MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5 (THE "DISTRICT") HELD DECEMBER 8, 2025

A regular meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5 (referred to hereafter as the "Board") was convened on Monday, DECEMBER 8, 2025, at 9:00 a.m., at The Barn, 9150 Braemore Heights, Colorado Springs, 80927

The meeting was open to the public.

ATTENDANCE

Directors in attendance were:
Steve Langer, President
Sue Greulich, Secretary
Joy Blum, Treasurer
James Dries, Director
Gerry Cohen, Director

The following were also in attendance

Also in attendance were:
Colin Mielke, Seter, Vander Wall & Mielke, PC
Krista Baptist, Carrie Bartow, and Ashley Voss, CliftonLarsonAllen LLP - ("CLA")

Members of the District's Finance Committee and Facilities Committee, including: J Larson, Chip Jamison, Tom Greulich, Steve Miller, Loretta Pennie, Margaret Mecca, and Mark Davis

Members of the public, including: Lillian Rigdon, Julie Sieverman, Arn & Heidi Wiens, Tim & Cindy Hogan, Judy Austin, Ginny Beteille, Velma Henrickson, Leslie Lukehart, Scott Lukehart, Rick Tober, Paul Torrez, Greg Smith, BJ Miraflor, Cynthia Margiotta, Mark Bergendahl, Jan & Neil Hunt, Paula Eberhardt, Bonnie Mcgowan, Janice Hodson, Marie Medaris, Eileen Ward, Jeanette Obrian, Mark Vine, Frank Buonicow, Tracy Noteshine, Sherri Pierson, Eva Poulson, and Ray Jobman.

ADMINISTRATIVE MATTERS

Call to Order and Agenda

The meeting was called to order at approximately 9:00am by Director Langer. Upon a motion duly made by Director Cohen and seconded by Director Blum and, upon vote, unanimously carried, the Board reviewed and approved the Agenda, with the following amendments: (1) table Administrative Matters Section I.F. - Annual Administrative Matters and Financial Matters Section II.F. – Engagement of Auditor.

Disclosures of Potential Conflicts of Interest

Legal counsel had previously advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member acknowledged his or her conflicts of interest on file with the Secretary of State's Office and the Board, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Quorum, Location of Meeting, Posting of Meeting Notice

Director Langer confirmed the presence of a quorum of the Board.

Public Comment

The Board opened the meeting for public comment.

Mark Ameus – Mr. Ameus asked with the 55+ certification that went to the wrong communities, are these being re-sent to community members?

Chip Jamison, as a member of the community – *Mr. Jamison stated that he believes everyone is aware that the Finance Committee looks over many invoices. He wanted to share one that he read this week. It is a Landscape Endeavors invoice dated Oct 31, which was just received this week.*

> *10/06/2025: WORK ORDER 4418*
> *Irr Repairs, Contacted by Retreat resident about water seeping over curbline when system wasn't running. Discovered cracked lateral line in streetscape after digging area. Repaired lateral line and backfilled area.*

Mr. Jamison further stated he wanted to give a two-month belated THANK YOU, THANK YOU, THANK YOU to the resident who reported it. That resident saved the District a lot of water and money.

Mary – Ms. Mary asked when the second Car stickers for gate access will be delivered?

Ratify 2024 Annual Report Filing

A motion duly made by Director Dries, seconded by Director Cohen and, upon a vote, unanimously carried, the Board ratified its approval of the 2024 Annual Report.

Board Consideration of Independent Operations

Chip Jamison, as a member of the Finance Committee, explained in detail why the District wants to become independent from MD1. He highlighted the fact that MD1 set up the Retreat to be different from other Banning Lewis Ranch communities with the 55+ age requirement for the District's community.

Director Langer further explained that while the District still has outstanding debt to repay, there are several factors supporting independence from MD1., including the following: The District has good control of its finances, strong covenant enforcement, and tax dollars would remain with the District instead of flowing through MD1. This is expected to have a positive impact on home values. Nevertheless, the Board will need more community volunteers, which may include an Architect Review Committee.

A resolution for the District to separate from MD1 ha been distributed to the MD5 Board; however, it was noted that Paul Rufien, special legal counsel, still needs to review the resolution.

Upon a motion duly made by Director Langer, seconded by Director Blum and, upon a vote, unanimously carried, the Board approved the resolution subject to final review by Mr. Rufien as special legal counsel to the District.

FINANCIAL MATTERS

September 30, 2025 Unaudited Financial Statements

Carrie Bartow, on the phone for CLA, reviewed the September 30th financial statements with the Board, noting that Bond payments were met, the Capital Project Fund is a positive 0.16 and taxes collected is around 99%.

Following review and discussion, and upon a motion duly made by Director Blum, seconded by Director Cohen and, upon a vote, unanimously carried, the Board accepted the financial statements as presented.

Public Hearing to consider amendment of 2025 Budget and Adoption of the Proposed 2026 Budget

The Board opened the public hearings on the proposed 2025 Budget Amendment and the proposed 2026 Budget. Various members of the public provided comments regarding the budgets and financials of the District.

> ***Mark*** – Mr. Mark asked if the Treasurer will separate out what is set aside for the maintenance of roads.
>
> **Glen (Steve) Blair** – Mr. Blair asked if anyone is looking at the total budget for the District and whether the District is in the red or black.

J Larson, a member of the Finance Committee, explained that the District has a sound fiscal budget and a reserve fund. There is a stable 3-year outlook, and the District will be monitoring Key Performance Indicators.

Julie Sieverman – Do the property taxes include vacant properties.

Tom Greulich, a member of the Finance Committee, explained that vacant land is still taxed, but has a lower assessed value than property with constructed homes.

Joy Blum – When does the Developer Advances incur interest?

Carrie Bartow of CLA, stated it accrues from the date the advance is received and she will confirm the date of the most recent advance.

Tom Greulich – Why was there a significant, $1.3 million, drop in the commercial property assed value?

Carrie Bartow of CLA, stated she would get the information to the District's Board.

Additional questions were asked about the December bond payment and whether the A Bond was paid on the first. Ashley Voss and Carrie Bartow of CLA to get the information to the MD5 Board

Chip Jamison – Mr. Jamison asked why the new budget only show 22 houses being sold when the developer and MD5 Finance Committee project the community will sellout by mid-year? While this is not a significant variance, it does indicate inattention to detail. Ms. Bartow responded that there may be some variances between the budget and the projections.

Ginny Beteille Ms Beteille asked if we get out of MD1, how will this affect our property taxes?

Chip Jamison, a member of the Finance Committee – property taxes are very difficult to project; however, they will go directly to MD5.

J Larson, a member of the Finance Committee – Our property value should increase showing we have a vibrant community.

There being no further comments from members of the public, the public comment period was closed, the public hearings on the proposed 2025 budget amendment and proposed 2026 budget was closed.

After review and discussion, and upon motion made, seconded and unanimously carried, the Board adopted the 2025 budget amendment and 2026 budget and the accompanying resolutions, appropriated the budgeted funds, and certified the mill levies for the 2026 budget year.

Banking Alternatives

It was proposed that the District open accounts with Colorado Surplus Asset Fund Trust ("CSAFE") and checking and savings accounts with Alliance Bank.The Board determined that Directors Lanager, Blum and Cohen will be signatories on these accounts.

Following review and discussion, upon a motion duly made by Director Blum, seconded by Director Cohen and, upon a vote, unanimously carried the Board approved opening the accounts and authorizing the signatories as discussed.

DLG-70 Certification of Tax Levies

Following review and discussion, upon a motion duly made by Director Blum, seconded by Director Dries and, upon a vote, unanimously carried, the Board approved authorizing CLA to complete and file the DLG-70 mill levy certification form.

MANAGER MATTERS

Approval of Minutes

The Board discussed the approval of minutes from the November 6th and November 21st board meetings. After discussion, and upon motion made, seconded and unanimously carried, the Board approved the minutes subject to final legal review and revisions

2026 Insurance Requirements

Following review and discussion upon a motion duly made by Director Langer, seconded by Director Cohen and, upon a vote, unanimously carried, the Board approved renewing its insurance coverage for 2026.

LEGAL MATTERS

No updates.

COMMITTEES

Facilities Committee

Jim Dries and Steve Miller presented the following status updates:

- Barn Punch list, which consists of lighting, paving and gate issues, is 84.6% complete thanks to the District's wonderful facilities committee.
- Swimming pool remains an issue with 27 outstanding items to be resolved. An RFP has been issued, and the District is awaiting bids. MD1 stated it will repair these issues. It was noted that the pool never received a Health Department approval.

Finance Committee

J Larson, Chip Jamison and Joy Blum, members of the Finance Committee, reviewed the Finance Committee Report and answered questions. The main question from residents pertained to a reserve study. It was explained that MD5 has a reserve study and it is posted on the BBWebsite. The District expects to close out 2025 under budget and with a surplus of approximately $100,000.

Ms. Larson stated that a Key Performance Indicators report has been completed and provided to the Board. She recommends it be posted to the BBWebsite.

It was noted that the Finance Committee has requested copies of all contracts held by MD1, and Director Cohen stated that he believes he will receive all of them by tomorrow.

The Finance Committee further stated that special projects and maintenance projects continue to be a concern and that the Finance Committee plans to discuss improving these processes with the new management company.

MANAGER REPORT

Krista Baptist, CLA reported that the second car stickers is an ongoing process and residents should receive them shortly.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned at approximately 10:20 a.m.

Secretary