



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
NOVEMBER 6, 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, November 6, 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
Scott Hente, Assistant Secretary

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
Ross Clinger
Jonathon Cross, Esq. (by phone)

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 9:15 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 October 2, 2013 minutes seconded by Director Morley. Motion passed.

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

Mr. Schooler indicated that the Board previously approved the \$5,500/acre platting fee with \$500/acre going towards construction of the 5-acre park at the corner of Cowpoke and Vollmer and the \$5,000/acre being used to help pay for District services and costs related to the provision of public improvements which includes outstanding vendor service obligations. The Benefited Service Area Map Exhibit has been finalized with City approval. Director Krohnfeldt motioned to accept the final draft of the approved the resolution with the map exhibit and have the same recorded seconded by Director Hente. Motion passed.

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

Mr. Schooler stated that there was nothing new to report because Mr. Mulliken is still waiting to hear back from the City with any comments on the last draft submitted.

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

Mr. Schooler noted that these fees were previously imposed and announced by the Board at the August 7, 2013, and that corresponding resolutions will be presented for Board signature no later than in conjunction with the finalization of the City/District IGA which obligates the District to impose these fees.

8. Series 2012 "C" Cost Certification Status:

Mr. Schooler said that everything was in place except for the items from Director Morley. Director Morley indicated that he has his information and would get it over to Mr. Schooler. The resolution authorizing the issuance of the Series "C" bonds is good until February 6, 2014 since the statute imposes a one-year time restriction, which will have to be renewed again if the Series "C" bonds are not issued before the annual deadline.

9. District Manager Report:

a. Update on City IGA regarding Annexation and Drainage/Bridge Credits-
Mr. Schooler stated that there was nothing new to report.

b. Market Status of Ground or Developers-

Director Morley reported that he is out of lots, but he had sold 24 lots to Aspen about three month ago and they have pulled permits on all of them and there are only 6 remaining homes to be sold. Director Morley noted that he has 246 lots of which 80 will be phased in first and inclement weather has held up their production. The Board discussed briefly that the government shutdown could be a possibility for the slowdown in the market.

Mr. Schooler indicated that Craig Anderson would be putting in a mini storage unit of about 40Ks.f. off of Forest Meadows and Vollmer. There was uncertainty if he would start the project before the end of the year.

c. Spring Ranch GID Funding Status –

Mr. Sanchez stated that the work is in progress for Ponds 3 and 6.

d. KF-103 Park Maintenance Agreement Extension/Addendum-

Mr. Schooler said that the District had a 5 year agreement with KF-103 for the park maintenance and asked Mr. Allen if the agreement should be amended regarding the \$40K for 2013 that the Board approved. Mr. Allen recommended an addendum to the agreement.

Director Hente motioned to approve an addendum extending the 5 year agreement seconded by Director Krohnfeldt. Motion passed.

e. Service Charges-

Mr. Schooler handed out a draft services rate schedule to the Board for consideration. After some discussion the Board requested that Mr. Schooler analyze the structure more to see if the District would benefit from it. The Board tabled the discussion.

10. Financial Statement and Payables:

a. 2013 amended and 2014 Budget Hearing-

Director Lindsay Case opened the public hearing for discussion and public comment. After the Board discussed development improvements for 2014 Director Randle Case II moved to close the public hearing seconded by Director Krohnfeldt. Motion passed.

Director Hente motioned to amend the 2013 Budgets as presented and adopt the 2014 Budgets, appropriate the revenues necessary to cover the expenditures, and certify the mill levy at 42 mills, seconded by Director Randle Case II. Motion passed unanimously.

b. Approval of Invoices-

Director Randle Case II motioned to approve the invoices seconded by Director Hente. Motion passed.

c. District Facility Fee/Permit Status/Delinquent Accounts-

Mr. Schooler indicated that a certified letter was sent to Grant Langdon and the District has not heard from him yet. Mr. Allen stated that if a response doesn't come in the Board will have to decide what, if any action, will be taken further on this matter including the filing of a lien intent notices against the current homeowners for Mr. Langdon's refusal to pay the District Facility Fees when they were first due. . More discussion will take place during the executive session.

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

Mr. Clinger posed a question about a budget item, but he was reminded that the opportunity to address the board on budget matters was offered earlier during the open public budget hearing, and that general public comments are reserved for items not on the agenda. There were no further public comments.

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

The Board agreed not to go back into regular session after the executive session. The next meeting will be a special meeting on Wednesday, January 8, 2014 at 9:00a.m.

Executive Session. At 10:15 a.m., pursuant to Section 24-6-402(4)(b) and (e), C.R.S., Director Krohnfeldt 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 10:58 a.m.

13. Adjournment: The regular meeting adjourned at 10:15 a.m., and upon the conclusion of the executive session at 11:58, the November 6, 2013 meeting was fully adjourned. The next meeting will be held on Wednesday, January 8, 2014 at 9:00 a.m.

Respectfully Submitted,

Terry E. Schooler, Manager