

**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
OCTOBER 7, 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, October 7, 2015 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
Randle Case II, Asst. Secretary
James Morley, Secretary

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
Dave Mersman
Michele McGuire, Cumbre Vista homeowner

Les Krohnfeldt, Vice President/Treasurer 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.

1. Call to Order:

Director Lindsay Case called the meeting to order at 9:13 a.m.

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

Director Lindsay Case 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 Morley moved to approve the continued May 13, 2015 minutes seconded by Director Randle Case II. Motion passed.

5. Bond Safe Guard Discussion/Cost and Landscaping:

The Board indicated that it would discuss the tier resolution, platting fees, and revenues available for the tiers in an executive session.

6. District Manager Report:

a. Market Status of Ground or Developers-

Mr. Schooler briefly discussed a management letter that was submitted to the Board describing the activities and accomplishments of the District so far this year.

Director Morley stated that he has finally platted Forest Meadows F8 that has been in process since December 2014 and all 77 lots are under contract. He will start another 20-25 houses in filing 8 in a couple of months and probably selling the remaining 57 lots in filing 7 plus the 69 lots (under contract as well) in filing 9 in 2016. The Board discussed other developments in the District and determined that there would probably be about 250 lots done and about 80 acres platted in 2016. Mr. Mersman indicated that Keller Homes would do another 20 homes this year and waiting for about 200 lots to be freed up from the Sorpresa lawsuit. Mr. Schooler said that Challenger had annexed into the District in the Spring and they are now breaking ground for The Ridge at Cumbre Vista.

Director Lindsay Case inquired about a current boundary map for the District and Mr. Schooler stated that Mr. Sanchez is waiting to update it until December because there are still a couple more parcels coming into the District and since Woodmen Valley Church sold property the designation on that land will be changing to non-exempt. Director Lindsay Case asked if the church had been partially released from the PILOT agreement from that sale and Mr. Schooler indicated that they had paid a fee per the bond documents that was a condition of closing and had to be cleared through the bond holder for the partial release.

Director Randle Case II indicated that they are still moving forward with multi-family on their 18 acres and they have been receiving calls for commercial as well.

7. Financial Statement and Payables:

a. Preliminary 2016 Budget Discussion-

After Board discussion under item 6.a. it was determined that the number of building permit fees for residential would be 250 units, 80 acres platted, and 60,000sf of commercial. There was discussion regarding how many units per acre are used for multi-family and Director Randle Case II thought it was over 4 units per acre.

b. Approval of Invoices-

Director Morley moved to approve the invoices seconded by Director Randle Case II. Motion passed unanimously.

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

Mr. Schooler said that there is a payment schedule now in place for the mini storage and should be paid up by the end of the year.

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

Mrs. McGuire, who lives in Cumbre Vista, addressed the Board about the landscaping, weeds, and the overwatering of the grass along Cowpoke. Mr. Schooler said that he would get a hold of the landscaping company that has been servicing the area.

9. 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 10:17 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 and platting fee allocation towards tier reimbursements. 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 10:32 a.m.

Return to regular session: Director Morley asked the Board to allocate platting towards landscaping that has to be done per the settlement with the performance bonding company. The Total cost of construction could be up to \$400K, but the amount of platting fees available are only \$250K. Director Morley noted that with the settlement the District will be saving up to \$350K compared to the amount that was originally used under the Tiers. Director Randle Case II moved to approve \$250K of the platting fees for the landscaping subject to the submittal of invoices and final drafting of the administration as well as adjusting the Tiers to reflect the changes. The motion was seconded by Director Morley. Motion passed.

10. Other Business:

The next regular meeting is scheduled for November 4, 2015 at 9:00 a.m. for the 2015 Amended and 2016 Budget Public Hearings.

11. Adjournment: The meeting was adjourned at: 10:34 a.m.

Respectfully Submitted,

Lori VonFeldt, Manager