

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
HELD
JULY 27, 2017**

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 3 (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
Floyd Petty
Charles P. Leder (via telephone)

Also in attendance were:

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

Craig Brumfield; Resident
Eric & 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 9:09 a.m., confirmed a quorum and excused the absence of Director Ellington.

Following review, upon a motion duly made by Director Ritchie, seconded by Director Petty 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 the District's Board of Directors. In accordance with state law, the

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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 28, 2017 Special Meeting
- B. Review Schedule of Cash Position

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

Discussion Agenda

Community Comments

None.

Financial Matters

- A. Review and Consider Approval of 2016 Draft Audit

Ms. Bartow revised the 2016 Draft Audit. The final report that will be issued is an unqualified opinion by Biggs Kofford.

Upon a motion duly made by Director Ritchie, seconded by Director Petty and, upon vote, unanimously carried, the Board approved the revised 2016 Draft Audit, subject to Biggs Kofford issuing the final report.

Administrative Matters

- A. Other

None.

Attorney Matters

- A. Other

None.

Director Matters

- A. Other

None.

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Manager Matters

A. Review and Consider Approval of 2016 Annual Report

Management presented the 2016 Annual Report.

Upon a motion duly made by Director Ritchie, seconded by Director Petty and, upon vote, unanimously carried, the Board approved the 2016 Annual Report, subject to revisions from Accounting.

Other Business

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

The Board confirmed a quorum for November 8, 2017 at 9:00 a.m. rather than November 9.

Adjournment

Following discussion, with no further items to come before the Board, upon a motion duly made by Director Ritchie, seconded by Director Petty and, upon vote, unanimously carried, the Board adjourned the meeting at 9:18 a.m.

Respectfully submitted,



Secretary for the Meeting