

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  
DECEMBER 3, 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 December 3, 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:

Gregory J. Barbuto  
Chad Ellington  
Jeffrey Carlson via telephone

Absent and excused were Directors Leder and Hamill.

Also in attendance were:

David Peak; CliftonLarsonAllen LLP  
Carrie Bartow; CliftonLarsonAllen LLP  
Stacy S. Jensen; Resident of Banning Lewis Ranch

**Call to Order/**

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

**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.

## RECORD OF PROCEEDINGS

---

**Minutes** Following review and discussion, upon a motion duly made by Director Ellington, seconded by Director Barbuto and, upon vote, unanimously carried, the Board approved minutes of the September 18, 2012 special meeting as presented.

**Community  
Comments** None.

**Attorney  
Matters** None.

**Financial  
Matters** A. Conduct Public Hearing to Consider Amending 2012 Budget(s); Adopting Resolution(s) to Amend 2012 Budget(s) – If Necessary

No amendments to the 2012 Budgets were necessary.

B. Conduct Public Hearing to Consider Adoption of 2013 Budgets, Appropriate Expenditures and Certify Mill Levies; Consider Adoption of Resolutions to Adopt 2013 Budgets, Appropriate Expenditures and Certify Mill Levies

Mr. Peak indicated that the public hearing notice had been published in the local newspaper for the 2013 budgets. Upon a motion duly made by Director Barbuto, seconded by Director Ellington and, upon vote, unanimously carried, the Board opened the public hearing. There being no comment from the public in attendance, upon a motion duly made by Director Barbuto, seconded by Director Ellington and, upon vote, unanimously carried, the Board closed the public hearing.

Ms. Bartow reviewed the 2013 budgets with the Board. Following review and discussion, upon a motion duly made by Director Ellington, seconded by Director Barbuto and, upon vote, unanimously carried, the Board adopted the 2013 budgets and resolutions, set the mill levy for 2012 at 0.000 mills (for all four Districts) and appropriated the 2013 expenditures, subject to final revisions by accountant, manager and/or counsel.

C. Consider Appointing CliftonLarsonAllen LLP for Prepare 2012 Audit Exemption Applications and Authorize Submittal

Following discussion, upon a motion duly made by Director Ellington, seconded by Director Barbuto and, upon vote, unanimously carried, the Board appointed CliftonLarsonAllen LLP to prepare and submit the applications for 2012 audit exemption for all four Districts.

RECORD OF PROCEEDINGS

---

**Administrative  
Matters**

- A. Review and Consider Adoption of Annual Administrative Matters Resolution for 2013 for Banning Lewis Ranch Metropolitan District Nos. 1-5 and 7

The Resolution was approved earlier during the board meeting of Banning Lewis Ranch Metropolitan District No. 1, as amended.

- B. Review and Consider Approval of Engagement Letters with CliftonLarsonAllen LLP for 2013 Accounting and Management Services

The engagement letters were approved earlier during the board meeting of Banning Lewis Ranch Metropolitan District No. 1.

**Directors  
Matters**

None.

**Other  
Business**

- A. Set Next Meeting Date for 2013

The Board set the following meeting dates in 2013 to be held at 9:00 a.m. at Oakwood Homes, HC Development & Management Services, Inc., 1290 N. Newport Road, Colorado Springs, CO 80916:

Monday, September 23<sup>rd</sup>  
Monday, November 25<sup>th</sup>

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

Respectfully submitted,



---

Secretary for the Meeting