

**CERTIFIED COPY OF RESOLUTION TO ADOPT 2007 BUDGET
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
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, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2007 TO HELP DEFRAY THE COSTS OF GOVERNMENT, 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, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2007, AND ENDING ON THE LAST DAY OF DECEMBER, 2007.

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

WHEREAS, at an election held on November 7, 2006, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Article and Section 29-1-301, C.R.S., as amended.

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

Section 1. 2007 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. 2007 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 2007. 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 2007.

Section 4. 2007 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expense is \$-0-; the amount of a temporary tax credit or rate reduction is <\$-0->; the amount necessary for the purposes of recoupment of the abatement of taxes is \$-0-; the amount necessary to balance the budget for the Debt Service Fund for retirement of debt, bonds and interest thereon is \$-0-; the amount necessary for payment of any contractual obligation approved by a majority of the qualified electors of the District is \$-0-; and the amount necessary for payment of any capital expenditures is \$-0-, for a total of \$-0-. That the 2006 valuation for assessment, as certified by the office of the Assessor of El Paso County, is \$900.

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2007 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2006.

B. Levy for Debt Service Fund. That for the purposes of meeting all debt retirement expense of the District during the 2007 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2006.

C. Levy for Abatement. That for the purposes of recoupment of the abatement of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2006.

D. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2006.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures pursuant to Section 29-1-301(1.2) or 29-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2006.

F. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2007 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2006.

Section 5. Designation of Ending Fund Balances as Reserves. That pursuant to Const. Colo. Article X, Section 20, the December 31, 2007 ending fund balance to the General Fund, the exact amount to be determined as part of the audit of the December 31, 2007 financial statements, is designated as a general reserve for future contingencies.

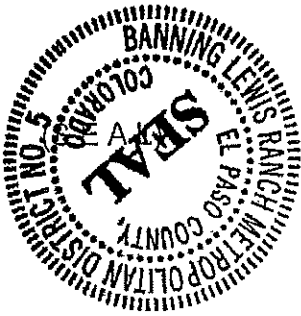
Section 6. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

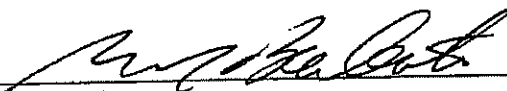
Section 7. Certification. That the Secretary of the District is hereby authorized and directed to certify by December 15, 2006, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 8. 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
90 SOUTH CASCADE AVENUE, SUITE 950
COLORADO SPRINGS, COLORADO 80903

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2007

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

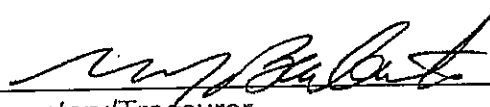
Attached is the 2007 budget and budget message for **BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5** in El Paso County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This budget was adopted on December 11, 2006. If there are any questions on the budget, please contact

David Herbka
90 South Cascade Avenue, Suite 950
Colorado Springs, Colorado 80903
Telephone number: 719-630-1720

The mill levy certified to the county commissioners is 0.000 mills for all general operating purposes (not G.O. bonds and interest or contractual obligations approved at elections or levies for capital expenditures). Attached is a copy of the certification of mill levies as sent to the county commissioners.

Based on prior electoral approval, the property tax revenue IS NOT subject to statutory limitation.

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 2007, and certification of tax levies to the Board of County Commissioners of El Paso County as duly adopted at a meeting of the Board of Directors for the Banning Lewis Ranch Metropolitan District No. 5 held on the 11th day of December, 2006.


Secretary/Treasurer

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

GENERAL FUND
2007 BUDGET

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
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
2007 BUDGET

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
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-	\$ -0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-

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

CAPITAL PROJECTS FUND
2007 BUDGET

	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
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
2007 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.

CERTIFICATION OF TAX LEVIES
FOR NON-SCHOOL GOVERNMENTS.

TO: COUNTY COMMISSIONERS OF EL PASO COUNTY, COLORADO

On behalf of the N/A
the BOARD OF DIRECTORS
of the BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

193

Hereby officially certifies the following mills to be levied
against the taxing entity's GROSS assessed valuation of: \$ 900

Submitted: December 12, 2006 for budget/fiscal year 2007.

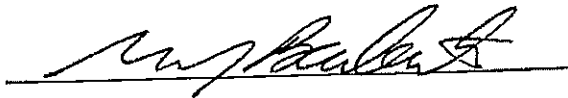
PURPOSE	LEVY	REVENUE
1. General Operating Expenses	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction	< 0.000 > mills	\$ < 0 >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest	0.000 mills	\$ 0
4. Contractual Obligations	0.000 mills	\$ 0
5. Capital Expenditures	0.000 mills	\$ 0
6. Refunds/Abatements	0.000 mills	\$ 0
7. Other (specify) _____	0.000 mills	\$ 0
TOTAL	0.000 mills	\$ 0

TAX ENTITY NO: 193

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

Contact Person: Susan J. Schledorn, Paralegal
Grimshaw & Haring, PC

Daytime Telephone: 303-839-3912

Signed: 

Title: Secretary/Treasurer

Based on prior electoral approval, the property tax revenue IS NOT subject to statutory limitations imposed by Section 29-1-301, C.R.S. or limitations imposed by Article X, Section 20 of the Colorado Constitution.