

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BANNING LEWIS RANCH METROPOLITAN
DISTRICT NOS. 3, 4, 5 & 7
HELD
JULY 31, 2012

A special meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District Nos. 3, 4, 5 & 7 (referred to hereafter as "Board") was held on July 31, 2012 at Oakwood Homes, HC Development & Management Services, Inc., 1290 N. Newport Road, Colorado Springs, CO 80916 at 2:00 p.m. The meeting was open to the public.

Attendance Directors in attendance were:

John A. Cassiani
Gregory J. Barbuto

Absent and excused was Director McNamara.

Also in attendance were:

David Peak; CliftonLarsonAllen LLP
Matt Dalton, Esq.; Grimshaw & Haring P.C. via telephone

Call to Order/

Agenda Director Cassiani called the meeting to order. Following review, upon a motion duly made by Director Cassiani, seconded by Director Barbuto and, upon vote, unanimously carried, the Board approved the agenda as presented and excused the absence of Director McNamara

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 meeting.

Appointment Of New Directors

Following nomination and discussion, upon a motion duly made by Director Barbuto, seconded by Director Cassiani and, upon vote, unanimously carried, the Board appointed Chad M. Ellington and Charles

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P. Leder to the Board of Directors. The two new Directors have been qualified by the District's Legal Counsel.

**Other
Business**

A. Set Next Meeting Date and Location

The next meeting date was not set at this time.

Adjournment Following discussion, with no further items to come before the Board, upon a motion duly made by Director Barbuto, seconded by Director Cassiani and, upon vote, unanimously carried, the Board adjourned the meeting.

Respectfully submitted,



Secretary for the Meeting