

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARDS OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 4 & 5
BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NOS. 1 & 2
HELD
July 18, 2019**

A regular meeting of the Boards of Directors of the Banning Lewis Ranch Metropolitan District Nos. 4 & 5 and Banning Lewis Ranch Regional Metropolitan District Nos. 1 & 2 (referred to hereafter as the "Board") was held on July 18, 2019 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:

Bruce Rau
Michael Townsend
Kelly Leid

Absent: Director Aric Jones & Director Charles P. Leder

Also in attendance:

Josh Miller, Carrie Bartow & Chelsea Gondeck;
CliftonLarsonAllen LLP ("CLA")
Pat Hrbacek; Spencer Fane LLP
Corey Pilato; MSI HOA, LLC
Robert Beacon, Eric Keesen & Judy McNew; BrightView
Jessica Ehlen; YMCA
Stacy Jensen, Resident
Floyd Petty, Resident
Michael & Jennifer Brotten, Residents

Call to Order/
Agenda

Director Rau called the meeting to order at 9:55 a.m. and confirmed a quorum.

Following review, upon a motion duly made by Director Leid, seconded by Director Townsend and, upon vote, unanimously carried, the Board approved the agenda, subject to the addition of item 7. D. Discuss Assessor Issue in District No. 4.

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

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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 25, 2019 Regular Meeting
- B. Review and Consider Approval of April 30, 2019 Unaudited Financial Statements

Upon a motion duly made by Director Leid, seconded by Director Townsend 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 2018 Audit for District Nos. 4, 5, and Regional No. 1

Ms. Bartow reviewed the 2018 audit with the Board. Upon a motion duly made by Director Leid, seconded by Director Townsend and, upon vote, unanimously carried, the Board approved the 2018 audit for District Nos. 4, 5, and Regional No. 1.

- B. Review and Consider Approval of 2018 Audit Exemption for Regional No. 2

Ms. Bartow reviewed the audit exemption with the Board. Upon a motion duly made by Director Leid, seconded by Director Townsend and, upon vote, unanimously carried, the Board ratified the 2018 audit exemption for Regional No. 2.

- C. Notification to UMB of Project Close Out for District No. 4 and Regional No. 1

Ms. Bartow discussed the need to close the UMB account for District No. 4 and Regional No. 1. Following discussion, upon a motion duly made by Director Townsend, seconded by Director

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Leid and, upon vote, unanimously carried, the Board approved the UMB Project Close Out for District No. 4 and Regional No. 1.

Administrative Matters

None.

Attorney Matters

- A. Discuss and Consider Approval of Cooperation Agreement by and Among District No. 1, District No. 2, District No. 3, District No. 4 and District No. 5

Following discussion, upon a motion duly made by Director Leid, seconded by Director Townsend and, upon vote, unanimously carried, the Board approved the Cooperation Agreement by and among District No. 1, District No. 2, District No. 3, District No. 4 and District No. 5.

- B. Discuss and Consider Appointment of up to Two Individuals to Serve as District Representatives on Behalf of District Nos. 4 and 5 on the Committee to be Formed Pursuant to Cooperation Agreement

The Board deferred the item until residents are on the Board.

- C. Discuss and Consider Approval of District Facilities Agreement by and between District No. 1 and Regional District No. 1

Upon a motion duly made by Director Townsend, seconded by Director Leid and, upon vote, unanimously carried, the Board approved District Facilities Agreement by and between District No. 1 and Regional District No. 1.

- D. Discuss Assessor Issue in District No. 4

Mr. Hrbacek stated that there were properties within District No. 4 that the county assessor had not properly listed and revenue from property assessments was not collected. Mr. Hrbacek noted that the property listings have been corrected and that the cost of recovering the revenue from the assessments would not be worthwhile.

Director Matters

None.

Other Business

None.

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Adjournment

With no further items to come before the Board, upon a motion duly made by Director Leid, seconded by Director Townsend and, upon vote, unanimously carried, the Board adjourned the meeting at 10:04 a.m.

Respectfully submitted,



Secretary for the Meeting