

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 5, 2013**

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 5, 2013 at North Tree Ranch House, 6885 Vista del Pico, Colorado Springs, CO 80927 at 9:00 a.m. The meeting was open to the public.

Attendance Directors in attendance were:

Chad Ellington
Michael C. Tinlin
Jeffrey P. Carlson via telephone

Absent and excused was Director Leder and Director Hamill.

Also in attendance were:

David Peak; CliftonLarsonAllen LLP
Carrie Bartow; CliftonLarsonAllen LLP
Joel Butler; The Brickman Group
Karen Oerter; MSI
Matt Tisthammer; WTS International
Bill Ritchie; Oakwood Homes
Eric and Renee Hyde; Residents
C. Dallas Pierce; Resident
Jeanie McConnell; Resident

Call to Order/

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

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Secretary of State, and the directors present verbally reaffirmed such disclosures on the record of this meeting.

Approval of Minutes

Following review and discussion, upon a motion duly made by Director Ellington, seconded by Director Tinlin and, upon vote, unanimously carried, the Board approved the minutes of the April 22, 2013 special meeting as presented.

Community Comments

None.

Attorney Matters

None.

Financial Matters

- A. Conduct Public Hearing to Consider Amending 2013 Budget; Consider Adopting Resolution Amending 2013 Budget- If Necessary

No amendment to the 2013 budget was necessary.

- B. Conduct Public Hearing to Consider Adoption of 2014 Budget, Appropriate Expenditures, and Certify Mill Levies; Consider Adoption of Resolutions to Adopt 2014 Budgets, Appropriate Expenditures and Certify Mill Levies

Mr. Peak indicated that the public hearing notice had been published in the local newspaper for the 2014 budgets. Upon a motion duly made by Director Ellington, seconded by Director Tinlin and, upon vote, unanimously carried, the Board opened the public hearing at 9:05 a.m. There being no comment from the public in attendance, upon a motion duly made by Director Ellington, seconded by Director Tinlin and, upon vote, unanimously carried, the Board closed the public hearing at 9:15 a.m.

Ms. Bartow reviewed the 2014 budgets with the Board. Following review and discussion, upon a motion duly made by Director Ellington, seconded by Director Tinlin and, upon vote, unanimously carried, the Board adopted the 2014 budgets and resolutions, set the mill levy for 2013 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 to Prepare 2013 Audit Exemption Applications and Authorize Submittal

Following discussion and review, upon a motion duly made by Director Tinlin, seconded by Director Ellington and, upon vote, unanimously

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carried, the Board appointed CliftonLarsonAllen LLP to prepare the 2013 audit exemption application and authorized the submittal to the State.

Other None.

**Administrative
Matters**

A. Review and Consider Adoption of 2014 Regular Director Election Resolution

Following review and discussion, upon a motion duly made by Director Tinlin, seconded by Director Ellington and, upon vote, unanimously carried, the Board adopted the 2014 Regular Director Election Resolution as presented.

B. Review and Consider Adoption of 2014 Annual Administrative Matters Resolution for Banning Lewis Ranch Metropolitan District Nos. 1-5 and 7

Following review and discussion, upon a motion duly made by Director Ellington, seconded by Director Tinlin and, upon vote, unanimously carried, the Board adopted the 2014 Annual Administrative Matters Resolution for Banning Lewis Ranch Metropolitan District Nos. 1-5 and 7 as presented.

**Director
Matters**

None.

**Manager
Matters**

None.

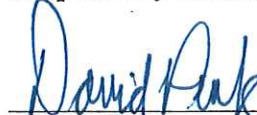
**Other
Business**

A. Confirm Quorum for Next Meeting Date – June 26, 2014
Budget)

The Board confirmed a quorum for the June 26, 2014 meeting.

Adjournment Following discussion, with no further items to come before the Board, upon a motion duly made by Director Ellington, seconded by Director Tinlin and, upon vote, unanimously carried, the Board adjourned the meeting at 10:10 a.m.

Respectfully submitted,



Secretary for the Meeting