



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
NOVEMBER 4, 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 Wednesday, November 4, 2020 at 1:00 p.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado and via video and telephone conference.

In attendance were Directors:

Lindsay Case, President
Les Krohnfeldt, Vice President/Treasurer
Randle W. Case II, Asst. Secretary
James Morley, Secretary (by phone)
Kyle Geditz, Asst. Secretary (by phone)

Also in attendance were:

Kevin Walker, WSDM
K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron (by phone)
Kyle Thomas, DA Davidson (by phone)
Tiffany Lu Leichman, Sherman Howard (by phone)

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 1:00 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: Mr. Walker added Agenda item 5.d. to discuss the release of the PILOT Agreement and Deed of Trust with CSM. Director Case II moved to approve the Agenda as amended; seconded by Director Krohnfeldt. Motion passed unanimously.
4. Approval of the October 7, 2020 Meeting Minutes: Director Krohnfeldt moved to approve the October 7, 2020 Meeting Minutes; seconded by Director Geditz. Motion passed unanimously.
5. Series 2020 Bond Refinance Final Determination and Authorization to Issue/Refund General Obligation Indebtedness
 - a. District No. 2 Bond Resolution Authorizing the Issuance of Subordinate General Obligation Limited Tax Refunding Bonds, Series 2020B-1 and Series 2020B-2 in the estimated principal amount of \$13,566,000 (which amount is subject to increase or decrease as determined by the Board, or as otherwise permitted by such resolution), authorizing a Subordinate Indenture of Trust, a Bond Purchase Agreement, a Continuing Disclosure Agreement, Joint Funding Agreement, the form of Limited Offering Memorandum, other documents related to the Bonds: Mr. Allen explained there have been changes to the documents since October and requested the Board reapprove the Resolutions.
 - b. District No. 2 Resolution Authorizing a Taxable Converting to Tax-exempt Loan in the principal amount of approximately \$35,115,000 (which amount is subject to increase or decrease as determined by the Board, or as otherwise permitted by such resolution), authorizing a Loan Agreement and other documents related to the Loan: Director Krohnfeldt moved to approve the prior District No. 2 Bond and Loan Resolutions with the updated information as available today; seconded by Director Case II. Motion passed unanimously.
 - c. District No. 3 Resolution Authorizing the Joint Funding Agreement Related to the Bonds and the Loan: Mr. Allen explained the Resolution is for District No. 3 to authorize the Joint Funding Agreement related to the bonds and loan. Director Krohnfeldt moved to approve the District No. 3 Resolution Authorizing the Joint Funding Agreement Related to the Bonds and the Loan; seconded by Director Case II. Motion passed unanimously.
 - d. PILOT Termination: Mr. Walker explained the release of the PILOT Agreement, and that it was a required revenue source for the 2012 Bonds but not for the new bonds. All the property except for the Church has turned into taxable property, but the paperwork still needs to be done and the lender would like for the PILOT Agreement to be released. Mr. Allen asked if there is any remaining payment that would have been due under the PILOT or has it all been satisfied? Director Krohnfeldt explained there are small payments that would have been due, but it is already documented that there are 7

future years of credits based on infrastructure payments. By then, the remaining acreage would have been sold and the balance would go away. Mrs. Lu Leichman explained the lender is requesting evidence that the PILOT Agreement has been paid off in full prior to closing of the loan and a Resolution adopted by the Board should be sufficient. The Board discussed a drafted termination agreement that could be used as sufficient evidence for the lender. Mr. Walker stated that he is 100% confident that terminating the PILOT Agreement is the right thing to do and the District will not receive anymore funds. The Board agreed they are willing to terminate the PILOT Agreement because they have been advised there is no expectation to future revenue from the PILOT Agreement because of the degree of credits that the Church has that offset any payments. Director Case II moved to approve a release of the PILOT Agreement consistent with legal counsel's final review simultaneous with the closing; seconded by Director Geditz. Director Krohnfeldt recused. Motion passed.

Director Case II asked about the C-bond holders and how they submit documentation for payment. Mr. Thomas said he spoke with the Wells Fargo Trustee this morning and the process is since they are physical bonds, they must be physically delivered to the Wells Fargo Trustee possibly via courier. Mr. Thomas said he will follow up with specific logistics on how they want to receive those physical bonds. Mr. Walker said he will arrange the courier and delivery per Mr. Thomas' instructions. Mr. Walker noted **Mr. Scott Hentey** and Mr. Jim Morley who have 3 bonds outstanding. The money will be delivered to the Trustee and once the bonds are presented, they will get their money. If they are not presented, then there is a process where they will have to replace the bonds. Mr. Thomas explained there is a bond replacement process with a 3% fee of the principal amount. Director Case II stated they are tendering their bonds to Mr. Walker now. Mr. Walker said he will write them a receipt. The Board discussed the signers on the closing documents and Mrs. Lu Leichman confirmed she can have signature pages to Mr. Walker's office tomorrow. Mr. Thomas and Mrs. Lu Leichman left the meeting.

6. District Manager Report: Mr. Walker reported he has been working on the bond documents and preparing the new budget. He noted he is still working with Quail Brush HOA to get their landscaping plan released by Challenger. Mr. Walker reported the Fire Departments are now moving forward with excluding the properties in Woodmen Heights. Shiloh Mesa will be first, and then Quail Brush will be released over the next 3 years.
7. Developer Updates: The Board discussed the bridge construction and that it looks like they are getting ready to pave it.
8. Public Comment: There was no public comment.
9. Other Business
 - a. Consider Approval of Financial Statements and Payables: Mr. Walker reported all of the taxes have been received. Director Krohnfeldt moved to approve the Financial Statements and Payables; seconded by Director Case II. Motion passed unanimously.
 - b. Draft 2021 Budget Review: President Case opened the Public Hearing on the 2021 Budget. Mr. Walker noted the budget is the same that the Board reviewed last month with

the modifications to the mill levy based on the new bond issue. There was no public present. President Case closed the Public Hearing on the 2021 Budget. Director Case II confirmed the projected acres to be platted in 2021 is 55 with 160 acres remaining. Director Krohnfeldt moved to approve the Resolution adopting the 2021 Budget for Woodmen Heights Metropolitan District Nos. 1, 2, and 3; seconded by Director Geditz. Motion passed unanimously.

- c. Next Regular Meeting Date – Scheduled for December 2, 2020 at 1:00 p.m.: The Board discussed meeting in February since there is no need for a December meeting.

10. Adjournment: The Board adjourned the meeting at 1:34 p.m.

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary