

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1 HELD JUNE 9, 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 Thursday, June 9, 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
Aric Jones, Assistant Secretary

Absent and excused was Director Chad 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)
Floyd Petty; BLR MD No.3 Board Member
Cynthia Beyer, Debra Sedgeley; CliftonLarsonAllen LLP
Marti Wallner & Carl Raider; YMCA Pikes Peak Region
Keith Woodring; GVR Landscape
Karen Oerter; MSI, LLC
Troy Craig; Resident
Barbara Rubin; Resident

*Participating via telephone

Call to Order/

Agenda

Director Rau called the meeting to order at 9:02 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 discussion of regular meeting dates and frequency as well as discussion of Filing No. 17.

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 houndaries 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.

RECORD OF PROCEEDINGS

Consent Agenda

- A. Review and Consider Approval of Minutes of the April 20, 2016 Special Meeting
- B. Review and Consider Approval of Timberline Consulting Agreement
- C. Review and Consider Approval of 2016 Renewal Addendum to Haynes HVAC Preventative Maintenance Agreement
- D. Ratify Approval of Prior Claims Totaling \$152,269.78

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the Consent Agenda.

Community Comments

Mr. Craig addressed the Board and requested that if the owner has a violation which needed to be fixed whether the Board be flexible and move it to a higher priority for approval within the landscape review process. Mr. Craig also requested that the Board add to the monthly bills for residents reminders of various covenant enforcement inspection issues, including weed inspection that will be occurring in the District>

CAB Report

Ms. Jensen presented the CAB Report to the Board. She reported a CAB request for extra trash cans in the pool area. Ms. Jensen stated the YMCA responded to the CAB regarding the pool heaters and lighting closures at the pool.

Ms. Jensen also reported CAB's request that the shades at the Village 2 pool be fixed. Director Ritchie stated that he would stretch and fix the shades at the Village 2 pool.

Finally, Ms. Jensen reported that CAB would like a developer representative to attend the CAB meeting to discuss the development in the District. Director Jones agreed to attend at an upcoming meeting.

The Board recessed at 9:23 a.m. and reopened the meeting at 9:28 a.m.

Financial Matters

- A. Review and Consider Acceptance of Unaudited Financial Statements as of March 31, 2016

Ms. Sedgeley presented the unaudited financial statements and updated cash sheet. 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.

Director Rau asked Ms. Sedgeley if she knew whether any developer advances would be required. Ms. Sedgeley answered that she would know after the June financials were completed.

RECORD OF PROCEEDINGS

Administrative Matters

A. Recreation Center Operations – YMCA Monthly Report – May, 2016

Mr. Raider reported that the YMCA had a pool opening picnic that was well attended. He also reported that a garage sale was held by the YMCA. The swim season has started and that there will be soccer programs in the fall. Finally, he reported that there will be an adult swim night on Friday, June 10th and that the YMCA has added a smores' night and would be adding other summer activities to the schedule for residents.

Director Rau asked if there were any other outstanding issues. Mr. Raider said that he will check the CAB report and will resolve the outstanding issues.

Ms. Wallner stated that the YMCA would purchase two additional trash cans for the Village Two pool.

B. Landscape Maintenance Operations Report – GVR Landscape, Keith Woodring

Mr. Woodring stated that GVR is busy in the swing of everything. One third of the mulching is finished. GVR placed rock in the native area on Marksheffel. On June 17, 2016, the backflow inspections will be completed.

- #### C. Covenant Enforcement/Violation Log
1. Review Covenant Enforcement/Violation Log
 2. Review Design Review Request Report

Ms. Oerter gave her report on Covenant Enforcement and the Violation Log.

Director Rau requested that the covenant enforcement issues should be added to the bills and if the violation occurred, the homeowner is to correct the issue. The Board directed MSI to review the covenant enforcement issues ahead of the regular design review requests.

Director Rau advised Ms. Oerter to check with Mr. Jacobs to determine whether he needed assistance to process the Design Review Applications in a more timely fashion.

D. District Manager's Report

Ms. Beyer presented the District Manager's Report. Ms. Beyer reported that the Consent Agenda used to be more efficient for meetings. She reported that Casino Night was held and was successful.

Ms. Beyer reported that the YMCA has programming for the summer and that the softball fields usage agreement was prepared and provided to the Banning Lewis Academy for their review. Finally Ms. Beyer informed the Board that the equipment in the fitness room has been marked.

RECORD OF PROCEEDINGS

E. Other

None.

Attorney Matters

A. Other

There was no attorney present. Director Rau gave an update on Falcon Broadband case. All parties have submitted responses. Director Rau stated that there is nothing new to report and that he is waiting for the process to continue.

Directors Matters

A. Discuss Regular Meeting Dates and Frequencies

Director Rau asked if the Board could move to a quarterly meeting to save money. Director Rau requested for the District's vendors to continue contact with residents and possible monthly or bimonthly meetings with CAB. Director Rau stated that he wants to maintain good communication with residents.

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved quarterly meetings.

B. Discuss Filing No. 17
1. Special Fees

Filing 17 – A, B, C, D is the Carriage House Property. These are similar to patio homes and will have landscaping and snow removal done for the owners. Because of the extra services, the Board needs to charge additional fees.

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the adoption of a resolution imposing fees for Carriage House Properties. The fee will be \$88 per month for all units in Filing No. 17 A, B, C and D.

2. Variance on Street Parking

Upon a motion duly made by Director Rau, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the adoption of a street parking variance on Carriage House Properties.

Other Business

A. Confirm Quorum for Next Meeting Date – July 28, 2016

The Board confirmed a quorum for Thursday, July 28, 2016.

RECORD OF PROCEEDINGS

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 9:55 a.m.

Respectfully submitted,



Secretary for the Meeting