

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
HELD
AUGUST 2, 2018**

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as the "Board") was held on August 2, 2018 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
Aric Jones
Thomas Garmong
Michael Townsend

Absent: William Ritchie

Also in attendance were:

Josh Miller, Chelsea Gondeck, Chuck Reid, &
Carrie Bartow; CliftonLarsonAllen LLP
Pat Hrbacek; Spencer Fane LLP
Corey Pilato; MSI HOA, LLC
Samantha Reilly and Shane Brydges; YMCA
Robert Zimmerman, Eric Keesen, & Judy Mcnew;
Brightview Landscape Services, Inc.
Thomas Garmong; Oakwood Homes
Stacy Jensen; 8098 Hollygrape Lane
Mary Monahan, 8627 Tranquil Knoll Lane
Steve Richards, 6235 Mineral Belt Drive
Amy & Gary Cunningham, 8578 Crooked Branch
Melissa Cotterman, 6207 John Muir Trail
Rosa Rooko, 7055 Mountain Spruce Drive
Don P. Knechtel 7368 Mountain Spruce Drive
Linda Scheft, 5942 John Muir Trail
Alan Hoekman, 7280 Jagged Rock
Floyd Petty, 8638 Moorland Lane

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 Jones, seconded by Director Garmong and, upon vote, unanimously carried, the Board approved the agenda with the addition of item 9. I. Review and Consider Approval of Advance, Acquisition and

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Reimbursement Agreement between Banning Lewis Ranch Metropolitan District No. 1 and Banning Lewis Ranch Regional Metropolitan District.

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.

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.

- A. Review and Consider Approval of Minutes of the April 26, 2018 Regular Meeting
- B. Review and Accept Unaudited Financial Statements as of June 30, 2018
- C. Review, Ratify and Approval of Claims

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

Discussion Agenda

Community Comments

Linda Scheft asked for an explanation of those in attendance and the difference between an HOA and the district board. Director Rau introduced himself, the remaining board members, legal, and CLA staff and gave a brief overview of the district's purpose.

Mary Monahan presented concerns with the district's landscaping maintenance.

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Steve Richards presented concerns with the excavation and flooding issues in his neighborhood.

CAB Update

Ms. Jensen presented the CAB Report.

Director Jones addressed concerns about the completion of Vista Park, scheduled for Fall of 2019.

Melissa Cotterman raised concerns about the chemicals being sprayed near the Carriage homes and a petition by community members to change the products used by the landscaping company.

Financial Matters

A. Approval of 2017 Audit

Ms. Bartow reviewed the audit with the Board.

Upon a motion duly made by Director Jones, seconded by Director Garmong and, upon vote, unanimously carried, the Board ratified the 2017 Audit.

Administrative Matters

A. Recreation Center Operations Report – YMCA

Ms. Reilly distributed her report to the Board, introduced Shane Brydges as a new member of staff, and presented her report to the Board.

B. Landscape Maintenance Operations Report – BrightView

Robert Zimmerman introduced himself to the Board and presented his report.

C. Covenant Control Operations Report - MSI

Ms. Pilato presented the Covenant Control Operations report to the Board.

Manager Matters

A. District Manager's Report

Mr. Miller presented the District Manager's Report to the Board.

B. Ratify Top Gun Restoration Emergency Service Agreement

Following discussion, upon a motion duly made by Director Jones, seconded by Director Garmong and, upon vote, unanimously

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carried, the Board ratified the Top Gun Restoration Emergency Service Agreement.

C. Consideration of Top Gun Reconstruction Agreement

Following discussion, upon a motion duly made by Director Garmong, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the Top Gun Reconstruction Agreement pending final negotiations, legal review, and acceptance of costs by insurance.

D. Other

None.

Attorney Matters

A. Update on 8216 Mahogany Court

Mr. Hrbacek presented to the Board that the property has been sold and they have yet to have contact with the new owner. Mr. Hrbacek noted that the cost estimates to remedy the issue came in lower than previous estimates. Mr. Miller confirmed that the quote was near \$2,400. Director Rau questioned whether this would be a cost to the owner or the district. Mr. Hrbacek replied that it would be an expense of the district.

B. Hearing for 7144 Jagged Rock Circle

Mr. Hrbacek informed the Board of a resident who was photographed dumping debris on district property and subsequently received two cease and desist letters requesting the debris be removed. Ms. Gondeck confirmed that the resident had not remedied the situation by either deadline and that a quote from BrightView to remove the debris had been requested.

Mr. Hrbacek stated that the Board could impose fines to cover the costs.

Following discussion, upon a motion duly made by Director Jones, seconded by Director Garmong and, upon vote, unanimously carried, the Board motioned to have fees imposed on the resident to cover the costs to remove the debris, legal fees incurred, and administrative costs pending final review by Director Jones.

C. Consider Request for Repayment Plan by Resident with Delinquent Account

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Mr. Hrbacek reviewed a request to have a subordinate lien with a mortgage company with the Board. Mr. Hrbacek presented that this would not be a fiscally responsible action by the Board.

Following discussion, upon a motion duly made by Director Jones, seconded by director Garmong and, upon vote, unanimously carried, the Board denied the request.

D. Review and Consider Approval of District Facilities Agreement between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch MD No. 4

E. Review and Consider Approval of District Facilities Agreement between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch MD No. 5

Following discussion, upon a motion duly made by Director Jones, seconded by Director Garmong and, upon vote, unanimously carried, the Board approved the District Facilities Agreements between Banning Lewis Ranch MD No. 1 and No. 4, and No. 1 and No. 5 (items D & E).

F. Review and Consider Approval of Advance, Acquisition and Reimbursement Agreement between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch MD No. 4

G. Review and Consider Approval of Advance, Acquisition and Reimbursement Agreement between Banning Lewis Ranch MD No. 1 and Banning Lewis Ranch MD No. 5

Following discussion, upon a motion duly made by Director Jones, seconded by Director Garmong and, upon vote, unanimously carried, the Board approved the Advance, Acquisition and Reimbursement Agreements between Banning Lewis Ranch MD No. 1 and No. 4, No. 1 and No. 5, and No. 1 and Banning Lewis Ranch Regional Metropolitan District (items F, G, & I).

H. Discussion of Proposed Cooperation Agreement and Related inquiries as Submitted by Banning Lewis Ranch MD No. 2 Representatives

Mr. Hrbacek presented the agreement to the Board. Director Rau requested the Board have more time to review the agreement in order to take action at a later date.

I. Review and Consider Approval of Advance, Acquisition and Reimbursement Agreement between Banning Lewis Ranch

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Metropolitan District No. 1 and Banning Lewis Ranch
Regional Metropolitan District.

Approved by the Board in an earlier motion.

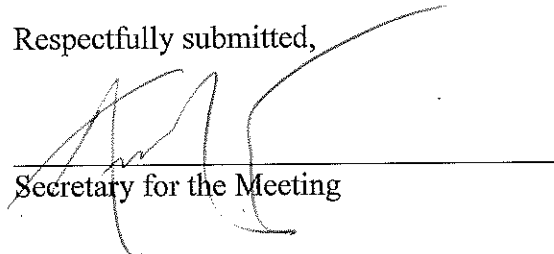
Director Matters None.

Other Business A. Confirm Quorum for Next Meeting Date – November 8, 2018

The Board confirmed a quorum for November 8, 2018 at 9:00 a.m.

Adjournment With no further items to come before the Board, upon a motion duly made by Director Jones, seconded by Director Townsend and, upon vote, unanimously carried, the Board adjourned the meeting at 9:50 a.m.

Respectfully submitted,



Secretary for the Meeting