

RECORD OF PROCEEDINGS

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

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 2 (referred to hereafter as "Board" or "District") was held on August 2, 2018 at the North Tree Ranch House, 6885 Vista del Pico, Colorado Springs, CO 80927 at 10:00 a.m. The meeting was open to the public.

Attendance Directors in attendance were:
Don Knechtel
Stacy Jensen
Jason Brockman
C. Dallas Pierce
Dave Duman

Also in attendance were:
Barb Rubin; Resident
Chuck Reid and Carrie Bartow; CliftonLarsonAllen LLP
Josh Miller; CliftonLarsonAllen LLP (For a portion of the meeting)

Call to Order/

Agenda President Knechtel called the meeting to order at 10:10 a.m. and confirmed a quorum. Upon a motion duly made by Director Jensen, seconded by Director Knechtel and, upon vote, unanimously carried, the Board approved the agenda.

Qualifications/

Disclosures All Directors are homeowners in the District and file annual conflict of
of interests disclosures with the Secretary of State. There were no conflicts
Potential of interest related to specific agenda items on the agenda and the Directors
Conflicts of present verbally reaffirmed such disclosures on the record of this meeting.
Interest

Public

Comment Ms. Rubin addressed the Board, noting that there is a constant puddle of water located on the sidewalk at the northeast corner of Dublin and Mark Sheffield Road, commenting that the area is always wet. She asked the Board what could be done to fix the problem and inquired about who the responsible party would be. It was noted that this sidewalk is BLR#1's responsibility, and they will be notified of this issue.

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Director Brockman noted that residents at 7115 Laurel Cherry Ct. recently received a Notice of Violation regarding the fence located at the side yard. It was noted that the BLR #1 is responsible for maintaining this fence.

District Matters

A. Discussion of Broadband Services

The Board postponed discussion on this issue, pending an update on litigation involving the current contract.

B. Discussion of Proposed Intergovernmental Agreement with BLR No. 1, No. 3 through No. 7

A Draft Intergovernmental Agreement was submitted to BLR No. 1 in the August 2 packet, which is a public document. At the BLR No. 1 meeting, President Rau said, "The BLR No. 1 Board received the draft IGA and will review it and decide whether or not to take action."

No action was taken by the BLR#2 Board on this matter, pending a reply from the BLR#1 Board.

C. Communicating with BLR No. 1 Regarding 2019 Budget Requests

Ms. Bartow and Mr. Reid will work to include BLR#2's budget requests (Shown below) in the BLR #1 2019's proposed budget:

1. Maintenance of ongoing landscaping items, specifically:

- Stones on existing pillars
- Fencing

2. New Additions:

- Rain sensors for irrigation for water savings
- Second ADA door at the Ranch House

D. Other - None.

Management Matters

A. Review and Approval of the June 27, 2018 Special Meeting Minutes

Upon a motion duly made by Director Knechtel, seconded by Director Jensen and, upon vote, unanimously carried, the Board approved the Minutes from June 27, 2018 Special Meeting.

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B. Review and Accept Draft Financial Statements 6-30-2018 and Update Cash Position as of 7-23-2018

Ms. Bartow presented the Draft Financial Statements 6-30-18 and the Updated Cash Position as of 7-23-18.

Ms. Bartow requested that the Board approve and authorize the transfer of \$230,000 to BLR No. 1. Director Jensen made a motion to approve and authorize the transfer, there was no second, the motion died.

Upon a motion duly made by Director Jensen, seconded by Director Pierce and, upon vote, unanimously carried, the Board approved the Draft Financial Statements 6-30-2018.

C. BLR No. 1 and BLR No. 3 though No. 7 Update

a) Benches

Mr. Miller addressed the Board noting that benches and trash cans have been ordered.

b) Backstop and Tennis Courts

Mr. Miller informed the Board that the backstop would be installed soon, the date is currently unknown. He also informed the Board that the tennis courts were to be re-surfaced in approximately 2 weeks.

c) Other

Also reported by Mr. Miller:

- 25 new trees have been planted
- The issues concerning the USPS mail boxes have been shared with USPS
- Security camera upgrades at the Ranch House are in progress.
- New fitness equipment is being purchased by the Foundation.

Attorney Matters

A. Other – None.

Director Matters

A. Confirm Quorum for Next meeting Date – November 8, 2018

The Board anticipates a quorum for the Regular Meeting scheduled for Thursday November 8, 2018.

B. Other

Director Jensen noted her preference that BLR#2 should transfer funds to BLR#1. It was expressed by the District that they will review the request and ultimately transfer the funds.

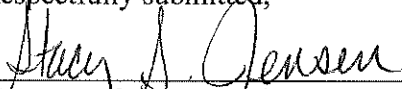
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Director Pierce asked about whether or not Specific Ownership Tax was required to be pledged to BLR No. 1. Mr. Reid will ask legal counsel to review this request.

The Board discussed Attorney fees and costs, and their hope to keep costs nominal as issues with BLR#1 are negotiated.

Adjournment There being no further business to come before the Board, the meeting adjourned at 11:30 a.m.

Respectfully submitted,


Secretary for the Meeting