

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
HELD
FEBRUARY 9, 2017**

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 3 (referred to hereafter as "Board") was held on February 9, 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
Floyd Petty

Absent and excused were Directors Chad Ellington and Charles Leder.

Also in attendance were:

Cynthia Beyer & Carrie Bartow; CliftonLarsonAllen LLP
Karen Oerter; MSI, LLC
Jerry Jacobs; Timberline District Consulting, LLC
Keith Woodring; GVR Landscape
Abigail Harlan and Jessica Wilson; YMCA
Stacy Jensen; BLR MD No. 2 Board Member; Citizens Advisory Board (CAB)
Aric Jones; BLR MD No. 1 Board Member

Call to Order/
Agenda

Director Rau called the meeting to order at 9:06 a.m. and confirmed a quorum. Following review, upon a motion duly made by Director Rau, seconded by Director Petty and, upon vote, unanimously carried, the Board approved the agenda.

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.

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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 December 1, 2016 Special Meeting

B. Review and Accept Unaudited Financial Statements as of December 31, 2016

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

Discussion Agenda

Community Comments

None.

Financial Matters

A. Conduct Public Hearing to Consider Amending the 2016 Budget; Consider Adopting Resolution 2017-02-01; Second Amendment to the 2016 Budget

Upon a motion duly made by Director Rau, seconded by Director Petty and, upon vote, unanimously carried, the Board opened the public hearing at 9:12 a.m. There being no comment from the public present, upon a motion duly made by Director Rau, seconded by Director Petty and, upon vote, unanimously carried, the Board closed the public hearing at 9:13 a.m.

Ms. Bartow presented the 2016 budget amendment to the Board.

Upon a motion duly made by Director Rau, seconded by Director Petty and, upon vote, unanimously carried, the Board approved Resolution 2017-02-01 to amend the 2016 budget.

B. Review and Consider Approval of 2016 Audit Engagement Letter

Upon a motion duly made by Director Rau, seconded by Director Petty and, upon vote, unanimously carried, the Board approved the 2016 audit engagement letter.

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C. Review and Consider Approval of CLA Accounting Services Engagement Letter Amendment

Upon a motion duly made by Director Ritchie, seconded by Director Petty and, upon vote, unanimously carried, the Board approved the CLA Accounting Services Engagement Letter Amendment.

D. Review and Consider Approval of CLA Cash Access Addendum

Upon a motion duly made by Director Ritchie, seconded by Director Petty and, upon vote, unanimously carried, the Board approved the CLA Cash Access Addendum.

E. Review and Consider Approval of CLA Payroll Preparation Services Addendum

Upon a motion duly made by Director Ritchie, seconded by Director Petty and, upon vote, unanimously carried, the Board approved the CLA Payroll Preparation Services Addendum.

F. Other

None.

Administrative Matters

A. Consider Adoption of Resolution 2017-02-01; Amending Resolution 2016-12-03 Concerning Annual Administrative Matters for 2017

Upon a motion duly made by Director Ritchie, seconded by Director Petty and, upon vote, unanimously carried, the Board approved Resolution 2017-02-01 amending Resolution 2016-12-03 concerning 2017 annual administrative matters.

Attorney Matters

None.

Director Matters

None.

Other Business

A. Confirm Quorum for Next Meeting Date – April 27, 2017

The Board rescheduled the next meeting for April 28, 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

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Director Petty and, upon vote, unanimously carried, the Board adjourned the meeting at 9:18 a.m.

Respectfully submitted,



Secretary for the Meeting