

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1  
HELD  
JULY 27, 2017**

A regular meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as the "Board") was held on July 27, 2017 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  
William Ritchie  
Michael Tinlin  
Aric Jones

Also in attendance were:

Cynthia M. Beyer & Carrie Bartow; CliftonLarsonAllen LLP  
Chuck Reid & Wendi McLaughlin; CliftonLarsonAllen LLP  
Pat Hrbacek; Spencer Fane LLP  
Corey Pilato, Karen Oerter and Shirley Haskew; MSI HOA, LLC  
Mike DeGrant; Oakwood Homes  
Abigail Harlan; YMCA

Craig Brumfield; Resident  
Eric and Renee Hyde; Resident  
Jason Perry; Resident  
Phyllis Sharp; Resident  
Bonnie Grover; Resident  
Robin Reno; Resident

Call to Order/  
Agenda

Director Rau called the meeting to order at 9:18 a.m., declared quorum and excused the absences of Director Tinlin and Director Ellington.

Following review, upon a motion duly made by Director Jones, seconded by Director Ritchie and, upon vote, unanimously carried, the Board approved the agenda as presented.

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

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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.

### Attorney Matters

#### A. Discussion of Acceptance of Aquatic Center

Mr. Hrbacek discussed the Acceptance of the Aquatic Center with the Board. Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the acceptance of the Aquatic Center, subject to the District Accountant completing certification of costs and review of invoices.

#### B. Falcon Broadband Litigation Updates

Mr. Hrbacek provided the written summary of the Falcon Broadband Updates from Ms. Jamie cotter to the Board.

On May 3, 2017, Falcon Broadband ("Falcon") filed a Notice of Appeal asking the Colorado Court of Appeals to overturn the trial court's ruling entering judgement in favor of the District, Oakwood and the various individuals. Falcon contends that the Bulk Services Agreement is enforceable and its claims are not barred by the Colorado Governmental Immunity Act.

Both the District and Falcon have filed their own cross-appeals. The Clerk must file the record by August 2, 2017 with the Court of Appeals. After the record is filed, Falcon will have 42 days to file its Opening Brief and the District will have 35 days after Falcon's filing to file its Opening Answer Brief. A decision is expected from the Colorado Court of Appeals within the first 6 months of 2018.

#### C. Other

None.

### Consent Agenda

The items listed below are a group of items to be acted on with a single motion and vote by the Board to expedite the handling of limited routine matters. The Board has received the information on these matters prior to the meeting. An item may be moved from the consent agenda to the discussion agenda, if desired. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.

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- A. Review and Consider Approval of Minutes of the April 28, 2017 Special Meeting
- B. Review and Accept Unaudited Financial Statements as of May 31, 2017
- C. Ratify Approval of Prior Claims Totaling \$553,401.97

Ms. Bartow reviewed the Unaudited Financial Statements with the Board.

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

### Discussion Agenda

#### A. Facility Updates by District

Ms. Beyer provided a report to the Board regarding the various updates to the Facility.

The Updates include the following:

- Striping and Crack Sealing to be done in Ranch House Parking lot on July 26, 2017.
- New doors and key card mechanism installed or to be installed.
- Carpets cleaned in Board Room and Fitness Room.
- Power washers purchased for cleaning pool decks and concrete verandah.
- Verandah Deck furniture professionally cleaned.
- Additional summer cleanings by Jan-Pro, 2 full cleanings Monday and Friday and mini-clean on Wednesday.
- New pool furniture ordered and installed on verandah.
- 18 new pool chairs should be here after August 1<sup>st</sup>.
- Bathroom grout cleaned in Ranch House and Pool Cabana bathrooms.
- Inside rugs for Ranch House professionally cleaned.
- Grills professionally cleaned and new grates and heat shield plates ordered and will be installed.
- New lights installed and lights fixed.
- Timer installed on all lights
- Flag on flagpole.
- Area rugs cleaned in the Ranch House
- New mulch added around the pool house and rock in front.
- Cleaned out the trash enclosures at Ranch House and Vista Water Park.

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- Ordered extra trash pickups.
- Music fixed in Clubhouse.
- Electrical plates to be fixed so flush with floors.
- New pillows and decorations ordered for Ranch House.
- New height signs in place for measuring swimmers at Ranch House.
- Concrete verandah power washed and pool area power washed.
- New chemical storage for area outside of pool cabana area.
- Pool Cabana area fixed.
- Furniture legs touched up.
- Cords hung up behind television in the exercise room.
- Lending library moved to Exercise Room.
- Back office cleaned and organized.
- Old pool furniture cleaned out.
- Fixed showers at ranch House and the Splash Pad.
- Fixed the showers and water fountains at the Vista Water Park.
- Pool tarps to be stored.
- Pool tarps to be added to insurance policy for District.
- West Entrance will be power washed.

### Community Comments

#### Community Comments for Items Not on the Agenda

Ms. Bonnie Grover addressed the Board regarding a clarification on the Design Review Process. MSI addressed the issue.

Ms. Robin Reno wanted to know the status of variances. Ms. Beyer indicated that she would be requesting the Board appoint a Variance Subcommittee to handle all variances for the Board.

A Resident asked if Oakwood intended to build sub\$200,000 homes in the District. Director Jones explained the acquisition of Oakwood by Clayton Properties. Oakwood does not expect to change the type of homes currently build in the Districts.

### CAB Update

Ms. Jensen provided the CAB update to the Board. The resident would like to have some standards established for the landscape violation letters as it appears it is not consistent. The residents appreciated the improvements at the Ranch House and would like the parks and their maintenance addressed. The next CAB meeting will be on September 11, 2017.

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### Financial Matters

#### A. Ratify Approval of 2016 Audit Extension

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board ratified approval of the 2016 Audit Extension.

#### B. Review and Consider Approval of 2016 Draft Audit

Ms. Bartow explained the 2016 Draft Audit to the Board. Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the 2016 Draft Audit, subject to the Auditors unqualified opinion.

### Administrative Matters

#### A. Recreation Center Operations – YMCA Report

Ms. Harlan reviewed the YMCA Report with the Board. The YMCA has had some staffing transitions and is looking for a new director for the Ranch House. The YMCA has seen a 30% increase in visits from June. A number of the summer programs have gone well. The YMCA is working to bring an Arts Program to the District. A number of the facility Tech Staff have worked to clean the Ranch House during the month of July.

The additional Facility Maintenance Services was tabled.

#### B. Landscape Maintenance Operations Report – GVR Landscape

##### 1. Discuss additional enhancements by GVR

Mr. Woodring was not present at the meeting but sent his report for the Board to review. Director Ritchie updated the Board on construction improvements. The park is complete in Filing No. 17. The earthwork is done in Village 2. The pickle ball courts and the dog park will be part of the Colorado Springs Park System. Filing 15 is complete and Filings 16 and 19 will be entered soon.

#### C. Covenant Control Operations - MSI

##### 1. Review Covenant Enforcement / Violation Log

##### 2. Review Design Review Request Report

Ms. Pilato presented the Covenant Control Operations reports and the Design Review Request report to the Board. Ms. Pilato updated the Board on the Design Review Process. MSI has been experiencing some backlog. Typical response time is 60 days. Director Rau asked MSI to reach out to Oakwood for assistance. MSI has been using Drop Box to assist in the reviews of the Design Review Requests.

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D. District Manager's Report

1. Update Regarding District Resident Website
2. Discuss Tennis Court Repairs
3. Review and Consider Approval of 2016 Annual Report
4. Consider Establishing a Variance Request Subcommittee
5. Consider Establishing a Budget Subcommittee for the District

Ms. Beyer presented the Manager Report. The website is almost ready to go live. Management is making a final review. The tennis court repairs have been put on hold until the final numbers are received on the Ranch House improvements.

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the 2016 Annual Report.

Ms. Beyer suggested the Board create a Variance Request Subcommittee to review the variances of the Board. Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board approved establishing a Variance Request Subcommittee to review typical variances received by the District.

Upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board appointed Aric Jones, Mike DeGrant and Cynthia Beyer from CLA to the Variance Request Subcommittee, with Bill Ritchie serving as an alternate.

E. Other

None.

Director Matters

A. Other

None.

Other Business

A. Executive Session

Executive Session under C.R.S. 24-6-402(4)(b) or (e), and related to one or more ongoing District contracts, for the purpose of receiving legal advice on specific legal questions; or determining positions relative to matters that may be subject to negotiations, developing strategy for negotiation, and instructing negotiators.

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Not needed.

B. Tentative Budget Workshop Meeting on October 26, 2017

The Board directed staff to look at a date in early October to meet for a Board budget session. The Board also directed staff to look for a date in August to meet to prepare a draft budget due to BLR No. 2 by September 15, 2017.

C. Confirm Quorum for Next Meeting Date – November 9, 2017

The Board revised the next meeting date to November 8, 2017 at 9:00 a.m.

Adjournment

Following discussion, with no further items to come before the Board, upon a motion duly made by Director Ritchie, seconded by Director Jones and, upon vote, unanimously carried, the Board adjourned the meeting at 10:37 a.m.

Respectfully submitted,



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Secretary for the Meeting