



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
JUNE 5, 2013 AT 9:00 A.M.**

Pursuant to posted notice, the regular meetings of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 were held on Wednesday, June 5, 2013 at 9:00 a.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903.

In attendance were Directors:

Lindsay J. Case, President
Les Krohnfeldt, Vice President
Randle Case II, Assistant Secretary
James Morley, Secretary/Treasurer

Also in attendance were:

K. Sean Allen, Esq., White, Bear &
Ankele P.C. (by phone)
Terry Schooler, Schooler & Associates
Lori VonFeldt-Wingert
Virgil Sanchez
Bryan Long
Dave Mersman
Josephus Le Roux
Kurt Kofford
Ross Clinger

Scott Hente, Assistant Secretary, was absent and excused.

Combined Meetings:

The districts are meeting in a combined board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the action of Woodmen Heights Metropolitan District No. 1 (“District”, “District 1” or the “Board”) with concurrence by Woodmen Heights Metropolitan District No. 2 (“District 2”) and Woodmen Heights Metropolitan District No. 3 (“District 3”).

1. Call to Order:

Director Lindsay Case called the meeting to order at 9:10 a.m.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters:

Director Lindsay Case indicated that a quorum of the Board was present, and stated that each Director has been qualified as an eligible elector of the District pursuant to Colorado law. The Directors confirmed their qualification. Ms. VonFeldt-Wingert noted that the Directors’ disclosures of their potential conflicts of interest were filed pursuant to state law for the meeting.

3. Approval of the Agenda:

The agenda was approved.

4. Approval of

the minutes: Director Krohnfeldt motioned to approve the May 1, 2013 minutes seconded by Director Randle Case II. Motion passed.

5. BiggsKofford 2012 Audit:

Mr. Kofford stated that he and Mr. Le Roux came to the meeting to answer any questions the Board may have regarding the 2012 audit. The Board expressed their thoughts on the previous audits, done by Stockman Kast Ryan, and the auditor's comments made regarding the ongoing operations of the District and how such comments could be viewed by the market. Mr. Kofford explained that since the District refinanced the bonds such comments are not relevant, but the Sorpresa lawsuit ruling may be a concern depending on how the matter is settled between the parties. Mr. Schooler indicated that the lawsuit is still in litigation, but the expected portion of liability allocated to the District has lessened. Mr. Kofford said he was comfortable making the changes the Board has requested. Mr. Kofford continued saying that there is a management and discussion analysis that was done in previous audits that won't be necessary anymore because it doesn't add any value to the report. The Board was in concurrence with that decision. The Board requested that Mr. Kofford present the completed audit to the Board when ready.

6. Resolution for the \$5,500 Platting Fee:

Mr. Schooler said the map was finally sent to Mr. Allen which is the same map that is being used for the City/District IGA. In addition to the map, a list of the property owners and tax schedules will be attached as well. Mr. Sanchez indicated that he is still recommending the 745 acre figure as the basis in the calculation used to set the \$5,500 Platting Fee.

7. Series 2012 "C" Cost Certification Status:

There was no discussion.

8. District Manager Report:

- a. Update on City IGA regarding Annexation and Drainage/Bridge Credits-
Mr. Schooler indicated that there is a meeting this afternoon to review the final IGA.
- b. Market Status of Ground or Developers-
Director Morley reported that he is moving forward with Forest Meadows filings 6-9 that will consist of 246 lots. There are only 24 lots left in the previous filings. Mr. Sanchez said that they have been having problems with the new City council approving their plans due the new council's learning curve with the approval process. Director Morley asked that the council and the Mayor be altered to the negative development impacts that are being experienced due to the council's approval delays. Mr. Schooler indicated that he would make some phone calls and communicate the concern.

Mr. Sanchez commented that Brian Bahr has submitted his plans and should get comments back in a few weeks, which means he could record a plat in July. Mr. Sanchez said he is also working on an apartment site for Bahr of about 210 units.

- c. Cumbre Vista Park 5 Year Maintenance Expiration/Ongoing Maintenance Performance and Reimbursement (proposed budget)-
Mr. Schooler reminded the Board of the agreement the District has with KF-103 for five years of park maintenance and that the District would take over the maintenance at the end of five years. However, due to limited operating funds and the lingering effects from the recession, the District doesn't have the funding to take over the maintenance and now KF-103 is looking for a

higher assurance that they will be repaid for continuing to cover park maintenance costs. Mr. Schooler handed out a revised spreadsheet of the Tiers that now splits out the first tier into sections A and B as to who will have the highest priority of payment, which includes KF-103's landscape and maintenance. Director Morley wondered if the HOA had the resources to pay for the watering of the park at Cumbre Vista, to which Mr. Mersman commented that he believed the District should be the entity paying for park maintenance. After a lengthy discussion the Board agreed to continue the meeting to work out more of the details.

- d. Spring Ranch GID Funding Status –
Mr. Schooler noted that Mr. Sanchez was awarded the project and that it's progressing.
- e. Tier Reimbursement Policy Status-
There was no discussion.

9. Financial Statement and Payables:

- a. District Consultant Fees-
There was no discussion.
- b. Approval of Invoices-
Director Krohnfeldt motioned to approve the invoices seconded by Director Randle Case II.
Motion passed.
- c. District Facility Fee/Permit Status/Delinquent Accounts-
A summary report of the District's residential and commercial facility fees (due at building permit) that have been collected was presented to the Board.

10. Public Comment (on items not already on the agenda):

Mr. Clinger suggested asking the Cumbre Vista homeowners to help pay for their landscaping and maintenance through an HOA.

11. Executive Session Section 24-6-402(4)(b) and (e)-

There was no executive session.

12. Adjournment: The regular meeting adjourned at 10:57 a.m.

A continued meeting will be held on Wednesday, June 12, 2013 at 10:00 a.m.

Respectfully Submitted,

Terry E. Schooler, Manager