



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
OCTOBER 2, 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, October 2, 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
Virgil Sanchez
Bryan Long
Dave Mersman
Steve Mulliken
Kurt Kofford, BiggsKofford
Braden Hammond, BiggsKofford

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 9:14 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 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 September 4, 2013 minutes seconded by Director Morley. Motion passed.

5. BiggsKofford - 2012 Audit:

Mr. Kofford discussed the 2012 Audit with the Board at length. The following items were noted:

- The accrued interest on developer advances calculated by the previous auditors was determined to be incorrect, and the recalculation thereof improved the fund balance by \$1M.
- It was recommended that any work related to the PILOT Agreement undertaken by the Church be submitted on a timely basis and that the Board consider acceptance of qualifying work and note such action in the minutes.
- The Black Forest portion to the developer advances have been removed from the books until such time as the developers present full documentation in support of the costs. The Board agreed to keep the estimated amounts on the Tiered list to remain consistent with previous Board actions. Mr. Kofford indicated that a comment could be added to the notes of the audit.
- It was recommended that one of the Board members look over bank statements online every month. Director Randle Case II moved for Director Krohnfeldt to now be the Vice President/Treasurer to monitor the statements seconded by Director Morley. Motion passed.

6. Resolution for the \$5,500 Platting Fee (5-Acre Park Escrow and Benefited Service Area Exhibit):

Mr. Sanchez indicated that the map is completed and that he would forward it to Mr. Allen.

7. City/District Intergovernmental Agreement (benefited service area and fair and equitable participation):

There was no discussion.

8. Resolutions for Bridge Obligation Fee and Park Obligation Fee (per IGA with city):

The Board tabled discussion until the next meeting.

9. Series 2012 "C" Cost Certification Status:

The Board requested that the certifications be completed by October 24, 2013.

10. District Manager Report:

- a. Update on City IGA regarding Annexation and Drainage/Bridge Credits-
Mr. Schooler stated the IGA is in the final drafting stage.
- b. Market Status of Ground or Developers-
Mr. Schooler indicated that the apartments being built by Cedarwood continue to be held up by HUD, but they will be coming before the Board to request a phased fee schedule to the District.

Mr. Sanchez stated that the Nazarene church have their plat approved, but are still looking for a buyer.
- c. Spring Ranch GID Funding Status –
There was no discussion.

11. Financial Statement and Payables:

- a. Preliminary 2014 Budget-
Mr. Schooler indicated that Brian Bahr will be recording his plat of 50 lots/12 acres this year with the building permits fees carrying over into 2014. Director Morley stated that he is

plating Forest Meadows filings 6 and 6A this year and will plat Forest Meadows filings 7 and 7A at the first of the year (70 lots/18 acres). Director Morley noted that lot sales would probably be about the same for 2014 as 2013. The Board agreed to mirror the 2014 Budget after the 2013 actual numbers relative to building activity. Mr. Sanchez said that there would be a mini storage going up in 2014 as well. The public budget hearing was set for the November 6th meeting.

- b. Approval of Invoices-
Director Randle Case II motioned to approve the invoices seconded by Director Krohnfeldt. Motion passed.
- c. District Facility Fee/Permit Status/Delinquent Accounts-
To be discussed in the Executive session.

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

There was no public comment.

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

Executive Session. At 10:43 a.m., pursuant to Section 24-6-402(4)(b) and (e), C.R.S., Director Morley motioned, and being supported by at an affirmative vote of at least two-thirds of the quorum in attendance, that the Boards convene in an executive session for the sole purpose of receiving specific legal advice regarding the pending City IGA and Annexation and Drainage/Bridge Credits, Grant Langdon delinquent facility fees, and Sorpresa ROW litigation. Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-401(4)(b), C.R.S. The Board did not engage in discussion of any matter not enumerated in Section 24-6-402(4)(b) or (e). The Board did not adopt any proposed policy, position, resolution, rule, regulation, or formal action. The executive session meeting was adjourned at 11:27 a.m.

14. Adjournment: The regular meeting adjourned at 11:32 a.m.

The next regular meeting will be held on Wednesday, November 6, 2013 at 9:00 a.m. at which time there will be a Budget Hearing.

Respectfully Submitted,

Terry E. Schooler, Manager