

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5 (THE "DISTRICT")
HELD
JANUARY 23, 2025

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5 (referred to hereafter as the "Board") was convened on Thursday, January 23, 2025, at 1:00 p.m., at The Barn, 9150 Braemore Heights, Colorado Springs, 80927 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in attendance were:

Steve Langer, President
Dawson Hubert, Vice President
Bob Burnett, Director
J. Larson, Secretary
Joy Blum, Treasurer

Also, In Attendance Were:

Krista Baptist, Carrie Bartow, Ashley Voss and Korben Heim, CliftonLarsonAllen LLP ("CLA")
Colin Mielke; Seter, Vander Wall & Mielke, P.C.
Anne Bradley, Jenny Bataille, Larry Britton, Rollie Colby, Kathy Giddens, Margaret Mecca, Mark Davis, Julie Sierverman and Linda Rodriguez, Rob Dragnich, Ray Sapp, Lorie Sapp, Andrea Peoples, Kevin Bradley, Mark Davis, Suzanne Qualia, Judith Austin, Bennie McGowan, Wharton Separk, Susan Separk, Larry Brittain, Margy Nolan, Roger Swift, Randy Schillinger, Vicki Schillinger, Paula Eberhardt, Kim Denny, Mike Gooden, Sherri Pierson, Chip Jamison Sherri Pierson, Randy Stebbins, Gary Haverland, Karen Plaza, Loretta Pennie, Velma Hendrickson, Jeanette Obrien, Dave Sheeren, Tom Greulich;
Members of the Public

ADMINISTRATIVE MATTERS

Call to Order and Agenda:

The meeting was called to order at 1:04 p.m. by Director Langer. Upon a motion duly made by Director Hubert, seconded by Director Burnett and, upon vote, unanimously carried, the Board reviewed and approved the agenda as amended to include Finance/Committee Reports under Director Matters.

Disclosures of Potential Conflicts of Interest:

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary

of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Mr. Mielke that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors. No additional conflicts were disclosed by the members of the Board at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notice:

Ms. Baptist confirmed the presence of a quorum.

FINANCIAL MATTERS

As approved through the earlier amendment to the agenda, the Board determined to address Financial Matters at this point of the meeting and table the remaining Administrative Matters until after completion of the Financial Matters.

Discuss Potential 2024 Budget Amendment:

Mr. Mielke and Ms. Bartow reviewed the previously proposed 2024 Budget Amendment with the Board. The Board noted that it may consider the 2024 Budget Amendment closer to the time at which the 2024 audit will be finalized and presented for acceptance, but determined not to consider a budget amendment at this time.

Director Blum noted that financial reports were delivered to the Board within the last 24 hours and noted that the Board would not be considered acceptance of the financials at this meeting because the Board has not had sufficient time to review the reports.

Director Larson raised a question on the 2025 final budget, stating her desire to ensure it reflects comments and changes to the Special Revenue Fund from the District's budget hearing before filing. Ms. Bartow noted that the Special Revenue Fund is encompassed in the District No. 1 budget.

ADMINISTRATIVE MATTERS [CONTINUED]

Public Comment:

Director Langer opened the public comment period for the meeting.

Ann Bradley – Raised a question on pool contract/cleaner, asking whether it will be the same contractor as last year.

Jenny Bataille – Raised a concern with the evacuation plan in the community, particularly due to the experience with home fires last year.

Larry Britton – Raised a concern for CCR responsibility to carriage homeowners for paver driveways, and possible damages from snow removal service. He would like for the District to explore alternative equipment to remove snow to prevent damage to the pavers and reduce snow removal noise.

Rollie Colby – Raised a question on website posting, noting his desire to have additional information posted, including agendas, committee info boards, projects like fob access to Barn west side & pickleball courts, etc. He further expressed concern for decisions made by OakwoodLife without sufficient resident input.

Kathy Giddens – Her comments were read by another resident regarding concern for evacuation plan, petition about gate use & access.

Margaret Mecca – Inquired about bond information, adding additional lights around entrances, streetlights, etc. Asking Oakwood to push on fire damages on adjacent home. Evacuation plan.

Mark Davis – Provided an update heard regarding the status of repairs to a fire-damaged home in the neighborhood.

Julie Sieverman – Asked a question regarding the operation of gates if power goes out. Ms. Baptist stated that gates default to the open position when they lose power.

Linda – update on BLR Parkway extension – Ms. Baptist noted the completion items are not dependent on Oakwood, rely on CSU & NW activities, plus current weather has delayed the ability to pave the roadway. The developer is aiming to complete the extension by the end of the first quarter of 2025.

Minutes of September 19, 2024 Regular Meeting; November 19, 2024 Special Meeting and November 19, 2024 Annual Meeting; and December 9, 2024 Special Meeting:

The Board noted changes for the November 19, 2024 Annual Meeting Minutes presented by Director Larson. Upon a motion duly made by Director Langer, seconded by Director Hubert and, upon vote, unanimously carried, the Board approved minutes for the (1) September 19, 2024 Regular Meeting as presented; (2) November 19, 2024 Special Meeting as presented; (3) November 19, 2024 Annual Meeting Minutes with the amendments presented by Director Larson; and (4) December 9, 2024 Special Meeting as presented.

LEGAL MATTERS

Update regarding IRS Examination of District Bonds:

Mr. Mielke provided an update on the IRS examination of the District's bonds, informing the Board that the IRS has completed review and recommend close-out of the investigation, and the supervisor of the inspector is to issue a final determination. Mr. Mielke believes there are no concerns. He reiterated that the IRS selection of the bonds by the IRS was a random audit. Director Larson noted that the Finance Committee has also reviewed documentation related to the IRS examination. No action was taken.

Mr. Mielke provided an update on the Barn conveyance to MD1 and his recent conference with Directors Langer and Larson regarding certain punch list, warranty and other items. The Board discussed ongoing maintenance of the Barn and the contract for such maintenance.

MANAGER MATTERS

Manager's Report:

Ms. Baptist reviewed her report with the Board and noted that she is adding status update on special projects on future reports. She reported on the West Barn fob access, pickleball fob access, gate improvements, shades in the Barn and additional benches.

Ms. Baptist stated that MD1 considered and approved the solar shades in the Barn and a report on installation is forthcoming.

Director Burnett had a question where the project came from and Director Larson discussed MD5 process to recommend special projects to MD1.

Mr. Miller will discuss with MD5 regarding contact on special projects.

Following discussion, upon a motion duly made by Director Larson, seconded by Director Hubert and, upon vote, unanimously carried, the Board authorized Director Langer to coordinate a meeting with Mr. Miller to set priorities for special projects, including discussions regarding pool startup activities.

Ms. Baptist reported that the pool plan is to open on time this year, but noted the following issues:

- Pumps not working cleanliness and other concerns
- Vendor service improvements that are ongoing

Ms. Baptist also discussed the ongoing insurance issue with the fire-damaged house. It was noted that this is not a district matter and the covenant violation would be a MD1 matter to resolve with the insurance company.

Review of OakwoodLife monthly report enhancements:

Ms. Baptist noted this is not completed by OakwoodLife until the end of January and OakwoodLife is agreeable with most suggestions and is working on making changes. Director Larson requested a draft of the report and Ms. Baptist will follow up.

Resolution Regarding Retreat Handbook Approval Procedures:

Director Larson reviewed with the Board and informed the Board that the committee is to review and provide revisions, following similar procedures to special project funding requests.

Following discussion and review, upon a motion duly made by Director Larson, seconded by Director Langer and, upon vote, unanimously carried, the Board approved the Resolution Regarding Retreat Handbook Approval Procedures, subject to legal counsel review and updates.

DIRECTOR MATTERS

Finance Committee Updates:

Director Larson distributed and reviewed the Finance Committee updates with the Board:

- Met on January 22nd and the next meeting is February 27th. Unable to review financials as none included in the Board packet.
- MD1 final budget not completed or filed.
- Metrics report: to develop system of timely review, made 22 requests from November to January 13th, some partially completed, needing further clarification. Director Blum plans to meet with Ms. Bartow in February and intending to send these reports to MD1.
- Currently receiving limited financial data, not assured as to the previous. Financial forecasting being done by Finance Committee and Director Blum assisting in projecting current revenue stream. Sales continue and the budget is well supported and shows sufficient funds to support events/activities, etc.
- Question regarding fee adjustment and involving model homes, services, etc. Funding for special projects, no costs shown yet for the projects. Snow removal projected to run over budget. The budget as a whole is anticipated to run balanced and reserve funds for replacements.
- Upon a motion duly made by Director Langer, seconded by Director Hubert and, upon vote, unanimously carried, the Board authorized to set a special project prioritization on the West Barn fob access, gate lights/enhancements, benches and solar blinds, Director/Board development for long term planning, pickleball access, and firepit improvements, all as presented in a written report provided by Director Larson.
- The Board discussed budget planning and billing cost concerns, and identified a plan to to curb costs for mailed District bills by sending bills via paperless format unless a resident opts-in to physical invoicing. Upon a motion duly made by Director Langer, seconded by Director Larson and, upon vote, unanimously carried, the Board authorized to proceed with billing change as proposed.
- Upon a motion duly made by Director Langer, seconded by Director Blum and, upon vote, unanimously carried, the Board authorized to send the metric report to MD1 and MD1 legal counsel.
- Director Burnett posed several questions to Director Larson regarding the 11/30/24 SRF and the location & cost of concrete repairs, irrigation controller electric costs, remediation of trees, mulch and landscape materials and the stormwater fees.

Facilities and Safety Committee Updates:

Director Burnett provided an updates:

- There are requests into Oakwood and LEI for landscape damages during construction. He will meet with Mr. Miller to continue Barn and contractor items.
- Snow removal – 2 inch threshold 4 inches for streets. LEI is doing a fabulous job. Last couple of events pushing threshold and LEI proceeded. Ask public

to remember the threshold exists and may not clear lesser amounts and not clearing driveways of ice.

- Dog stations: discussed relocations and additional stations, and will review in warmer season for any further changes.
- Discussion of proposal of gate lights.
- Mail room leak – it was reported that the roof leak does not appear to be properly repaired. Ms. Baptist discussed contractor change and inspection. There is now a new leak in the exercise room.

Oakwood Life Committee Updates:

Director Hubert provided an update to the Board.

Communications Committee Updates:

Director Lanager provided an update to the Board stating that Rollie showed promotional video and has asked OakwoodLife to have the promotional video running on the Barn's TV during the day, to which OakwoodLife responded "no". Donations to help run the BB Retreat website were discussed by the Board and members of the public. It was noted that the District cannot fund the website without ensuring the website complies with accessibility and document-production requirements under Colorado law. It was suggested that the BB Retreat website continue to operate on private donations/funding to allow for greater flexibility on the types of community information that is published on the website.

Update Regarding 2025 Special Projects:

This item previously discussed.

2025 Special Projects Funding/priority:

This item previously discussed.

OTHER MATTERS

Director Langer noted the suggestion box use and encouraged all to continue providing suggestions to the Board.

Director Larson provided a handout to the Board regarding the proposed formation of a CCR Advisory Committee that can review and suggest updates to BLR1 regarding proposed MD5 CCR policies and procedures. Director Larson recommended the Advisory Committee consist of no more than two Board members and five other members of the community. Following discussion and review, upon a motion duly made by Director Larson, seconded by Director Langer and, upon majority vote with Director Hubert voting "nay," the Board authorized the formation of a CCR Advisory Committee.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Langer seconded by Director Larson and, upon vote, unanimously carried, the meeting was adjourned at 3:04 p.m.

Respectfully submitted,

By _____

Secretary for the Meeting