



**MINUTES OF CONTINUED MEETINGS  
OF THE BOARDS OF DIRECTORS OF THE  
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3  
JUNE 12, 2013 AT 10:00 A.M.**

Pursuant to posted notice, the continued meetings of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 were held on Wednesday, June 12, 2013 at 10:00 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

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 10:07 a.m.

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

Director Lindsay Case indicated that a quorum of the Board was present.

3. Operation and Maintenance issues-

Mr. Schooler stated that regarding the O&M issues there is a funding source expected to help the District with its ongoing shortfall problems. Cedarwood is moving forward with their project and have a final review with HUD. They intend to break ground by the first of November. One requirement with HUD is that they are to pay all of their fees up front. They exempted out of the District and their fair and equitable participation amount is approximately \$340K. The Cedarwood developers will be coming to the September meeting to discuss with the Board a possible phased payment plan. Mr. Schooler stated further that a portion of that fair and equitable cost participation payment will go to the District’s general fund which may be considered as a source to help pay maintenance costs in Cumbre Vista for 2013. The rest of the Cedarwood payment will assist the District in paying down the old debt in the Tiers. Mr. Schooler said that he is expecting an increase in the overall assessed valuation within the Districts which will help the District in its O&M budget next year. The Board then

discussed the 5-year park maintenance agreement with KF-103 and taking over the water bill for the park. Mr. Mersman countered that KF-103 doesn't want to take the chance of the District not being able to pay it and is fine with incurring park maintenance costs with the repayment thereof being added to the Tiers if need be. Director Krohnfeldt asked if the HOA could pick up the cost of the park. Mr. Mersman indicated that he had not talked to the HOA and that they have taken care of their obligation and is hoping for a solution. The Board talked at length and Director Krohnfeldt suggested doing a 2013 Budget review to see if there are any funds available. It was noted that any fair and equitable cost participation reimbursements coming into the District are not pledged to any existing debt obligations. Mr. Schooler indicated that when the Tier reimbursement structure was first instituted by the Board outstanding debt would be paid off first, but that the Board could formally amend its Tier reimbursement structure to allow for some repayment of ongoing and current expenses such as the park maintenance considering its value to the community to have maintained parks. The Board asked how much the park maintenance would cost this year and Mr. Mersman indicated that it would be around \$50K. The Board then discussed the priority of payment within Tiers 1A and 1B. Mr. Sanchez recommended putting all of the old KF-103 debt into 1B and their current 2013 expenses into 1A. Director Randle Case II said that a short amendment to the existing agreement could be done to add an additional 12 months and that only the 2013 expenses will go into 1A. Mr. Allen stated there could be an annual cap of the \$50K and anything over that amount that KF-103 decides to spend on maintenance would not be subject to any future reimbursement. Mr. Allen stated further that the Board's tier resolution could be amended to clarify the revenue sources and reimbursement allocations. The Board concurred. Director Krohnfeldt motioned to make the tier reimbursement resolution revision as discussed, and requested the Board come to a decision as to how to address the shortfalls from the O&M budget giving it priority of payment seconded by Director Randle Case II. Motion passed.

Mr. Sanchez requested Board authorization to move forward with CSU to amend the recovery agreements that will provide credits for the District for future developments. The Board agreed to the work and allotted \$5K for it.

The Board continued the meeting to discuss the GID Funding and the IGA.

12. Adjournment: The continued meeting adjourned at 11:56 a.m.

Another continued meeting will be held on Tuesday, June 18, 2013 at 10:30 a.m.

Respectfully Submitted,

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Terry E. Schooler, Manager