

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
EL PASO COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2009

STATE OF COLORADO)
)
COUNTY OF EL PASO)
)
BANNING LEWIS RANCH)
METROPOLITAN DISTRICT NO. 5)

The Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5, El Paso County, Colorado, held a special meeting at the offices of Banning Lewis Ranch Management Company, 90 S. Cascade, Suite 950, Colorado Springs, Colorado, on December 1, 2008, at 10:00 p.m.

The following members of the Board of Directors were present:

John A. Cassiani
Gregory J. Barbuto
Patrick McNamara

Others present were:

Carrie Bartow, Clifton Gunderson, L.L.P.
David Peak and Brenda Quinones, R.S. Wells, L.L.C.
Matt King, Potential Resident

The Chairman stated that proper publication was made to conduct a public hearing on the District's 2009 budget. The Chairperson opened the public hearing on the District's proposed 2009 budget. There was no public present and the public hearing was closed.

Thereupon, Director Cassiani introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2009 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, 2009, AND ENDING ON THE LAST DAY OF DECEMBER, 2009,

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 no later than October 15, 2008; 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 on November 28, 2008 in newspapers having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 1, 2008 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.

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. 2009 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. 2009 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 2009. 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 by the Board of Directors as the true and accurate budget of the Banning Lewis Ranch Metropolitan District No. 5 for calendar year 2009.

Section 4. 2009 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for the General Fund for operating

expenses is \$0 and the amount necessary to balance the budget for the Debt Service Fund for retirement of debt, bonds and interest thereon is \$0. That the 2008 valuation for assessment, as certified by the El Paso County Assessor is \$940.

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2009 budget year, there is hereby levied a tax of 0 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2009.

B. Levy for Debt Service Fund. That for the purposes of meeting all debt service expenses of the District during the 2009 budget year, there is hereby levied a tax of 0 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2009.

Section 5. 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 6. Certification. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners the mill levies for the District hereinabove determined and set. That said certification shall be in substantially the following form:

Section 7. 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 REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso, Colorado.

On behalf of the Banning Lewis Ranch Metro #5
(taxing entity)^A

The Board of Directors
(governing body)^B

of the Banning Lewis Ranch Metro #5
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 940 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 940 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/01/2008 for budget/fiscal year 2009
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	0.000 mills	\$ 0
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0

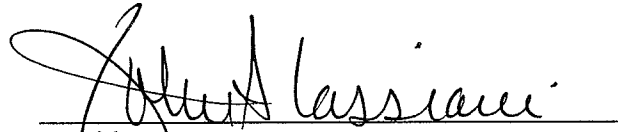
Contact person: (print) Dave Peak Daytime phone: 303-779-4525
Signed: Dave Peak Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

The foregoing Resolution was seconded by Director Barbato.

ADOPTED AND APPROVED this 1ST day of DECEMBER, 2008.



President

ATTEST:




Secretary

STATE OF COLORADO)
)
COUNTY OF EL PASO)ss.
)
BANNING LEWIS RANCH)
METROPOLITAN DISTRICT NO. 5)

I, Gregory Barbuto, Secretary to the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5, El Paso County, Colorado, do hereby certify that the foregoing pages, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held at Banning Lewis Ranch Management Company, 90 S. Cascade, Suite 950, Colorado Springs, Colorado, on December 1, 2008 at 10:00 a.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2009; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2009 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 1st day of December, 2008.

(S E A L)


Secretary





Accountant's Report

Board of Directors
Banning Lewis Ranch Metropolitan District No. 5
El Paso County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Banning Lewis Ranch Metropolitan District No. 5 for the General Fund for the year ending December 31, 2009, including the forecasted estimate of comparative information for the year ending December 31, 2008, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenues, expenditures and fund balances or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The actual historical information for the year 2007 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2007.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Banning Lewis Ranch Metropolitan District No. 5.

Clifton Gunderson LLP

Colorado Springs, Colorado
December 1, 2008

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
FORECASTED 2009 BUDGET AS ADOPTED
WITH 2007 ACTUAL AND 2008 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2008

Page 2

	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	-
Specific ownership taxes	-	-	-
Total revenues	-	-	-
TRANSFERS IN			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Transfer to BLR District No. 1 - O&M	-	-	-
County Treasurer's fees	-	-	-
Miscellaneous	-	-	-
Contingency	-	-	-
Total expenditures	-	-	-
TRANSFERS OUT			
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -

These financial statements should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/1/2008

Page 3

	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
ASSESSED VALUATION - EL PASO COUNTY			
Residential	\$ -	\$ -	\$ -
Commercial	-	-	-
Vacant land	-	-	-
Agricultural	-	940	940
Personal property	-	-	-
	-	940	940
Adjustments	-	-	-
Total Certified Assessed Value	\$ -	\$ 940	\$ 940
MILL LEVY			
General	-	-	-
Debt Service	-	-	-
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	-	-	-
Refund and abatements	-	-	-
Total mill levy	-	-	-
PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	-	-	-
Adjustments to actual/rounding	-	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Debt Service	-	-	-
	\$ -	\$ -	\$ -

These financial statements should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2009 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Banning Lewis Ranch Metropolitan District No. 5 ("the District"), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on December 1, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide street improvements, parks and recreational facilities, water supply, wastewater facilities, traffic and safety controls, public transportation, fire protection, mosquito control and television relay. The District is one of the Financing Districts organized in conjunction with six other related Districts - Banning Lewis Ranch Metropolitan District Nos. 1, 2, 3, 4, 6 and 7. District No. 1 serves as the Operating District which will pay all vendors of and receive reimbursement/contributions from the Financing Districts. All other Districts, including District No. 5, are the Financing Districts which will issue debt, levy ad valorem taxes on taxable properties within each District and assess fees, rates and other charges as authorized by law. District No. 6 will serve as the Regional Improvement District serving all of the Districts. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District has no employees and all administrative functions are contracted.

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

Revenue

The District currently has no revenue.

Expenditures

The District currently has no expenditures.

Debt and Leases

The District has no outstanding debt and has no operating or capital leases.

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since the District does not anticipate generating any revenue nor incurring any expense, an emergency reserve is not reflected.

This information is an integral part of the accompanying forecasted budget.