

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

**2024 ANNUAL REPORT
TO
THE CITY OF COLORADO SPRINGS
FISCAL YEAR ENDING DECEMBER 31, 2024**

Pursuant to §32-1-207(3)(c), C.R.S., and the Service Plan for Banning Lewis Ranch Metropolitan District No. 5 (the “**District**”), the District is required to provide an annual report to the City of Colorado Springs no later than August 1st of each year following the year in which the Order and Decree creating the District was issued. For the year ending December 31, 2024, the District makes the following report:

1. **Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year (per Service Plan and § 32-1-207(3)(c)(II)(A), C.R.S.).**

There were no boundary changes made or proposed in 2024.

2. **Intergovernmental agreements entered into, proposed, or terminated with other governmental entities (Per Service Plan and § 32-1-207(3)(c)(II)(B), C.R.S.).**

There were no intergovernmental agreements entered into, proposed, or terminated with other governmental entities in 2024.

3. **Access information to obtain a copy of rules and regulations adopted by the Board of Directors (Per Service Plan and § 32-1-207(3)(c)(II)(C), C.R.S.).**

Banning Lewis Ranch Metropolitan District No. 1, as the operating district for the community, has adopted “The Retreat Resident Handbook,” which applies to the residents of the District. A copy can be obtained from the District’s management company, CliftonLarsonAllen, at 719-635-0330.

4. **A summary of any litigation which involves public improvements owned by the District (Per Service Plan and § 32-1-207(3)(c)(II)(D), C.R.S.).**

The District was a party to a lawsuit in El Paso County District Court, Case No. 2022CV31248 (“Lawsuit”), captioned Acierno and Company LLC v. Farrington Construction Management LLC, et al., that was brought by the subcontractor, Acierno & Company, LLC, against General Contractor, Farrington Construction Management, LLC (“FCM”). Other subcontractors on the project, Roberts Electrical Contracting Inc. (“Roberts”) and Basic Drywall Inc. (“Basic”), both recorded liens against the project and joined as parties. The project involved the clubhouse and related facilities and amenities within the District. The Lawsuit was filed as a collection action against FCM and for

foreclosure of mechanics liens on the property owned by Clayton Properties Group II, Inc. (“Clayton”), on which the facilities and amenities are located. In the Lawsuit, FCM contended that prior to its termination by the District, it was performing as required, but not being paid for its work. The District contended that FCM’s pay applications lacked sufficient detail, such that the District’s third-party engineering consultant, Schedio Group, could not verify the work performed as invoiced nor authorize the District’s release of further payments to FCM. A settlement conference was held December 12th and 13th, 2023, and all remaining parties entered into a Memorandum of Settlement in early 2024. The case is now fully resolved and has been closed by the District Court.

5. **Status of construction of public improvements by the District (Per Service Plan and § 32-1-207(3)(c)(II)(E), C.R.S.).**

Public improvements within the District’s boundaries have been financed by the District, constructed by the developer, and dedicated to Banning Lewis Ranch Metropolitan District No. 1 (“District No. 1”) for ownership, operation, and maintenance.

On September 24, 2024, Clayton Properties Group, Inc. executed a special warranty deed conveying the real property to District No. 1, together with all improvements located thereon, identified as Lot 1, Banning Lewis Ranch Filing 24, El Paso County, Colorado, and also identified by street number 9150 Braemore Heights, Colorado Springs, CO and County Assessor’s Number 5315201245. The County Assessor’s records also show addresses of 9120 Braemore Heights and 9158 Braemore Heights for that property, but it is unclear from the record whether improvements associated with those addresses have been conveyed.

Please see the Annual Report for Banning Lewis Ranch Metropolitan District No. 1 for information regarding the construction of public improvements during the report year.

6. **A list of all facilities and improvements constructed by the District that were conveyed or dedicated to the county or municipality (Per Service Plan and § 32-1-207(3)(c)(II)(F), C.R.S.).**

The District did not convey or dedicate any public improvements to the City in 2024.

7. **The final assessed valuation of the District as of December 31st of the reporting year (Per Service Plan and § 32-1-207(3)(c)(II)(G), C.R.S.).**

The 2024 final assessed valuation as certified by El Paso County Assessor for the District, dated December 9, 2024, was \$13,297,300.

8. **A copy of the current year’s budget including a description of the public improvements to be constructed in such year (§ 32-1-207(3)(c)(II)(H), C.R.S.).**

A copy of the 2025 budget is available on the District website and from the Colorado Division of Local Government in the Department of Local Affairs.

9. **A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law,” part 6 of article 1 of title 29, or the application for exemption from audit, as applicable (Per Service Plan and § 32-1-207(3)(c)(II)(I), C.R.S.).**

The 2024 audit is not yet complete. Once completed and filed, a copy of the 2024 audit will be available from the State Auditor’s Office.

10. **Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District (Per Service Plan and § 32-1-207(3)(c)(II)(J), C.R.S.).**

There were no uncured events of default by the District that continued beyond a ninety (90) day period under any debt instrument in 2024.

11. **Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a 90-day period (Per Service Plan and § 32-1-207(3)(c)(II)(K), C.R.S.).**

The District did not experience any inability to pay its obligations as they came due which continued beyond a ninety (90) day period in 2024.

12. **Copies of any certifications of an External Financial Advisor provided as required by the privately placed debt limitation provision in the Service Plan (Per Service Plan).**

The District did not issue any new privately placed debt in 2024, and therefore, there were no certifications from an External Financial Advisor provided to the District during 2024.