

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
HELD
JANUARY 28, 2016**

A regular meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as "Board") was held on Thursday, January 28, 2016 at the North Tree Ranch House, 6885 Vista del Pico, Colorado Springs, CO 80927 at 9:00 a.m. The meeting was open to the public.

Attendance Directors in attendance were:

Bruce Rau, President
William Ritchie, Secretary/Treasurer
Chad Ellington (via telephone), Assistant Secretary

Absent and excused were Directors Leder and Tinlin.

Also in attendance were:

Debra Sedgeley; CliftonLarsonAllen LLP
Matt Dalton & Pat Hrbacek; Spencer Fane, LLP
Aric Jones; Oakwood Homes
Marti Wallner; YMCA Pikes Peak Region
Keith Woodring; GVR Landscape
Karen Oerter; MSI, LLC
Don Knechtel; Resident
Greg Gillum; Resident
Stacy Jensen; Resident
Yvette Fratticelli; Resident
Dallas Pierce; Resident

Call to Order/

Agenda

Director Rau called the meeting to order at 9:05 a.m. and confirmed a quorum. Following review, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the agenda with revisions to the officers listed to read as follows: Bruce Rau, President; William Ritchie, Secretary/Treasurer, Charles Leder, Assistant Secretary; Michael Tinlin, Assistant Secretary; and Chad Ellington, Assistant Secretary.

Disclosure of

Potential

Conflicts of

Interest

The Directors present noted for the record that they have financial interests in entities active in developing property within the boundaries of the District, or are employed by such entities, and that such interests

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may be affected from time to time by actions of the District's Board of Directors. In accordance with state law, the Directors have filed written disclosures describing such potential conflicts of interest with the Secretary of State, and the directors present verbally reaffirmed such disclosures on the record of this meeting.

Introduction

Of Aric Jones Director Rau introduced Aric Jones of Oakwood Homes to the Board. Mr. Jones will potentially be appointed to the Board of Directors at a future meeting.

Approval of Minutes

Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the minutes of the November 10, 2015 special meeting and the November 19, 2015 regular meeting as presented.

Community Comments

A resident asked for clarification on snow removal requirements. District covenants do not address snow removal and the City of Colorado Springs is not enforcing the requirement to clear snow within 24 hours unless they receive complaints. He stated his concern for the safety of people walking on sidewalks on the north side of streets where ice forms when snow is not removed. It was suggested that a reminder to shovel sidewalks within 24 hours could be placed on the monthly billing statement and in the YMCA newsletter.

Stacy Jensen, a Board member and resident of Banning Lewis Ranch Metropolitan District No. 2 and a member of the Citizen Advisory Board, presented a report from the Citizen Advisory Board regarding resident issues. The report included possible ADA non-compliance issues concerning the Ranch House and eight billing complaints against the CliftonLarsonAllen billing department.

Residents in attendance at this meeting asked about the relationship between GVR Landscaping and Oakwood Homes. Director Rau stated that Oakwood Homes was a minority owner of the Banning Lewis Ranch Development entity and that GVR Landscaping was a related entity.

Attorney Matters

A. Review and Consider Adoption of Resolution 2016-01-01; Concerning 2016 Regular Election

Mr. Dalton reviewed Resolution 2016-01-01 with the Board, noting that the terms for Directors Leder, Ritchie and Rau would expire following the May election, those three positions are open for four-year terms, as set out in the resolution, and self-nomination forms must be submitted by

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February 26, 2016. Mr. Dalton informed the Board that the May election would be cancelled if, at the close of business on the sixty-third day before the election or any time thereafter, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent to be a write-in candidate. Following discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved Resolution 2016-01-01, incorporated herein by this reference, authorizing the May 2016 election to be conducted by mail ballot and appointing Annette Cates at Spencer Fane to serve as the designated election official.

B. Review and Approve Resolution 2016-01-02; Imposing Charges and Fees for Internet, Trash and Recycling, and Recreational Facilities Provided by District No. 1; Provides for the Authority and Applicability of the Resolution; Provides for Findings; Provides for Severability; and Provides for an Effective Date

Mr. Dalton reviewed Resolution 2016-01-02 with the Board. The Resolution provides that the fees for District No. 2 would be increased by \$10.00 per month to a total of \$118.50 per month for the internet services, trash and recycling services and recreational facilities provided through District No. 1 to the District No. 2 service area. Ms. Sedgeley reviewed the fee structure and explained the basis for the calculation of the increase in fees. Following discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved Resolution 2016-01-02 incorporated herein by this reference.

C. Review and Approve Resolution 2016-01-03; Imposing Charges and Fees for Internet, Trash and Recycling, and Recreational Facilities Provided by District No. 1; Provides for the Authority and Applicability of the Resolution; Provides for Findings; Provides for Severability; and Provides for an Effective Date

Mr. Dalton reviewed Resolution 2016-01-03 with the Board. The Resolution provides that the fees for District No. 3 would be increased by \$10.00 per month to a total of \$76.00 per month for internet services, trash and recycling services and recreational facilities provided through District No. 1 to the District No. 3 service area. Ms. Sedgeley reviewed the fee structure and explained the basis for the calculation of the increase in fees. Following discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved Resolution 2016-01-03 incorporated herein by this reference.

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Financial Matters

A. Review and Consider Acceptance of Unaudited Financial Statements as of November 30, 2015

Ms. Sedgeley presented the unaudited financial statements. Following discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board accepted the unaudited financial statements and associated schedules as presented.

B. Ratify Approval of Claims Totaling \$316,194.34

Ms Sedgeley presented for the Board's review and approval a schedule of payments made between November 25, 2015 and January 13, 2016 in the total amount of \$316,194.34. Ms. Sedgeley confirmed for the Board that the payments made were consistent with the amended 2015 budget amounts. Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board ratified prior claims totaling \$316,194.34.

C. Review and Approve CliftonLarsonAllen LLP Engagement Letter for 2016 Accounting Services

Mr. Dalton informed the Board that he had reviewed and made changes to CliftonLarsonAllen's evergreen engagement letter and that the engagement letter presented to the Board at this meeting incorporated those revisions. Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the engagement letter with CliftonLarsonAllen LLP for 2016 accounting services.

D. Other

None.

Administrative Matters

A. District Manager's Report

1. Update on list of items received from Citizen Advisory Board.

This item was tabled.

B. Recreation Center Operations

1. Monthly Report – October, 2015

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Ms. Wallner reviewed the report with the Board.

C. Review Landscape Maintenance Operations

1. Consider 2016 Landscape Maintenance Agreement
2. Consider 2016 Snow and Ice Management Agreement

Mr. Craig of GVR Landscape reported that the pillars in the park had been repaired and that GVR Landscape would be removing snow from around all mailboxes pursuant to the proposed 2016 Snow Removal Agreement. Mr. Craig presented for the Board's approval the 2016 Landscape Maintenance Agreement and the 2016 Snow Removal Agreement.

Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the 2016 Landscape Maintenance Agreement with the annual amount of the basic contract set at \$163,740 (\$13,645 per month).

Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the 2016 Snow and Ice Management Agreement with cost based on time and materials.

D. Covenant Control Operations

1. Consider 2016 Covenant Control Contract with MSI
2. Review Covenant Enforcement / Violation Log
3. Review Design Review Request Report

Ms. Oerter reviewed and briefly discussed the violation and architectural control reports with the Board.

Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the 2016 Covenant Control Contract with MSI with fees to be \$3.20 per unit per month and administrative costs listed in Exhibit A attached to the Contract.

E. Ratify Approval of Pet Variance Request for 8021 Noble Fir Court

Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board ratified approval of the pet variance request for 8021 Noble Fir Court.

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Directors

Matters

A. Other

None.

Other

Business

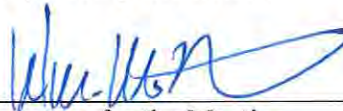
A. Confirm Quorum for Next Meeting Date – March 23, 2016

The Board rescheduled the next regular meeting for Wednesday, March 23, 2016 and confirmed a quorum. The meeting will be posted as a special meeting.

Adjournment

Following discussion, with no further items to come before the Board, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board adjourned the meeting at 10:10 a.m.

Respectfully submitted,



Secretary for the Meeting