

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
(THE "DISTRICT")
HELD
AUGUST 29, 2022

A regular meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5 (referred to hereafter as the "Board") was convened on Monday, August 29, 2022, at 11:00 a.m. This District Board meeting was held at Banning Lewis Ranch Sales Center, 9158 Braemore Heights, Colorado Springs, Colorado 80927 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Robert Cass, President
George Smith, Vice President
Victoria Niemi, Treasurer
Kathryn Giddens, Secretary

Also, In Attendance Were:

Krista Baptist, Korben Heim, Rob Lange, Carrie Bartow, and Ashley Voss;
CliftonLarsonAllen, LLP
Colin Mielke and Marissa Peck; Seter & Vander Wall, PC
Leo Maes, Jan Cass, Loren Gallup, Sue Harmon, Butch Pemberton, Heidi Westberg, Jim Dries, Gini Bataille, Margaret Mecca and Dawson Hubert;
Members of the Public

ADMINISTRATIVE MATTERS

Call to Order and Approval of Agenda: Director Cass called the meeting to order at 11:06 a.m. Following discussion, upon a motion duly made by Director Cass, seconded by Director Giddens and, upon vote, unanimously carried, the Board approved the agenda as presented.

Disclosures of Potential Conflicts of Interest: The Board discussed the disclosures and Director qualifications with legal counsel.

Quorum, Location of Meeting and Meeting Notices: A quorum was confirmed. It was noted that the meeting was noticed on the website and posted as required.

Public Comment: Ms. Mecca expressed her concern regarding covenant enforcement, including untimely removal of trash cans and weeds. The Board discussed District No. 1's contract with CliftonLarsonAllen for covenant enforcement services. No actions were taken.

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Minutes from the August 3, 2022 Special Board Meeting: Following review and discussion, the Board tabled approval of the Minutes from the August 3, 2022 Special Board Meeting, pending revisions to include documentation of concerns from the District No. 5 Board regarding delinquency of OakwoodLife's invoicing for services and inclusion of discussion regarding the long-term debt report and its inclusion as an attachment to the minutes.

FINANCIAL MATTERS

Cash Position and PTax Statements: Mr. Lange reviewed the schedule of cash position and PTax statement with the Board. Ms. Bartow addressed homeowner dues questions with the Board and mentioned that the draft budget is in progress and an early draft will be distributed to the Cooperation Committee on September 1 and that the District 5 Board will receive a draft budget on October 15. The Board voiced its dissatisfaction regarding OakwoodLife not providing invoices for services thus far. Following review, upon a motion duly made by Director Cass, seconded by Director Smith and, upon vote, unanimously carried, the Board accepted the Cash Position and PTax statement.

Payment of Claims: Mr. Lange reviewed the payment of claims report with the Board. Following review, upon a motion duly made by Director Smith, seconded by Director Cass and, upon vote, unanimously carried, the Board approved the payment of claims in the amount of \$22,991.77.

Draft 2021 Audit: Mr. Lange reviewed the draft 2021 audit with the Board. Director Cass requested clarification regarding the auditor opinion, and the Board review of the opinion. Director Cass also questioned the developer advances and the updated facility costs for finishing the Retreat Recreation Center. Explanations for both were provided by Mr. Lange and Ms. Bartow. Following review, upon a motion duly made by Director Cass, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the Draft 2021 Audit subject to a clean opinion from the auditor. In the event that the auditor opinion does not come back clean, the Board requested to call a special meeting to review and discuss further prior to approval.

LEGAL MATTERS

Other: Attorney Mielke provided updates regarding Director's action items. Mr. Mielke discussed with the Board goals for landscaping, including a desire to better understand the location and types of landscaping services provided by BrightView within District No. 5. Mr. Mielke discussed coordination with management, and the Board's desire to increase responsiveness to Board member requests. Finally, the Board discussed monitoring of the special revenue fund, and the types of documentation to be provided by CliftonLarsonAllen to assist in monitoring expenditures. Legal counsel and management confirmed they will meet to discuss progress on these items going forward. No actions were taken.

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MANAGER MATTERS

Other: None.

DIRECTOR MATTERS

Discussion, Selection and Appointment of a Resident to fill Board Vacancy:

Director Cass discussed the search for a new Board Member to fill the vacancy. Prospective individuals spoke on their interests and qualifications, as well as their goals for being appointed to the Board.

Each of the three candidates (Dawson Hubert, Butch Pemberton, and Heidi Westberg) were introduced and given five minutes to address the Board about their qualifications and interest in being a member of the Board. Following the presentation, each board member discussed their choice of candidate. Following discussion, upon a motion duly made by Director Cass, seconded by Director Smith and, upon vote, unanimously carried, the Board appointed Dawson Hubert to the Board of Directors.

Attorney Mielke reviewed the next steps to complete the appointment process.

OakwoodLife Contract Expenses: Management verified that they were in contact with OakwoodLife and were waiting to receive invoices. The Board voiced their concern regarding OakwoodLife's delinquency in submitting invoices, the inability to monitor activities without timely invoices, and lack of responsiveness from OakwoodLife. Ms. Bartow noted that CliftonLarsonAllen has repeatedly requested invoices and that OakwoodLife committed to delivering invoices soon. The Board noted its expectation that the invoices will be sufficiently detailed. No actions were taken.

Special Meeting to Discuss Ideas Relating to Establishing Board of Director Bylaws, Committees, and Processes: Director Smith reviewed committee ideas and recommended organizing a special meeting or a working session to discuss and decide on committee needs and how to support the Board.

Director Niemi expressed her concern on transparency for residents on Board actions and inclusions on committees.

Ms. Baptist mentioned that legal review and involvement is necessary to ensure scope and duties of any formed committees do not conflict with District 1 operations or upcoming Cooperation Committee processes.

Following discussion, upon a motion duly made by Director Smith, seconded by Director Cass and, upon vote, unanimously carried, the Board approved scheduling a special meeting or working session to further explore committee opportunities and needs.

Other: None.

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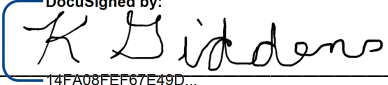
OTHER BUSINESS

Other: Director Niemi had questions regarding the Banning Lewis Ranch Foundation funding, projects, access and qualifications, as well as possible school funding. Ms. Baptist noted she would follow up with Director Niemi outside of the meeting to provide more information. No actions were taken.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Cass adjourned the meeting at 12:53 p.m.

Respectfully submitted,

By 
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 Secretary for the Board