

**MINUTES OF CONTINUED MEETINGS  
OF THE BOARDS OF DIRECTORS OF THE  
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3  
MAY 13, 2015 AT 9:00 A.M.**

Pursuant to posted notice, the joint meeting of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 was held on Wednesday, May 13, 2015 at 9:00 a.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903.

In attendance were Directors:

Les Krohnfeldt, Vice President/Treasurer  
James Morley, Secretary  
Randle Case II, Asst. Secretary (phone)

Also in attendance were:

K. Sean Allen, Esq., White, Bear &  
Ankele P.C. (by phone)  
Terry Schooler, Schooler & Associates  
Kevin Walker, Schooler & Associates  
Lori VonFeldt, Schooler & Associates  
Bryan Long  
Dave Mersman  
Ross Clinger

Lindsay J. Case, President, and Scott Hente, Asst. Secretary, were absent and excused.

Combined Meeting:

The Boards of Directors of the Districts have determined to hold a joint meeting of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

The original meeting of May 6, 2015 was delayed and continued to May 13, 2015 to accommodate director availability.

1. Call to Order:

Director Krohnfeldt called the meeting to order at 9:09 a.m.

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

Director Krohnfeldt indicated that a quorum of the Boards was present, and stated that each Director has been qualified as an eligible elector of the Districts 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, and were made part of the official minutes of the meeting by reference. The Boards determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

3. Approval of

the Agenda: The agenda was approved.

4. Approval of

the minutes: Director Randle Case II moved to approve March 4, 2015 minutes seconded by Director Morley. Motion passed.

5. Ratify Updated General Counsel Services Letter Agreement:

Mr. Allen stated that there were certain disclosures that have to be made for their insurance purposes, which required a couple updates to their letter agreement with the District. Director Morley moved to approve the general counsel services letter agreement seconded by Director Randle Case II. Motion passed.

6. 2015 Annual Compliance Resolution:

Mr. Allen presented the 2015 Annual Compliance Resolution to the Board for consideration. Mr. Allen noted that the resolution described various governmental administrative matters that were required to be performed by the District throughout the year. After further discussion, a motion was made by Director Morley, and seconded by Director Randle Case II, to approve the resolution. The motion passed unanimously.

7. Rivers Cumbre Vista Inclusion Hearing District No. 2:

Mr. Schooler indicated that the property that is serviced by the District and to be included into District 2 is a 13 acre parcel owned by Challenger Homes. Director Randle Case II inquired if the process of exclusion/inclusion was in line with the IGA regarding the same mutual agreements. Mr. Allen indicated that there was no IGA with the City, but that every property coming into the District is subject to all conditions/taxes/fees of the District. Director Randle Case II asked if the District would need to consent for inclusion and that the District wants to avoid any issues with a private lender that may have a right to consent or reject and doesn't want to violate a deed of trust. Mr. Allen stated that the Board has authority to act on the property owner's inclusion petition and is not required to obtain any outside consent. Any private lender restrictions would be between the lender and the property owner, but not applicable to the District.

After further discussion by the Board, Director Krohnfeldt opened the public inclusion hearing. There was no public comment so Director Krohnfeldt closed the hearing. Director Morley moved to approve the Rivers Cumbre Vista inclusion seconded by Director Randle Case II. Motion passed.

RMG-RS Holding LLC Exclusion Hearing District No. 3:

Mr. Schooler stated that the RMG-RS Holding property to be excluded from District 3 and then Included into District 2 is along the old Powerwood parcels west of Tutt and north of Woodmen that was designated for office/commercial was taken over by the bank. The land has since been rezoned from commercial to residential and Mr. Carl Schueler, City Planning, suggested moving it over from commercial District 3 to residential District 2. Director Morley asked how the change will affect the District and Mr. Allen said that there will be no net changes since both districts are imposing the same mill levy rate and internal boundary adjustment is being done to accommodate a land use change. Mr. Clinger commented that he opposes the transfer because of old lead dump issues, but since the City approved it anyway he felt it was good for the District because of the taxes and fees that will be collected on it. Mr. Schooler noted that multi-family housing is being proposed for the property.

Director Krohnfeldt opened the exclusion hearing for public comment. There was no public comment. Director Krohnfeldt closed the public hearing. Director Randle Case II moved to approve the exclusion of the RMG-RS Holding property from District 3 seconded by Director Morley. Motion passed.

RMG-RS Holding LLC Inclusion Hearing District No. 2:

Director Krohnfeldt opened the inclusion hearing for public comment. There was no public comment. Director Krohnfeldt closed the public hearing. Director Randle Case II moved to approve the inclusion of the RMG-RS Holding property into District 2 seconded by Director Morley. Motion passed.

8. Bond Safe Guard Discussion/Cost and Landscaping:

Director Morley stated that about \$3.5 million has been spent on Black Forest Road improvements by the bonding company and it's possible that he may be able to settle with them for about \$1 million. Mr. Schooler asked what assurances they would take and Director Morley indicated that he would have to stay on the agreement and make monthly payments to them and whatever the District couldn't pay he would have to with the understanding that the District would reimburse him. Director Morley noted that the agreement is much less than it would have cost for the improvements and there will be adjacent landowners that will need to reimburse the District as well. Mr. Schooler said that the Black Forest Road improvements fall under Tier 2 and with Tier 1 almost being paid off the District is in a much better position to be a potential funding source using the \$5,000/acre platting fees, but probably not until 2017. After some discussion Director Randle Case II authorized Director Morley to continue negotiations with the bonding company subject to receiving the appropriate documentation/invoices from them seconded by Director Morley. Motion passed.

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

Mr. Schooler reported that there was nothing new to discuss regarding the pending IGA. Director Randle Case II suggested a formal agreement be put in place with the new City Council. The Board briefly discussed issues with pond damage that was caused by RE Monks and the lack of City support. Mr. Schooler advised setting up a meeting with county staff to help with the issues since the side of the pond that was damaged is on the county side.

10. Series 2012 "C" Cost Certification Status; C Bond Issuance Timing 5/24/15 City Deadline for Issuance:

Mr. Schooler indicated that everything was in place to meet the issuance deadline.

11. District Manager Report:

a. Market Status of Ground or Developers-

Director Morley reported that because of the issues with the city they aren't able to get finished lots done.

Director Krohnfeldt stated they are closing on 60 lots with Aspen View Homes in June and then they will get started on the next phase of construction on Marksheffel Road and a four lane bridge over Sand Creek that will begin construction this year to be completed next year.

Director Krohnfeldt stated further that they are on schedule to get Cowpoke Road opened up off of Marksheffel for next year.

12. Financial Statement and Payables:

- a. Approval of Invoices-  
Director Morley moved to approve the invoices seconded by Director Randle Case II. Motion passed unanimously.
  
- b. District Facility Fee/Permit Status/Delinquent Accounts-  
Mr. Schooler indicated that they are still working with East Woodmen Mini Storage regarding fee collections.

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

Mr. Clinger asked the Board to weigh in on the Norwood project and the improvements to Tutt and getting sidewalks built. The Board indicated that the District has no position regarding the construction and Director Krohnfeldt said that the District wouldn't be doing the sidewalks because it's a regional responsibility.

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

**Executive Session.** Pursuant to Section 24-6-402(4)(b) and (e), C.R.S., At 9:37 a.m. Director Randle Case II 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 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 adjourned at 10:46 a.m.

15. Other Business:

The next regular meeting to be determined as needed.

16. Adjournment: The meeting was adjourned at: 10:46 a.m.

Respectfully Submitted,

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Lori VonFeldt, Manager