

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1 HELD APRIL 20, 2016

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as "Board") was held on Wednesday, April 20, 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
Michael Tinlin, Assistant Secretary

Absent and excused was Director Ellington.

Also in attendance were:

Charles Leder; BLR MD Nos. 3-5, 7 & Regional Board Member*
Stacy Jensen; BLR MD No. 2 Board Member; Citizens Advisory Board (CAB)
Dallas Pierce; BLR MD No. 2 Board Member
Cynthia Beyer, Chuck Reid, Debra Sedgeley; CliftonLarsonAllen LLP
Pat Hrbacek; Spencer Fane, LLP
Aric Jones; Oakwood Homes
Jeff Peterson & Carl Raider; YMCA Pikes Peak Region
Keith Woodring; GVR Landscape
Mark Hubert; MSI, LLC
Claire Buckley; Resident
Geri Thomas; Resident
Steve Rubin; Resident
Louise Jetson; Resident
Barbara Rubin; Resident
Robert Bailey; Resident
Floyd Petty; Resident

*Participating via telephone

Call to Order/

Agenda

Director Rau called the meeting to order at 9:00 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 as amended, adding consideration of a dog variance request, and a Citizen Advisory Board update.

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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 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.

Executive Session Under Section

24-6-402(4) Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board entered executive session at 9:05 a.m.

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board closed the executive session at 9:21 a.m.

Resignation Of Charles Leder

Upon a motion duly made by Director Rau, seconded by Director Tinlin and, upon vote, unanimously carried, the Board accepted the resignation of Charles Leder from the Board of Directors, effective January 31, 2016.

Approval of Minutes

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the minutes of the January 28, 2016 meeting as presented.

Amended Documents

- A. Minutes of November 19, 2015 Regular Meeting
- B. Resolution 2016-03-01; Amending Resolution 2015-11-01 Annual Administrative Matters for 2016

Ms. Beyer informed the Boards that due to proposed changes to Board meeting schedules, the appointment of a new designated election official for the May election, and changes in Board officers reflected incorrectly in Resolution 2015-11-01 of the Board of Directors Concerning Annual Administrative Matters (2016) as approved on November 19, 2015, amendments to the original resolution would be necessary. Ms. Beyer further stated that the form of the Resolution approved on November 19, 2015 should have reflected the officers of Banning Lewis Ranch Metropolitan District Nos. 1, 3-5, and 7 and Banning Lewis Ranch Regional Metropolitan District as follows: Bruce Rau, President; William Ritchie, Secretary/Treasurer; Charles Leder, Assistant Secretary; Chad Ellington, Assistant Secretary; and Michael Tinlin, Assistant Secretary, and the minutes for the November 19, 2015 meeting should be amended to reflect those changes. It was proposed that the meeting schedules for the Boards be changed as follows:

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The May 26, 2016 meeting was rescheduled for June 9, 2016. Remaining 2016 meeting dates will be scheduled as needed.

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved Resolution 2016-03-01.

Community Comments

Ms. Buckley stated several concerns with the YMCA contract and inquired about the replacement of a YMCA employee. She stated that the facility was not properly maintained, citing the railing. She also noted concerns that residents were being bypassed for expediency.

Ms. Thomas echoed previous concerns, noting that her intro to Banning Lewis Ranch had been great the first year, but then her second year, when the change was made to YMCA, the culture changed. She inquired what could be done to restore the values held by the neighborhood.

Mr. Rubin inquired about the pool operational competency, stating that he felt there was a sense of loss of community, which he was interested in recreating.

Ms. Jetson echoed other sentiments expressed.

Mrs. Rubin stated she had been told there would be a vote on the YMCA contract.

Ms. Pierce echoed concerns about the YMCA, adding that the community impression was that it was a hostile work environment, and inquired whether an investigation was necessary.

A resident stated that the changes had been hard and residents were disgruntled. He also inquired about covenant enforcement, noting that he had observed construction on a Sunday morning.

Mr. Bailey introduced a Little Free Library, approved by the Architectural Review Committee.

Director Rau stated that the Board will be responsive. He also stated that the Board has no involvement in the YMCA's personnel decisions.

CAB Report Stacy Jensen

In regards to the YMCA contract, the CAB has requested information on the 20/80 revenue split.

A number of residents are interested in being on a Program Committee.

The dog park was listed in the residential materials and the CAB would like to see a dog park. Director Rau noted this is an unresolved issue.

Construction debris continues to be a problem. Nails are often found. The developer is trying to address this.

Construction is occurring on Sundays.

There is a sign on Silver Birch that is a safety hazard.

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Residents are concerned about a \$10 fee increase the Board approved on January 28, 2016, and whether backdating the bills may be problematic. Director Rau noted that the increase could appear on the May bill and would not be backdated.

Attorney Matters

A. Other

None.

Financial Matters

A. Review and Consider Acceptance of Unaudited Financial Statements as of December 31, 2015

Ms. Sedgeley presented the unaudited financial statements and updated cash sheet. She noted the District is on budget for first quarter expectations. At the request of the District, developer advances will not be changed at this time. 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 \$498,425.76

Ms. Sedgeley presented for the Board's review and approval a schedule of payments made between January 28, 2016 and April 14, 2016 in the total amount of \$498,425.76. 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 \$498,425.76. Director Rau requested a note on the cash invoice and in Bill.com that refers to the budgeted and contracted amounts.

Administrative Matters

A. District Manager's Report

1. Update on May 3, 2016 Director's Election

Ms. Beyer updated the Board, noting that, District No. 2's election was not cancelled and will proceed with four candidates for three open seats for four year terms. The election will take place via mail ballot.

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

Ms. Beyer updated the Board. She noted that these requests could also be considered by the District No. 2 Board, under their capital improvements budget.

3. List of Repairs at Ranch House.

- a. Clubhouse Repairs
- b. Roof Repairs

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the clubhouse repairs proposal as presented.

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4. Other.

Ms. Beyer noted that in order to pay the BLRMD No. 2 Director fees, BLR MD No. 2 will forward revenue to District No. 1 for disbursement to the BLR MD No. 2 Directors.

B. Recreation Center Operations

1. Monthly Report – March, 2015

Mr. Raider presented the YMCA report to the Board. He and Mr. Peterson discussed with the Board how to better meet the community's needs and expectations. Revenue sharing and community member class offerings were also discussed.

a. First Amendment to YMCA Agreement

Mr. Peterson presented the First Amendment to the Board.

Ms. Beyer noted that the Citizen Advisory Board was offered the opportunity to review and comment on the First Amendment to the YMCA Agreement, but such feedback had not been received prior to the meeting.

Following discussion, upon a motion duly made by Director Rau, seconded by Director Tinlin and, upon vote, unanimously carried, the Board approved the First Amendment to the YMCA Agreement.

b. Consider Proposal for Postal Box Maintenance, \$1,400.00

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the postal box proposal as presented.

c. Consider Proposal for Replacement of Pool Rails, \$2,100.34

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the pool rails proposal, with the use of safety grant funds.

d. Consider Softball Field Upgrade

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the softball field upgrade, subject to review and approval of the proposal to be submitted at the next meeting.

C. Review Landscape Maintenance Operations

1. Proposal for Enhancement of Mulch Beds, \$69,000
2. Proposal for Tree Replacement, \$88,050
3. Proposal for Dublin Rock Mulch, \$13,500

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Mr. Woodring noted that trees can be planted now and irrigation will be turned on soon.

Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board authorized proceeding with a third of each of the three landscaping proposals submitted by GVR Landscape.

D. Covenant Control Operations

1. Review Covenant Enforcement / Violation Log
2. Review Design Review Request Report
3. Agreement with MSI for 2016 Covenant Control Operations

Mr. Hubert reviewed and briefly discussed the violation and architectural control reports with the Board. He noted these reports are expected to grow in size as the landscaping begins. He further noted that habitual violations include fencing and trash cans. MSI will also begin tracking pet variances.

Director Rau stated the goal is to communicate well with the residents and that letters should be sent to homeowners.

Following review and discussion, upon a motion duly made by Director Rau, seconded by Director Tinlin and, upon vote, unanimously carried, the Board approved the 2016 Covenant Control Contract with MSI.

4. Dog Variance Request

Ms. Beyer stated that a dog variance request was received for 6971 Mountain Spruce Drive. The Board tabled this item pending neighborhood input.

Directors
Matters

A. Other

1. Citizen Advisory Board Report

Director Ritchie provided an update on the dog park, noting that it was still under construction.

Other
Business

A. Confirm Quorum for Next Meeting Date – May 26, 2016

The Board requested that the meeting date be rescheduled for Thursday, June 9, 2016.

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 10:52 a.m.

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Respectfully submitted,


Secretary for the Meeting
