

**RESOLUTION OF THE BOARDS OF DIRECTORS
OF THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 1, 3-5 AND 7
CONCERNING ANNUAL ADMINISTRATIVE MATTERS
2014**

WHEREAS, the Boards of Directors of the Banning Lewis Ranch Metropolitan District Nos. 1, 3-5 and 7 (the "Districts") are to perform certain tasks on a recurring basis in the operation of the Districts;

NOW, THEREFORE, BE IT RESOLVED by the Banning Lewis Ranch Metropolitan District Nos. 1, 3-5 and 7 within El Paso County, Colorado, as follows:

1. Contact Person. The Boards direct the District Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division of Local Government of the name of the Chairman of the Board, 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), C.R.S. The Boards hereby name David Peak as the contact person within the Districts. The contact person is authorized, under C.R.S. 24-10-109(3)(b) to accept notices of claims against the Districts and, if any such claim is received must promptly notify the President of the Boards and the attorney for the Districts of such receipt.

2. Map. The Boards direct the District Manager to prepare an accurate map as specified by the Division of Local Government 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.

3. Budget. The Boards direct their Accountant and District Manager to submit proposed budgets to the Boards by October 15, to schedule public hearings on the proposed budgets, prepare final budgets, and budget resolutions, including certification of mill levies; amendment(s) to the budgets if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendment(s) 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. Intergovernmental Agreements. If the Districts receive a written request from the Division of Local Government, the Boards direct the District Manager to prepare and file within thirty days of such request, an informational listing of all contracts in effect with other political subdivisions, in compliance with Section 29-1-205, C.R.S.

5. Notice to Electors (Transparency Notice). The Boards direct that no more than sixty days prior to and not later than January 15, the District Manager will prepare and distribute the Notice to Electors pursuant to and in a matter prescribed by Section 32-1-809, C.R.S. The Boards further direct that the Notice will be filed with the Division of Local Government and the County Clerk and Recorder and copies made available for public inspection at the Districts' business office.

6. Annual Securities Report. If required, the Boards direct the Districts' Accountant to prepare and file the annual public securities report for nonrated public securities issued by the District (if any), with the Department of Local Affairs on or before March 1, in accordance with Section 11-58-101 to 11-58-107, C.R.S.

7. Audit/Audit Exemption. The Boards direct that an audit of the financial statements be prepared and submitted to the Boards before June 30 and further directs that the Audit be filed with the State Auditor by July 31, as required by Section 29-1-603, C.R.S. In the event that the timetable will not be met, the auditor and District Accountant are directed to request extensions of time to file the audit as needed. If neither the revenues nor the expenditures for the past year exceed \$500,000 than the Boards direct that an application for exemption from audit be prepared and submitted to the Boards and then filed with the State Auditor by March 31, as required by Section 29-1-604, C.R.S.

8. Unclaimed Property. The Boards direct the District Manager to prepare the Unclaimed Property Act report 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.

9. Public Records. The Boards designate CliftonLarsonAllen LP as the official custodian of public records as such term is used in Section 24-72-202, C.R.S. The custodian is authorized to develop such procedures as may be reasonably required for the protection of such records. On behalf of the Districts, the custodian may charge the maximum fees allowed by law for copies, research and retrieval, development of privilege log, and such other services as are authorized by law.

10. Fair Campaign Practices Act – Gifts and Honoraria. The Boards are reminded that in accordance with the Fair Campaign Practices Act, each Board member is required to report to and in a manner 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. Further, the Boards are reminded that in accordance with C.R.S. Section 24-6-203, if a Board member receives annual compensation from the District of not less than \$1,600, then the Board member is required to file a quarterly report in the prescribed manner with the Secretary of State and that no report needs to be filed unless a director receives \$25 or more in cash or loans, or real or personal property having a value of \$50 or more.

11. Newspaper. 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 the afore named newspaper, in accordance with Section 32-1-103(15), C.R.S. If publication in such newspaper is impossible or impracticable, then any legal newspaper published in the county may be used as an alternative.

12. Director Compensation. The Board of Directors of the Districts determines that each director shall not receive compensation for services as directors.

13. Director Qualification. Pursuant to Section 32-1-901 C.R.S., the Districts determine that each present and future member of the Boards shall have in the Districts' files, with annual confirmation thereof by the Districts' custodian of public records, 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 Division of Local Government and the District Court as necessary and as may be requested.

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

President: Chad M. Ellington
Secretary / Treasurer: Michael C. Tinlin
Assistant Secretary: Charles P. Leder
Assistant Secretary: Jeffrey P. Carlson
Assistant Secretary: Patrick H. Hamill

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

15. Director Indemnification. The Boards of Directors of the Districts extend the current indemnification resolution to allow the resolution to continue in effect as written. In the event an indemnification resolution is not in effect then the approval of this administrative matters resolution shall be deemed to authorize indemnification of the Directors of the District when acting in good faith within the scope of their duties and in the best interests of the District, to the fullest extent allowed by law.

16. Designated Posting Locations. The Boards of Directors of the Districts designate the following locations as the designated posting places for the posting of meeting notices and the posting locations for meeting agendas, if available, 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.

17. Meetings. The Boards determine to hold regular meetings on the fourth Thursdays of the months of March, June, September and Thursday, November 20th at 9 a.m.. The location of the meetings will be at NorthTree Ranch House, 6885 Vista del Pico, Colorado Springs, CO 80927. In addition, regular and special meeting notices shall be posted at the designated posting locations as identified above; 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 three designated public locations within the boundaries of the Districts and at the Clerk and Recorder's office. Legal Counsel shall revise the notices when the Boards intend to make a final determination to issue or refund general obligation indebtedness, to consolidate the District, to dissolve the District, to file a plan for adjustment of debt under federal

bankruptcy law, or to enter into a private contract with a director, or not to make a scheduled bond payment.

18. Elections. Susan Schledorn of Spencer Fane & Grimshaw LLP, is hereby appointed as the "Designated Election Official" of the Boards for any elections to be held by the Districts. In accordance with C.R.S. Section 1-1-111(2) or applicable law, the Boards hereby grant all powers and authority for the proper conduct of the elections to the Designated Election Official and that the elections shall be held and conducted in accordance with the uniform Election Code of 1992, particularly including the applicable portions of Article 8 thereof, as amended and supplemented by Const. Colo. Art. X, Sec 20, the Current Rules and Regulations Governing Election Procedures of the Secretary of State of the state of Colorado, and Title 32, Article 1, Part 8, Colorado Revised Statutes, and other relevant Colorado and federal law. Further, the Boards direct the Designated Election Official to notify the Division of Local Government of the results of any election held by the Districts, including business address, telephone number and the contact person; and to certify the results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of a municipality, in accordance with Sections 1-11-103, 32-1-104(1), and 32-1-1101.5, C.R.S.

19. Notice of Indebtedness. In accordance with C.R.S. Sections 32-1-1604 and 1101.5(1), 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.

20. Quinquennial Findings. If requested, the Board directs Legal Counsel to prepare and file with the Board of County Commissioners, the quinquennial finding of reasonable diligence, in accordance with Section 32-1-1101.5(1.5)&(2), C.R.S.

21. Annual Report. If requested or required, the Boards direct the District Manager to prepare and file the special district annual report, in accordance with Sections 32-1-207(3)(c), C.R.S.

22. Disclosure of Potential Conflict of Interest. The Boards have determined that Legal Counsel will file general conflict of interest disclosure forms provided by board members with the Secretary of State by January 31 of each year, which forms will be updated on an annual basis through information given to Legal Counsel by board members. If a specific conflict arises regarding a certain transaction of the Board, the Board member is required to notify Legal Counsel at least five days prior to the date of the meeting so that the transactional form may be filed in a timely manner, in accordance with Sections 32-1-902(3) and 18-8-308, C.R.S. Additionally, at the beginning of every term, Legal Counsel shall request that each board member submit information regarding actual or potential conflicts of interest.

23. Special District Association. The Districts is currently a member of the Special District Association ("SDA") and the Board directs its Accountant and District Manager to pay the annual SDA membership dues in a timely manner.

24. Insurance. The Boards direct the District Manager to at least biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

25. Workers' Compensation. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the appointed officials of the Districts shall not be deemed to be an employee within the meaning of Section 8-40-202(1)(a), C.R.S. Such exclusion shall apply for all policy years until such time as the exclusion may be repealed by the Boards of Directors of the Districts or unless the District Manager at the direction of the Board acquires coverage.

26. PDPA. Pursuant to the provisions of the Colorado Public Deposit Protection Act §11-10.5-101, et seq., C.R.S., the Boards appoint CliftonLarsonAllen LLP as the official custodian of public deposits.

27. Public Disclosure Statement. Pursuant to C.R.S. Section 32-1-104.8, the Boards direct Legal Counsel to prepare and record a special district public disclosure document and a map showing the boundaries of the District with the County Clerk and Recorder. Such recording shall be made on or before December 31, 2014. The recording is also made at the same time as an order or decree approving an inclusion of property into the District is recorded with the County Clerk and Recorder.

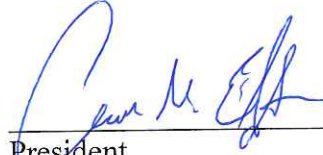
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Adopted and approved this 5th day of December, 2013.

BANNING LEWIS RANCH METROPOLITAN
DISTRICT NOS. 1, 3-5 AND 7

(S E A L)

By:



President

ATTEST:

By:



Secretary