



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
FEBRUARY 5, 2020 AT 1:00 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 Tuesday, February 05, 2020 at 1:00 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 (Arrived at 1:34 p.m.)
Randle W. Case II, Asst. Secretary
Kyle Geditz, Asst. Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear (by phone)
Kevin Walker, WSDM
Kristina Kulick, WSDM
Zach Bishop
Dave Mersman

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:

The meeting was called to order at 1:04 p.m. by President Case.

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

President 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. Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Walker reported that disclosures for those directors with

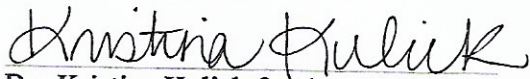
potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Allen inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

3. Approval of the Agenda: Director Geditz moved to approve the Agenda; seconded by Director Krohnfeldt. Motion passed unanimously.
4. Approval of the November 12, 2019 Minutes: After review, Director Geditz moved to approve the November 12, 2019 Minutes; seconded by Director Krohnfeldt. Motion passed unanimously.
5. District Manager Report:
 - a. Marksheffel Rd Extension Status: Mr. Walker reported there are no new communications that he is aware of, but the bridge is currently under construction. The Board discussed that the bridge will not be connecting to the south and PPRTA is funding it. Mr. Walker explained that the City wants developers to reimburse for the bridge cost based on the annexation agreements. Director Case II said he discovered that they allowed new annexations into the City without any responsibility for Marksheffel Road expansion. The Board discussed the inconsistencies if they make us pay it back and then others who come in later are not required to pay. No action proposed or taken
 - b. East Park land planning and construction: Mr. Walker reported they are still working on the final details of the contract, but work has begun. They hope to have a preliminary concept design in April.
 - c. District 1 inclusions/exclusions boundary adjustments: Mr. Walker explained they are still working on getting a piece of property properly under contract. Director Case II discussed that three board members are up for election this year. Mr. Allen explained that if current Board members want to continue to serve on the Board, they must fill out a self-nomination form by February 28, 2020.
 - d. Quail Brush Creek Update: Mr. Walker updated the Board on the land transfer to the District from the Quail Brush Creek HOA. They are working on the 2020 agreement, but the transfer is on hold until Challenger completes the outstanding assurances including the dead trees. The District will negotiate the final release with the City, HOA and Challenger once the landscape assurances are done.
 - e. Land transactions – Cumbre Vista, Shiloh: Mr. Walker explained all the Cumbre Vista tracts are up for approval by the Board. Mr. Walker confirmed they are in District 2 and there are adequate funds to maintain. Mr. Mersman said they would like to get this done and explained these are the newer phases of the development that were recently completed and are ready to be transferred. Mr. Walker pointed out the tracts on the map for the Board. Director Case II asked about Sorpresa. Mr. Walker said it is constructed to the parcel and is now a city road. Challenger has an annexation piece that will annex

- to the City and the District. The Board anticipates having this on the Agenda in the next 90 days. Director Geditz discussed a meeting in December with District 49. He said he asked about alternatives they would be comfortable with and they requested that he identify potential school site areas. The Board discussed that the school district has a lot of needs. Director Morley arrived at 1:34 p.m. Director Krohnfeldt moved to accept the land transactions from Cumbre Vista and Shiloh; seconded by Director Case II. Motion passed unanimously.
- f. Regional detention pond: Mr. Walker reported the issue of having the District maintain a pond south of Woodmen Road on Woodmen Road MD property has started again. It would be outside of our District, but it would have an IGA. He noted there are still discussions to be had.
 - g. Refinance discussions: Mr. Bishop explained to the Board that there is the possibility to take advantage of the current low interest rates with a refinancing. Mr. Bishop discussed that the assessed value has grown and there is a potential for savings and there might be a chance to do refunding with taxable bonds to cover the next 18 months; refunding with tax exempt bonds is no longer allowed. The current bonds cannot be "called" before 2021. The financial model does not show feasibility of paying off the C bonds in a 30-year term but looks like the opportunity due to longer debt like 40 years. Mr. Bishop discussed what to do with the savings and adding more subordinated debt. The Board discussed the importance of taking advantage of the interest rate environment in the near future. Mr. Walker confirmed there is just under \$6 million in C bonds. Mr. Bishop asked the Board if this is something the Board wants him to pursue further with Mr. Walker, and noted the time is good to start thinking about it. He said at the next Board meeting he can provide a more detailed presentation. The Board discussed that the current debt would effectively be retired, and C Bonds can be prepaid at any time unlike the A and B bonds. The Board discussed that the key to this is if the rate environment stays low. Mr. Walker confirmed Mr. Bishop will prepare a presentation for the next Board meeting. Mr. Bishop left the meeting at 1:54 p.m.
 - h. Market Status of Ground or Developers
 - i. SW Corner Marksheffel/Woodmen in Potential Service Area: Mr. Walker discussed an area shown in service plan as possible inclusion area. Mr. Walker said he has requested the annexation agreement from the commercial property owner, but he has not provided it. He is researching the annexation agreement for possible inclusion agreements and it is still in the early discussions. The Board discussed needing to get the map and the recovery agreement from the City. The Board discussed that there are no updates on the SE Corner near the big liquor store. It's been said they have not closed, and it could be May now before they close. The piece from Woodmen Road did close though and it is not in the District either.
 - ii. Numerous commercial development proposals pending:
 - iii. Development of Sorpresa East – Challenger is working on that with the City currently
 - i. Fire District Exclusion Status: Mr. Walker reported the fire district exclusion was not accomplished at the year's end as hoped. The City is causing the delay even though they agreed to get it done in December.

6. Financial:
 - a. 2019 Financial Statement and Payables: Mr. Walker presented the payables and noted the biggest payments are to the bonds. Director Case II asked about the Director checks. Mr. Walker apologized for forgetting them. Director Morley moved to approve the Financial Statement and Payables; seconded by Director Geditz. Motion passed unanimously.
7. Public Comment: There was no public comment.
8. Other Business:
 - a. Next Regular Meeting Date – Scheduled for March 4, 2020 at 1:00 p.m.
9. Adjournment: The meeting was adjourned at 2:10 p.m.

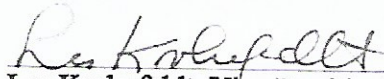
Respectfully Submitted,



By: Kristina Kulick for the Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 5, 2020 MINUTES OF THE WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3 BY THE BOARD OF DIRECTORS SIGNING BELOW:

Lindsay Case, President



Les Krohnfeldt, Vice President/Treasurer

Randle Case, Assistant Secretary

James Morley, Secretary

Kyle Geditz, Assistant Secretary