

CERTIFIED COPY OF RESOLUTION

BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 1- 5 and 7

ANNUAL ADMINISTRATIVE MATTERS

STATE OF COLORADO)
)
COUNTY OF EL PASO) ss.

At a special meeting of the Boards of Directors of Banning Lewis Ranch Metropolitan District Nos. 1-5 and 7, El Paso County, Colorado, held at 10:00 a.m., on Monday, the 6th day of December 2010, at Banning Lewis Ranch Management Company, 90 S. Cascade, Suite 950, Colorado Springs, CO 80903, there were present:

- John A. Cassiani
- Gregory J. Barbuto
- Patrick McNamara

Also in attendance were:

- David Peak; R.S. Wells L.L.C.
- Carrie Bartow; Clifton Gunderson LLP
- Matt Tisthammer; WTS International, Inc.
- Brandon H. Warren; Warren Management

when the following proceedings, were had and done, to wit:

It was moved by Director Cassiani to adopt the following Resolution:

WHEREAS, the Boards of Directors of the Districts have a duty to perform certain obligations on a recurring basis in order to assure the efficient operation of the Districts;

NOW, THEREFORE, BE IT RESOLVED by the Districts as follows:

1. The Boards direct the District Manager to prepare an accurate map as specified by the Division for filing with the Division, the County Assessor, and the County Clerk and Recorder on or before January 1, as required by Section 32-1-306, C.R.S.
2. The Boards direct the District Manager to notify the Board of County Commissioners, Assessor, Treasurer, Clerk and Recorder, the governing body of the municipality in which the Districts are located, and the Division of Local Government of the name of the chairman of the Boards, the contact person located within the Districts, if available, telephone number and business address of the Districts on or before January 15, as required by Section 32-1-104(2).
3. The Boards direct their District Manager and Accountant to submit a proposed budget to the Boards by October 15, to schedule a public hearing on the proposed budgets, prepare final budgets, and budget resolutions, including certification of mill levies; amendments to the budgets if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments

thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado, Sections 29-1-101 to 29-1-115, C.R.S.

4. The Boards direct the District Manager to prepare and file an informational listing of all contracts in effect with other political subdivisions with the Division of Local Government on or before February 1, as required by Section 29-1-205, C.R.S.

5. The Boards direct the District Accountant to prepare Audit Exemptions and Resolutions for approval of Audit Exemptions to file with the State Auditor by March 31, as required by Section 29-1-604, C.R.S.; or the Boards direct that an audit of the financial statements be prepared and submitted to the Boards before June 30; further, the Boards direct that the Audits be filed with the State Auditor by July 31, as required by Section 29-1-603, C.R.S.

6. The Boards direct the District Manager to prepare the Unclaimed Property Act reports and forward to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with Section 38-13-110, C.R.S.

7. The Boards direct the District Manager to oversee the preparation of the continuing annual disclosure reports required to be filed not later than the date required by an applicable continuing disclosure agreement, in accordance with the Securities Exchange Commission Rule 15c2-12, if required.

8. The Boards designate R.S. Wells, L.L.C. as the official custodian of public records, as such term is used in Section 24-72-202, C.R.S.

9. The Boards are reminded that in accordance with the Fair Campaign Practices Act, enacted in November 1996, each Board member is required to report to the County Clerk and Recorder on a form prescribed by the Secretary of State, certain items received in connection with their service, such report to be filed on or before January 15 of the year following receipt of the items, as required by Sections 1-45-109 and 24-6-203, C.R.S.

10. The Boards designate The Colorado Springs Daily Transcript as the newspaper of general circulation within the boundaries of the Districts, or in the vicinity of the Districts if none is circulated within the Districts, and directs that all legal notices shall be published in accordance with Section 32-1-103(15), C.R.S., in The Colorado Springs Daily Transcript.

11. The Boards of Directors of the Districts determine that each director shall not receive compensation for services as directors in accordance with 32-1-902(3)(a)(I) & (II), C.R.S.

12. The Districts hereby determine that each present and future member of the Board shall execute an Affidavit of Qualification of Director and that these forms will be retained in the Districts' files. Section 32-1-103(5) sets out the qualifications required. Pursuant to Section 32-1-901 C.R.S., the Districts determine that each present and future member of the Board shall have in its files, with annual confirmation thereof by the public custodian, a complete and executed Certificate of Appointment (if Board member is appointed), current Oath of Office and applicable Surety Bond, and that copies of each be submitted to the Department of Local Government as necessary and as may be requested.

13. The Districts have elected, in accordance with Section 32-1-902, C.R.S., the following officers for the Districts:

John A. Cassiani, President
Gregory J. Barbuto, Secretary / Treasurer
Patrick McNamara, Assistant Secretary
Erena Cassiani, Assistant Secretary
Mindy Foltz, Assistant Secretary

Unless the Districts act to elect new officers, or an officer resigns his office, such officers shall serve indefinitely.

14. The Boards of Directors of the Districts extend the current indemnification resolution to allow the resolution to continue in effect as written, and hereby appropriates sufficient funds for such purpose.

15. The Boards of Directors of the Districts designate the following locations within the Districts' boundaries as the posting place for notices of informal meetings, in accordance with Section 24-6-402(2)(c), C.R.S.: 1) NorthTree Ranch House – 6885 Vista del Pico, Colorado Springs, CO 2) Banning Lewis Ranch Academy – 7094 Cottonwood Tree Drive, Colorado Springs, CO and 3) the posting board in Pioneer Park at the northeast corner of Marksheffel and Cerro.

16. The Boards determine to hold regular meetings on the fourth Monday of each month at 10:00 a.m. The location of the meeting will be at Banning Lewis Ranch Management Company, 90 S. Cascade, Suite 950, Colorado Springs, Colorado 80903. In addition, Regular and Special Meeting notices shall be posted at the locations identified above in section 15; and at the Clerk and Recorder's office, all in accordance with Section 32-1-903, C.R.S. The Boards direct the District Manager to prepare notices for posting at the specified locations and at the Clerk and Recorder's office, and to revise the notices when the Boards intend to make a final determination to issue or refund general obligation indebtedness, to consolidate the Districts, to dissolve the Districts, to file a plan for adjustment of debt under federal bankruptcy law, or to enter into private contracts with a director, or not to make a scheduled bond payment.

17. David Peak or R.S. Wells, L.L.C., is hereby appointed as the "Designated Election Official" of the Boards for any elections to be held by the Districts. In accordance with Section 1-1-111(2), C.R.S., the Boards hereby grant all powers and authority for the proper conduct of the elections to the Designated Election Official, including but not limited to: calling an election on behalf of the Districts; approving the final form of ballot issues and questions; preparation of the TABOR notice; appointing election judges, appointing a canvass Board and cancellation, if applicable, of the elections.

18. The Boards deem it expedient for the convenience of the electors that it shall conduct all regular and special elections of the Districts via mail ballot elections unless polling place elections are deemed necessary and expressed in separate election resolutions.

19. In accordance with Sections 1-11-103, 32-1-104(1), and 32-1-1101.5, C.R.S., the Districts direct the District Manager and the Designated Election Official to notify the Division of Local Government and the Board of County Commissioners or governing body of the municipality that has approved organization of the Districts of the results of any elections held by the Districts, including business address, telephone number and the contact person; and to certify results of any elections to incur

general obligation indebtedness to the Board of County Commissioners or the governing body of a municipality.

20. In accordance with Section 32-1-1604 and 1101.5(1), C.R.S., the Boards direct the District Accountant and Manager to issue notice of indebtedness to the Board of County Commissioners and to record such notice with the County Clerk and Recorder within 30 days of incurring or authorizing of any indebtedness.

21. The Boards direct legal counsel to prepare and file with the Board of County Commissioners, if requested, the quinquennial finding of reasonable diligence, in accordance with Section 32-1-1101.5(1.5)&(2), C.R.S.

22. The Boards direct the District Manager to prepare and file, if requested and if required by the Service Plans, the special district annual reports, in accordance with Sections 32-1-207(3)(c), C.R.S.

23. The Boards have determined that legal counsel will file conflict of interest disclosures provided by Board members with the Secretary of State 72 hours prior to each meeting of the Boards, in accordance with Sections 32-1-902(3) and 18-8-308, C.R.S. Annually, but no later than August, legal counsel shall request that each Board member submit updated information regarding actual or potential conflicts of interest. Additionally, at the beginning of every term, legal counsel shall request that each Board member submit information regarding actual or potential conflicts of interest.

24. The Districts are currently members of the Special District Association (“SDA”), and insured under the Colorado Special Districts Property and Liability Pool. The Boards direct their accountant to pay the annual SDA membership dues and insurance premiums in a timely manner. The Boards and legal counsel will biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

25. The following agreements with non-governmental entities are subject to annual appropriation during the budget process:

Agreements that are entered into between the Districts and non-governmental entities are subject to annual appropriation during the budget process.

26. The Boards direct legal counsel to advise on the requirements of the Fair Campaign Practices Act § 1-45-101 et seq., C.R.S. and acknowledges receipt of a memorandum on the same.

27. The Districts have no outstanding promissory note(s).

28. The Districts have no outstanding bonds.

Whereupon, the motion was seconded by Director McNamara, and upon vote, unanimously carried. The Chairman declared the motion carried and so ordered.

ADOPTED AND APPROVED THIS 6TH DAY OF DECEMBER, 2010.

BANNING LEWIS RANCH METROPOLITAN
DISTRICT NOS. 1-5 AND 7

By: 

President

ATTEST:

By: 

Secretary

I, PATRICK W. McDAMMAD, Secretary of the Boards of Banning Lewis Ranch Metropolitan District Nos. 1- 5 and 7, do hereby certify that the annexed and foregoing Resolution is a true copy from the Records of the Proceedings of the Boards of said Districts, on file with Grimshaw & Harring, P.C, general counsel to the Districts.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Districts, at El Paso County, Colorado, this 6th day of December, 2010.


Secretary

(SEAL)