

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
(THE "DISTRICT")
HELD
JANUARY 25, 2024

A regular meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 (referred to hereafter as the "Board") was convened on Thursday, January 25, 2024, at 9:00 a.m. This District Board meeting was held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Thomas Garmong, President
Scott Smith, Secretary
Don Ferron III, Assistant Secretary
Tyler Jones, Assistant Secretary

Also, In Attendance Were:

Korben Heim, Rob Lange and Josh Miller; CliftonLarsonAllen, LLP ("CLA")
Lisa Mayers, Esq.; Spencer Fane, LLP
Kayla Gaudioso; Diversified Association Management
Isaac Brandon; YMCA
Steve Langer, J. Larson, Tammy Wiseman, Bob Burnett and other Members of the Public

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Garmong called the meeting to order at 9:00 a.m.

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

Disclosures 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.

Quorum, Location of Meeting and Meeting Notices: A quorum was confirmed.

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This meeting was conducted via Microsoft Teams and public participation was available via Microsoft Teams. The Board further noted that notice providing the time, date and video link information was duly posted.

Public Comment: Bob Burnett addressed the Board regarding the landscape maintenance request for proposals process and BrightView Landscape's performance through 2023.

Additional public comments were provided in writing are attached hereto.

Resignation of Javier Galvan from the Board, effective November 16, 2023: Following discussion, upon a motion duly made by Director Garmong, seconded by Director Smith and, upon vote, unanimously carried, the Board acknowledged and accepted the resignation of Javier Galvan from the Board, effective November 16, 2023.

Vacancy on the Board. Appointment of Eligible Elector to the Board: The Board tabled discussion to the April Board meeting.

Minutes from November 1, 2023 Special Board Meeting: The Board reviewed the draft minutes. Following discussion, upon a motion duly made by Director Garmong, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the minutes from the November 1, 2023 special Board meeting, as presented.

Design of All Kind Service Agreement for Design Services: Following review and discussion, upon a motion duly made by Director Garmong, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified approval of the Design of All Kind Service Agreement for design services at the Ranch House.

Service Agreement with Coloroscapes.com Inc. for Yearly Maintenance of Tennis/Pickleball Courts: Following review and discussion, upon a motion duly made by Director Garmong, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement with Coloroscapes.com Inc. for yearly maintenance of tennis/pickleball courts.

Service Agreement with Coloroscapes.com Inc. for Playground Engineered Mulch and Staining for Structures: Following review and discussion, upon a motion duly made by Director Garmong, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement with Coloroscapes.com Inc. for playground engineered mulch and staining for structures.

Oakwood Life Service Agreement for 2024: Following review and discussion, upon a motion duly made by Director Garmong, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the Oakwood Life

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Service Agreement for 2024.

FINANCIAL MATTERS

December 31, 2023 Unaudited Financial Statements: Mr. Lange reviewed the December 31, 2023 Unaudited Financial Statements with the Board. Following review and discussion, upon a motion duly made by Director Smith, seconded by Director Jones and, upon vote, unanimously carried, the Board accepted the December 31, 2023 Unaudited Financial Statements.

Payment of Claims: Mr. Lange reviewed the claims with the Board. Following review, upon a motion duly made by Director Garmong, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified and approved the payment of claims.

LEGAL MATTERS

Agreements and Other Items Regarding Planning, Design, Funding and Construction for Public Improvements and Related Matters: The Board discussed maintenance for a drainage issue, maintenance on the Ranch House parking lot and a new trash enclosure agreement in an amount not to exceed \$25,000.00. Director Jones requested to be involved in reviewing the drainage item.

MANAGER MATTERS

Manager's Report: Mr. Miller provided a report for the Board, including year-end financial items, irrigation shut-offs and start-ups, snow removal, ice management and the Ranch House remodel.

YMCA Operations Report: Mr. Brandon reviewed the YMCA Operations Report with the Board.

Retreat Operations Report: Mr. Miller reviewed the Retreat Operation Report with the Board.

Landscaping Maintenance Operations Report: Mr. Miller reviewed BrightView's Quality Site Assessment with the Board.

Contract for Landscaping and Snow Removal Services for 2024: Mr. Miller reviewed the memorandum from the Cooperation Committee regarding the bids received for landscaping and snow removal services and the recommendation to select the vendors for interviews and/or a site tour to familiarize themselves with the District.

Director Garmong spoke to his interest in additional discussions with vendors, understanding proposals for equipment use, on-site management, and greater leadership structures and involvement. The Board determined to conduct interviews and/or site visits, then reconvene for a special meeting to make a final decision on awarding the landscape maintenance and snow removal contract.

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Diversify Operations Report: Ms. Gaudioso reviewed the Diversify Operations Report with the Board.


OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Garmong adjourned the meeting at 9:52 a.m.

Respectfully submitted,

By  DocuSigned by:
7B20DC6F0FA54B0
Secretary of the Board

Developer District Public Comment Remarks

January 25, 2024

Contracts

Excerpt from December 18, 2023 Letter to J. Larson

“Experienced management monitors and oversees services provided by contract to the district. The district has retained the professional services of CliftonLarsonAllen LLP to be responsible for day-to-day operations.”

“Just like the City of Colorado Springs, the district has personnel to whom these responsibilities have been assigned.”

When a contract is renewed or awarded, the completion of the process should include a subsequent report to the board on the process to determine contract compliance, alignment with industry standards (public fund usage confidence), key performance indicators, communicating KPI to residents, logging and tracking resident complaints and issues, the estimated cost of the CLA management monitoring and service oversight, the personnel with direct monitoring responsibility (not managerial responsibility), how the impacted (residents) were part of the process report to the board, etc.

Basically the essential components of public contract management.

Community Letter from Oakwood Homes

“We look forward to continuing the dialogue and collaboration with the city and our community members on the future of Banning Lewis Ranch.”

Consideration by the Board:

The Developer District Board agenda today is addressing two contracts on the agenda. Actually, that process requires addressing three contracts. The agenda also has reports for other service contracts.

This Board could request that CLA provide a report of the contract monitoring and oversight that will be performed (individually for each of the separate contracts) for all the current contracts and the Developer District (aka Operating District, Service District, District 1, etc.) could communicate this to our community members.

Hopefully the foregoing information is helpful to the Board in establishing the collaboration mentioned in Mr. Jones’s letter to the community.

3 minute oral limitation. Presented January 25, 2024 District 1 January 25 2024 Board Meeting, No known video/audio recording

Written remarks sent to CLA for inclusion in Record of Proceeding (minutes) per request, Copy of December 18, 2023 Letter Sent electronic January 26, 2024

Monday, January 22, 2024

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BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1

121 South Tejon Street, Suite 1100
Colorado Springs, CO 80903
Phone: 719-635-0330



To: J. Larson
From: BLR MD#1
cc: Lisa Mayers; Thomas Garmong

Date: December 18, 2023
Re: Follow Up to Questions posed at the BLR MD#1 Board Meeting

J.-

First, thank you for your participation and questions at the meeting held for BLR MD #1. Although we generally agree with your opening statement that district business is to be conducted in public and without conflicts, the district is governed by and follows applicable Colorado law, which in some instances contains specific requirements (e.g. conflict disclosures) and in other instances may have exceptions to the general requirements (e.g. statutory exceptions to the open meeting requirement). With recognition that we and the district will be governed by applicable law, we provide some general information in response to the matters you have raised.

First, we are reluctant to use the term “component unit” because we think it will be confusing to most people because it sounds like there is some control or parent/subsidiary relationship between the parties. The districts and the developer entities are all separate legal bodies with separate existences, separate governing documents and separate obligations. “Component unit” is an accounting term that does not apply to the relationship between the developer entities and local government entities (the districts), so we will not use this term. To be clear, no Clayton Properties or Oakwood Homes entities are “component units” of the district.

You have inquired about district money “going to” Clayton Properties, its affiliated entities or individuals. The only payments made to any of these parties are pursuant to written contracts which have been presented and approved at publicly noticed and held meetings after full disclosure of any conflicts of interest. Developer qualified board members do not receive compensation or any money from the district. On an annual basis, and prior to each meeting, conflict disclosures have been made as required by statute. As you have witnessed, meetings at which contracts are discussed are open to the public and subject to public comment. The district is required to have its financial reports audited on an annual basis by an independent third-party auditor. The audits are conducted in accordance with Colorado statutory requirements, by independent auditors experienced in auditing political subdivisions. Audit reports are filed with the State and are available to the public.

Experienced management monitors and oversees services provided by contract to the district. The district has retained the professional services of CliftonLarsonAllen LLP to be responsible for day-to-day operations. Neither the district or management expect residents to be responsible for contract management or performance. Just like the City of Colorado Springs, the district has personnel to whom these responsibilities have been assigned. Management welcomes comments or concerns, but strongly

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discourages interference by residents in the service contracts. District management will address performance deficiencies and cannot do so if residents are interfering with or countermanding management's directions to the various contractors/vendors. Since you recently participated in the cooperation committee meeting, you know it exists to provide input to management on contracts and service performance. An additional cooperation committee meeting has already been scheduled, and more may be conducted on request pursuant to Cooperation Agreement. The budget is recommended to and reviewed with cooperation committee input, and ultimately adopted following public notice and hearing.

Finally, the district has obtained and updated a reserve study and is accumulating reserves within the confines of the budget and available revenues. Setting aside funds for reserves is a priority of the district, and a matter that it will continue to address over the next several years. It is not an issue that can be magically "fixed" in a single calendar year but you should expect it to be a topic of discussion and a budget line item now and in the future.

Again, we thank you for your input and hope the forgoing information is helpful to you.

Best regards,

A handwritten signature in dark ink, appearing to read 'Josh Miller'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Josh Miller