

**CERTIFIED COPY OF RESOLUTION TO ADOPT 2006 BUDGET
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5**

COMES NOW, the Secretary/Treasurer of the Banning Lewis Ranch Metropolitan District No. 5, and certifies that at a continued joint regular meeting of the Board of Directors of the District, held Monday, December 11, 2006, at 2:00 p.m., at 90 South Cascade Avenue, Suite 950, Colorado Springs, Colorado, the following Resolution was adopted by the affirmative vote of a majority of the Board of Directors, to-wit:

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5, CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2006, AND ENDING ON THE LAST DAY OF DECEMBER, 2006.

WHEREAS, the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 11, 2006, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5 OF THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO:

Section 1. 2006 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are

accepted and approved.

Section 2. 2006 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2006. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Banning Lewis Ranch Metropolitan District No. 5 for calendar year 2006.

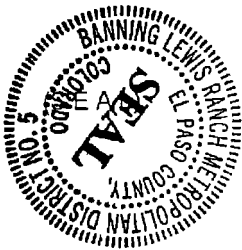
Section 4. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget does not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

The foregoing is a true and accurate copy of the action taken by the governing body of the Banning Lewis Ranch Metropolitan District No. 5.

BANNING LEWIS RANCH METROPOLITAN
DISTRICT NO. 5


Secretary/Treasurer



BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
1700 LINCOLN STREET, SUITE 3800
DENVER, COLORADO 80203

LETTER OF BUDGET TRANSMITTAL

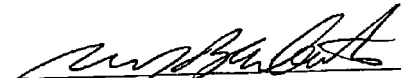
Date: January 31, 2007

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached is the 2006 budget and budget message for **BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5** in Colorado Springs, El Paso County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This budget was adopted on December 11, 2006. If there are any questions on the budget, please contact Susan J. Schledorn, Paralegal, c/o Grimshaw & Haring, P.C., 1700 Lincoln Street, Suite 3800, Denver, Colorado 80203 (telephone number 303-839-3800).

The District did not certify a mill levy to El Paso County for fiscal year 2006.

I, Gregory J. Barbuto, hereby certify that I am the duly elected and qualified Secretary/Treasurer of the Banning Lewis Ranch Metropolitan District No. 5, and that the attached is a true and correct copy of the budget and budget message for the fiscal year 2006, as duly adopted at a meeting of the Board of Directors for the Banning Lewis Ranch Metropolitan District No. 5 held on December 11, 2006.


Secretary/Treasurer

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
EL PASO COUNTY, COLORADO

GENERAL FUND
2006 BUDGET

	ACTUAL 2004	ESTIMATED 2005	ADOPTED 2006
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-
Revenue:			
Property Taxes	\$ -0-	\$ -0-	\$ -0-
Developer Advance	-0-	-0-	-0-
Total Revenue and Fund Balance	\$ -0-	\$ -0-	\$ -0-
Expenditures:			
Accounting	\$ -0-	\$ -0-	\$ -0-
Audit	-0-	-0-	-0-
Insurance	-0-	-0-	-0-
Legal	-0-	-0-	-0-
Contingency	-0-	-0-	-0-
Total Expenditures	\$ -0-	\$ -0-	\$ -0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
EL PASO COUNTY, COLORADO

DEBT SERVICE FUND
2006 BUDGET

	ACTUAL 2004	ESTIMATED 2005	ADOPTED 2006
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-
Revenue:			
Property Taxes	\$ -0-	\$ -0-	\$ -0-
Bond Proceeds	-0-	-0-	-0-
Total Revenue and Fund Balance	\$ -0-	\$ -0-	\$ -0-
Expenditures:			
Issuance costs	\$ -0-	\$ -0-	\$ -0-
Interest	-0-	-0-	-0-
Principal	-0-	-0-	-0-
Total Expenditures	\$ -0-	\$	\$ -0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
EL PASO COUNTY, COLORADO

CAPITAL PROJECTS FUND
2006 BUDGET

	ACTUAL 2004	ESTIMATED 2005	ADOPTED 2006
Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-
Revenue:	\$ -0-	\$ -0-	\$ -0-
Total Revenue and Fund Balance	\$ -0-	\$ -0-	\$ -0-
Expenditures:	\$ -0-	\$ -0-	\$ -0-
Total Expenditures	\$ -0-	\$ -0-	\$ -0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
BUDGET MESSAGE
2006 BUDGET

Banning Lewis Ranch Metropolitan District No. 5 is an independent unit of local government of the state of Colorado organized by order of the District Court of El Paso County on December 1, 2005. The District's service area is located in the City of Colorado Springs, El Paso County, Colorado. The District was organized to provide street improvements, traffic and safety protection services, park and recreation services, transportation and other services.

The District was formed in conjunction with Banning Lewis Ranch Metropolitan District No. 1 which will serve as the "Service District" with the responsibility of managing the construction and operation of facilities and improvements needed for the public improvements. Banning Lewis Ranch Metropolitan District No. 5 will serve as a "Financing District" with the responsibility of providing funding and tax base needed to support the capital improvements and operations.

The District has no employees and contracts for all of its management and professional services.

The District prepares its budget on the modified accrual basis of accounting.