



**MINUTES OF SPECIAL MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
AUGUST 22, 2016 AT 2:00 p.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 Monday, August 22, 2016 at 2:00 p.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/Treasurer
James Morley, Secretary
Randle Case II, Asst. Secretary (by phone)

Also in attendance were:

K. Sean Allen, Esq., White, Bear &
Ankele P.C. (by phone)
Kevin Walker, Schooler & Associates
Lori VonFeldt, Schooler & Associates

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 2:13 p.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 except that the Board moved the executive session before items 4 and 5.

4. 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 2:16 p.m. Director Randle Case II motioned, and being supported by 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 Black Forest settlement/funding and Cedarwood negotiations. 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 3:00 p.m.

After Board discussion (below) there was a motion to go back into executive session at 3:15 p.m. and adjourned at 3:20 p.m.

5. Black Forest Bonding Settlement and funding for Forest Meadows Landscaping:

After a brief discussion the following was determined by the Board: 1) The amount of the initial performance bond for Black Forest Road and landscaping was \$2.3M backed by a developer's bond and constitute district eligible improvements that the developer secured the bonding to benefit the districts, and the cost was added to the Tier for future reimbursement. 2) The Tiers are to be paid from cost recoveries, a portion of which is a cost recover owed by Cedarwood developers. 3) The City called in the bond and the bonding company paid for a portion of the improvements, and then brought action against the developer to recoup the cost of the improvements. The developer has since negotiated with the performance bond company to reduce the bond repayment obligation by about \$850,000 from approximately \$2.3 million to approximately \$1.45 million plus commitment to do the landscaping. 4) The landscape costs are estimated to be \$500K to complete. 5) Cedarwood has agreed to pay \$1.150M (in two installments) to be released from its cost recovery obligations to the District. After discussion about the Cedarwood recovery compromise and settlement offer, Director Krohnfeldt moved to approve and accept the proposal from Cedarwood, and use \$100K towards the landscaping requirement above capping it at \$500K, and additionally use up to \$850K of the Cedarwood recovery revenue towards release the developer's renegotiated \$1.45 million performance bond obligation which was posted in the original approximate amount of \$2.3 million by the developer for the District. The motion was seconded by Director Randle Case II with Director Morley abstaining. Motion passed unanimously.

There was Board discussion regarding the connection of Marksheffel Road to Vollmer Road. Director Randle Case II stated that it was a critical project and in the District's best interest to have the improvements done to Marksheffel and should be the next priority on the Tiers. The Board concurred that the remaining funds from Cedarwood should be applied to Marksheffel Road improvements capped at \$300K. There was discussion regarding the Tiers and future revenue to make Tier reimbursement payments. Director Randle Case moved, as a result of the motion that just passed, to direct staff to review all sources of revenue that can be allocated to the Marksheffel Road connection to Vollmer with City and County funding sources as well, seconded by Director Krohnfeldt. Motion passed unanimously.

6. Cedarwood Negotiations:

See Item 5.

7. Other Business:

Next Special meeting is scheduled for Wednesday, September 21, 2016 at 9:00 a.m.

10. Adjournment: The meeting was adjourned at: 3:20 p.m.

Respectfully Submitted,

By: Lori VonFeldt for the Recording Secretary