Service Plan for the District which was approved by the Jefferson County Board of County Commissioners in 2005.

The property was transferred from Skyland to Dancing Willows by Remington Homes, Inc. (to be referred to herein as “DWRH”) in 2005, and the process of organization was completed by DWRH in 2006. All of the Board members upon organization were employees of a Remington Homes Co. affiliated entity.

The organizational meeting was held in April of 2006.

DWRH began construction of the public improvements in 2005 during the District organization process. The preparation of the Facilities Acquisition and Reimbursement Agreement between the District and DWRH was on the agenda at the organizational meeting, and was approved by the District at its May, 2006 Board meeting.

### **2007 to Second Quarter 2008**

The Facilities Funding and Acquisition Agreement was approved by DWRH and executed by both parties in 2007, pursuant to which DWRH agreed to complete the public improvements and the District agreed to acquire the public improvements and reimburse DWRH for costs incurred.

In 2008, the District issued \$610,903.89 in General Obligation Capital Appreciation Bonds, Series 2008A (“Series 2008A Bonds”), and \$3,108,609 General Obligation Capital Appreciation Bonds, Series 2008B (Series 2008B Bonds”), to DWRH in full satisfaction of the District’s obligation to reimburse DWRH for public improvements under the Facilities Funding and Acquisition Agreement and that Agreement was terminated.

Coincident with the 2008 Bond closing, DWRH: (a) conveyed its interest to the District in the completed public improvements; and (b) entered into an Agreement Regarding Dedication and Acceptance of Facilities with the District, pursuant to which DWRH agreed to complete and dedicate to the District the Clubhouse and pool facility, including certain Clubhouse furniture, pool furniture and pool equipment.

Bobby Thomas and Don Walker, the first residents on the Board, took office in May of 2008.

The Clubhouse and pool facility were open to the public in summer 2008.

## **Second Quarter 2008 to Second Quarter of 2010**

Subsequent to the 2008 Bond closing and prior to the second quarter in 2010, DWRH assigned the Series 2008A Bonds and the Series 2008B Bonds to Skyland. The District's records do not include information on this transaction as it was between two private parties and so we do not know in what month this assignment occurred.

In the last quarter of 2008, the District did not have current cash flow in its General Fund to pay certain operating expenses. In January 2009, Special District Management Company, Inc. (to be referred to herein as "SDMS") and McGeady Sisneros, P.C. (to be referred to herein as "MS") agreed to take payment in the form of a Promissory Note, the SDMS Promissory Note is outstanding in the principal amount of \$5,398.48 ("SDMS Promissory Note"). The MS Promissory Note is outstanding in the principal amount of \$3,539.30 ("MS Promissory Note").

Discussion began with Remington Homes, Co. regarding completion of corrective items and warranty items in 2009.

In May of 2010, Bill Anderson and Judith Grice, two additional residents, joined the Board, and Regan Hauptman was the only remaining homebuilder representative on the Board.

## **Third Quarter of 2010 to 2011**

In November of 2010, Skyland agreed to deposit funds with the District on the condition a Remington entity also deposit funds with the District, to assist the District in payment of debt expenses. Deposits by both entities were made as committed prior to year end in 2010. The District issued two (2) Promissory Notes evidencing its agreement to repay funds advanced by DWH Investments, Inc. (a Remington affiliated entity to be referred to herein as "DWH"). The first Promissory Note was issued in the par amount of \$12,263 in November, 2010, and the second in the par amount of \$65,000 in December 2010 ("DWH Promissory Notes").

During 2010 through the last quarter of 2011, the District was in negotiations with Remington Homes, Inc., regarding completion of corrective items and warranty items on various public improvements and the negotiations concluded in the execution of a Settlement Agreement in the last quarter of 2011. Pursuant to the Settlement Agreement, Remington Homes Co. advanced \$50,000 to the District for completion of warranty items and the District provided Remington with a Promissory Note in the par amount of \$50,000 to evidence the terms for repayment of the Promissory Note ("Remington Promissory Note"). In addition, Remington Homes Co. agreed to correct certain public improvements as identified in the Settlement Agreement.

In the last quarter of 2011, the District also completed a restructuring of the Series 2008B Bonds as a part of placement of the Series 2008 B Bonds with Colorado Business Bank. The restructure divided the Series 2008 B Bonds into two (2) Bonds, Series 2008 B-1 Bonds and the Series 2008 B-2 Bonds. The economic impact of the restructuring was to reduce the interest rate, extend the payments and reduce the stress on the District for payment of debt service in the near term to provide more time for completion of the homes within the Dancing Willows community.

## **2012-2013**

The 2012 Directors' election was canceled as there was only one candidate for each open position on the Board. The elected Board members are all residents of the community. Their names are as follows, including a reference to when their terms expire:

James D. Walker	Term expires: May 2016
Bobby Thomas	Term expires: May 2016
William A. Anderson	Term expires: May 2014
William A. Bristol	Term expires: May 2014
Vacancy	Term expires: May 2014

Lee Jennings was appointed by the Board to fill the vacancy. His term expires May 2014.

In March, 2013 James D. Walker resigned from the Board.

Thom Nolan was appointed by the Board. His term expires May 2014.

At the November 2013 meeting the Board of Directors accepted an offer by Remington Homes to reduce the advance (Promissory Note) of \$50,000 by \$10,000 providing the District replaces the monuments at the entrance to Dancing Willows by the end of the year 2015 and shows that the cost equals or exceeds \$37,172. This is Promissory Note was previously negotiated between DWMD and Remington Homes during the last quarter of 2011.

As of Dec. 31, 2013 Special District Management Services resigned as District Manager of the District. A search committee was formed to interview prospective Management companies.

## **2014**

CRS of Colorado was contracted to be the District Management Company for the District. James McGrady of CRS is the District Manager and Sue Blair is the Elections Official.

McGeedy Sisneros, P.C., legal counsel for the District, resigned and a search committee was formed to interview prospective legal counsel firms.

Next Board of Directors' Elections are scheduled for May 6, 2014.