Banning Lewis Ranch Metro District #5

PUBLIC NOTICE OF AREGULAR MEETING OF THE BOARD OF DIRECTORS

PUBLIC NOTICE is hereby given that a regular meeting of the Board of Directors of Banning Lewis Ranch Metro District #5 of the County of El Paso, State of Colorado, shall be held on Tuesday, November 03, 2026 at 9:30am. The meeting will be held at The Barn, 9150 Braemore Heights Colorado Springs, CO 80927. At such meeting, the Board shall conduct the regular business of the District and other business which may come before the Board. All meetings shall be open to the public.

IN WITNESS WHEREOF, this notice is given and duly posted pursuant to statute this 29th day of October 2026.

BANNING LEWIS METROPOLITAN DISTRICT #5

By: /s/ Annemarie Nelson
District Manager

Banning Lewis Ranch Metropolitan District #5
Special Board Meeting Agenda

Directors	Office	Term Expiration
Steve Langer	President	May 2027 (Appointed)
Susan Greulich	Secretary	May 2027 (Appointed)
Joy Blum	Treasurer	May 2027 (Appointed)
Gerald Cohen	Director	May 2027 (Appointed)
Vacancy	Director	

Meeting Date: Tuesday, November 03, 2026
Meeting Start Time: 9:30am
Meeting Location: The Barn, 9150 Braemore Heights Colorado Springs, CO 80927
Online video conference site https://www.gotomeet.me/DistrictBoardMeetingRoom2 Members of the public may also participate via phone using the dial-in number (646) 749-3112 and access code #534-031-373).

I. **Roll Call**
II. **Call to Order/Declaration of quorum**
III. **Present disclosures of potential conflicts of interest**
IV. **Administrative Matters**
    1) Review and consider approval of agenda
    2) Status update – Separation from MD1 [**Exhibit 01**]
V. **Board Matters**
    1) Review and discuss Board vacancy [**Exhibit 02**]
VI. **Financial and Contractual Matters**
    1) Review and consider payment of claims [**Exhibit 03**]
    2) Review 2025 Audited Financials [**Exhibit 04**]
    3) Review and consider 2025 Audit Report [**Exhibit 05**]
    4) Review and consider 2026 audit engagement letter from Flynn CPA [**Exhibit 06**]
    5) Review and consider Wolfersberger LLC Management Agreement [**Exhibit 07**]
    6) Review and consider Deft Pest Solutions Contract [**Exhibit 08**]
    7) Review and consider Waste Management Contract [**Exhibit 09**]
    8) Review and consider Retreat Cleaning Service Contract [**Exhibit 10**]
    9) Review and consider Barn Surveillance Agreement [**Exhibit 11**]
    10) Review and consider High Desert Services (Handyman) [**Exhibit 12**]
I. **Committee Matters**
    1) Status update – Sales Office Committee [**Exhibit 13**]
    2) Status update – Finance Committee [**Exhibit 14**]
    3) Status update – Facilities and Safety Committee [**Exhibit 15**]
    4) Status update – DRC Committee
II. **Public Comments (3 minutes per person)**
III. **Adjournment**

The next regular board meeting is scheduled for Thursday November 19, 2026 at 9:00am The Barn, 9150 Braemore Hight, Colorado Spring CO.

Exhibit 01

From Vision to City Approval

Status: Colorado Springs City Council approved our Single Service Plan

City Council unanimously approves our Single Service Plan

Draft

The Road We've Traveled Together

- **Resident and Board commitment to independence**
- **Ballot Initiative to control our debt**
- **Interim Agreement with MD1**
- **Separation Agreement negotiated with MD1**
- **Financial, legal and operational readiness**

Colorado Springs City Council Approval

- **Single Service Plan Developed**
- **Bond Counsel Review and legal Safeguards**
- **Planning and City Attorney coordination**
- **Council Questions Fully Addressed**
- **Unanimous 9-0 In Favor**

Q4 2025
Resident and Board Commitment

Q1 2026
Interim Agreement with MD1

Q3 2026
Separation Agreement & Review

Q3 2026
Unanimous Council Vote

October 27, 2026 • Unanimous approval of our Single Service (independence) Plan by Colorado Springs City Council

The council praised our organization, preparation, engagement and commitment

Resident Inspired Independence

Residents provided the vision, the Board and Finance Committee led this process

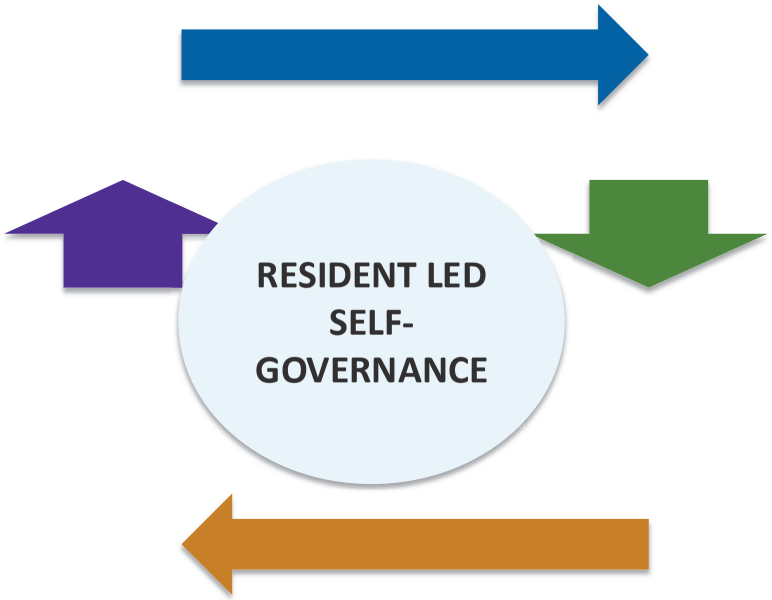
1. WE LISTENED

Resident input through Board meetings, committees, surveys and conversations

Consistent message: residents want greater local control and accountability

Pulse Surveys, Newsletter responses

Clear priorities for our future



2. RESIDENTS SET THE DIRECTION

Expressed a desire for self-governance

Prioritized amenities, lifestyle (social connections) and property values

Wanted decisions made closer to home

Pulse Survey responses

Feedback on Newsletters, board meetings

Our Ballot Initiative – 95% said yes

3. WORKING TEAM ESTABLISHED

Chip Jamison – Co-Chair, Finance Committee

J Larson – Co-Chair, Finance Committee

Joy Blum – Treasurer, MD5 Board of Directors

Steve Langer – President, MD5 Board of Directors

Charles Wolfersberger – Wolfersberger LLC

Paul Rufien – Paul Rufien Law

Jeff Powles – President, Metro District 1

Lisa Mayers – Attorney, Specer Fane (MD1)

4. WORKING TEAM DELIVERED

Developed the Single Service Plan

Negotiated Interim and Separation Agreements

Worked with bond counsel, MD1 and the City

Answered Council questions quickly and sufficiently

Draft

From City Approval to Independence

Turning self-governance into better outcomes for Residents

City Council unanimously approves our Single Service Plan

What we expect with this achievement

- **Direct accountability for and by our residents**
- **Greater control of costs and contracts**
- **Stronger reserves and capital planning**
- **Better alignment with “55+ priorities”**

Our Immediate work priorities

- **Finalize separation documentation**
- **Transition of key contracts and assets to MD5**
- **Establish clear vendor responsibilities**
- **Prepare for independent January operations **
-
-

Draft

Protect our Assets

Manage our Risks

Strengthen our Community

SEPARATION AGREEMENT

CREATING AUTONOMY OF

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

THIS SEPARATION AGREEMENT CREATING AUTONOMY OF BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5 ("Agreement") is made and entered into this _____ day of _____, 2026, by and between BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado ("District 1"), and BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5, a quasi-municipal corporation and political subdivision of the State of Colorado ("District 5"), collectively referred to as the "Parties" or occasionally in the singular as "Party."

RECITALS

WHEREAS, the operations of the Parties were previously governed by a Consolidated Service Plan for Banning Lewis Ranch Metropolitan District Nos. 1-7, which was approved by the City Council of Colorado Springs, Colorado (the "City") in September 2005, and an Amended and Restated Service Plan for Banning Lewis Ranch Metropolitan District Nos. 1-7, approved by the City in March 2008 (collectively, the "Original Service Plan"); and

WHEREAS, the purposes for which the Parties were formed are financing, construction, provision, and maintenance of certain facilities, programs, and services; and

WHEREAS, the Original Service Plan, which the Parties operated under from the Parties' creation through 2025, contemplated a multiple district structure which was implemented under certain agreements including a Facilities Agreement (defined below), and was to continue until consolidation or dissolution would reduce the number of districts; and

WHEREAS, the Parties previously entered into an Amended and Restated District Facilities Agreement effective as of November 12, 2018 ("Facilities Agreement") under which District 1 was the "Service District" and District 5 was the "Financing District" for a variety of terms, services and functions; and

WHEREAS, District 5 requested, and District 1 agreed, to transition the relationship between District 1 and District 5 to one that will create full governmental and financial autonomy of District 5 separate from District 1; and

WHEREAS, the Parties entered into an Interim Agreement, effective April 20, 2026 ("Interim Agreement"), which outlined and implemented the transition towards full autonomy of District 5; and

WHEREAS, the Parties had certain disagreements and disputes regarding the validity and enforceability of the entirety of the Facilities Agreement; and as contemplated by the Interim Agreement, such disagreements and disputes are addressed and resolved by this Agreement; and

WHEREAS, District 5 previously retained general legal counsel and special legal counsel separate from District 1, and District 1 agrees such retention of separate legal counsel is appropriate; and

WHEREAS, District 5 submitted a Single District Model Service Plan of Banning Lewis Ranch Metropolitan District No. 5, which was approved by the City on October 27, 2026, ("District 5 Service Plan"); and

WHEREAS, District 1 shall, along with Banning Lewis Ranch Metropolitan District Nos. 2, 3, 4 6 and 7, amend the Original Service Plan to reflect the changes implemented by the District 5 Service Plan and this Agreement; and

WHEREAS, the District 5 Service Plan organizes District 5 as a governmental entity fully autonomous from District 1 and any of the other Banning Lewis metropolitan districts that have been or will be formed; and

WHEREAS, the District 5 Service Plan, along with this Agreement, and the resulting autonomy of District 5 renders future dissolution of District 5 or consolidation of District 5 with any other Banning Lewis Ranch district moot, with District 5 having accomplished the objectives of dissolution or consolidation through its autonomy; and

WHEREAS, District 1 provided the City with its express written consent to the District 5 Service Plan, and also will participate in the amendment of the Original Service Plan to remove District 5 from its terms, the combined actions providing District 1's assent to District 5's total autonomy; and

WHEREAS, because District 5 acknowledges that it was part of an integrated community of Banning Lewis Ranch and that it continues to benefit from certain local and regional improvements, the Parties have agreed that it is mutually beneficial to enter into this Agreement to address the Parties' position within the overall community; and

WHEREAS, pursuant to Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., the Parties may cooperate or contract with each other to provide any function, service, or facility lawfully authorized to each, and any such contract may provide for the future funding, the imposition of taxes and fees, and the incurring of debt; and

WHEREAS, The Banning Lewis Ranch Company, LLC and the Banning Lewis Ranch Development I & II, LLC (collectively the "Declarant") recorded a Master Declaration of Covenants, Conditions and Restrictions for Banning Lewis Ranch on March 5, 2007, in the records of the El Paso County Clerk and Recorder at Reception No. 207030103 (the "Master Declaration"). The Master Declaration has been supplemented from time to time, including, by the Amended and Restated Supplemental Declaration of Covenants, Conditions, and Age Restrictions for The Retreat at Banning Lewis Ranch, An Age 55 and Older Community (Filing Nos. 21, 22, 23, and 25, Village 3 West), recorded on September 9, 2020, in the records of the El Paso County Clerk and Recorder at Reception No. 220139967 (the "Supplemental Declaration"); and

WHEREAS, the Parties entered into a Temporary Assignment of Covenant Enforcement Authority Declaration Assignment, dated April 16, 2026, and recorded May 15, 2026, in the records of the El Paso County Clerk and Recorder at Reception No. 226045942, assigning a portion of "Covenant Services" responsibilities to District 5 (the "Declaration Assignment"); and

WHEREAS, this Agreement is intended to terminate the Facilities Agreement and to schedule a closing for real property transfers following which the Parties will implement any new and ongoing rights and responsibilities between the Parties.

AGREEMENTS

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement, the sufficiency of which is mutually acknowledged, and the Recitals set forth above, which are true and incorporated herein, the Parties agree as follows:

1. Term of Agreement and Closing Date. The Parties agree that there shall be a closing date of December 10, 2026 ("Closing Date") upon which date certain actions of the Parties shall be completed as set forth below. The matters necessary to fully consummate the separation and autonomy described herein, except the amendment of the Original Service Plan (the timing of which will be subject to City schedules and control) shall be completed on or by 11:59 p.m., December 31, 2026 ("Separation Date"). This Agreement shall be effective upon the date the last of the Parties executed this Agreement and shall continue in full force and effect perpetually and shall not expire or terminate for any reason, unless replaced in whole or in part by a separate agreement mutually executed by the Parties.

2. Termination of Interim Agreement. On the Closing Date, the Parties shall perform or confirm the following: 1) transfer of all "Facilities" as contemplated herein and set forth in the Facilities Agreement (which is attached as **Exhibit A** and incorporated by this reference), and the transfer of all additional "Assets" as contemplated herein. A list of the Facilities and Assets transferred are set forth in the attached **Exhibit B** (which is attached and incorporated by this reference); 2) payment and/or agreement to pay from District 5 to District 1 as set forth in Section 3 below; 3) execution and recording of a Permanent Assignment of Covenant

Enforcement Authority as set forth in Section 6 below. On or before the Closing Date, that Parties shall confirm that all provisions of the Interim Agreement related to the transition of full autonomy of District 5 have been completed. The Interim Agreement is, therefore, terminated and shall be of no further force or effect on the Separation Date.

3. Payment from District 5 to District 1. In conjunction with separation from District 1 and in gaining its full autonomy from District 1, District 5 agrees to make the following payments to District 1:

(a) On or before the Closing Date, District 5 will make a one-time payment to District 1 of $37,000, such payment reflecting the Parties' agreed upon satisfaction of costs incurred by District 1 associated with District 5's separation from District 1; and

(b) Beginning on May 1, 2027, and continuing thereafter through May 1, 2035, District 5 shall make nine annual payments (each to be made on or before May 1 of the subject year) each in the amount of $39,000. District 5 has adequate funds in reserve to satisfy the entirety of the financial obligation of this subparagraph 3(b) and has designated such funds for the full amount to be paid ($351,000). As such, the financial obligation of this subparagraph 3(b) does not require voter approval under Article X, Section 20 of the Colorado Constitution.

4. Intentional Omissions From Interim Agreement. In the interest of establishing the clear and undisputed autonomy and independence of District 5, portions of the Interim Agreement have been intentionally excluded from this Agreement. These exclusions include clauses addressing budgeting, as well as other financial or operational obligations between the Parties. As a fully autonomous special district, District 5 will independently fulfill all its legal requirements as a local government entity, and shall no longer abide by the previously agreed upon obligations within the Interim Agreement that would continue to tie them to District 1, except to the extent expressly set forth herein or on mutual written agreement of the Parties.

5. Management and Operation of District. Effective as of the Separation Date, District 5 shall be solely responsible for its own managerial, accounting, legal and operational services. District 1 shall no longer have any role in such services. District 5 shall operate in compliance with the District 5 Service Plan, a copy of which is attached as Exhibit C and incorporated by this reference.

As of January 1, 2027, the full management and operational control of District 5 shall be complete, with no additional need for District 1 involvement in such management and operations. During the time period between execution of this Agreement and the Separation Date, the Parties agree to continue to cooperate in the transition of management and operational functions. All existing service contracts currently in the name of District 1 shall either be fully assigned to District 5 pursuant to the terms of such contracts or shall be terminated, with District 5 entering into substantively identical contracts with the service providers covering the transition period. District 1 shall take all necessary actions, including providing all necessary notices or

written consents, to facilitate these transfers. In addition, by December 1, 2026, District 1 must identify for District 5 any known liabilities or contingencies that may exist related to management and operations in District 5 that may result in District 5 needing to budget for any such liabilities or contingencies.

6. District 5 to Provide Covenant Services. Pursuant to the Declaration Assignment previously entered into by the Parties, District 1 temporarily has assigned all authority that it has under the Master Declaration relating to covenant enforcement and related services within the boundaries of District 5 (as more particularly described in the Declaration Assignment, the "Covenant Services") through December 31, 2026. On or before the Closing Date, there shall be recorded a mutually agreeable Permanent Assignment of Covenant Enforcement Authority, following which District 5 shall continue to perform all Covenant Services in a manner consistent with the similar services performed by District 1 within other Banning Lewis Ranch areas outside of District 5 and consistent with the mutual objectives of the Master Declaration.

7. Financial Agreements.

(a) District 5 shall collect and retain all "Service Fees" as previously defined under Section 3.7 of the Facilities Agreement from residents within the District 5 boundaries.

(b) The Parties agree that the Transfer Fee defined in the Master Declaration shall be directed to the Banning Lewis Ranch Community Foundation and that any Transfer Fees erroneously collected by District 5 shall continue to be timely paid over to the Banning Lewis Ranch Community Foundation, which benefits all the Banning Lewis Ranch community.

(c) District 5 shall retain all tax revenues generated by the Service Levy (as previously defined in the Financing Agreement), which shall be the sole property of District 5. Spending of the funds generated from the Service Levy shall be in the sole discretion of the District 5 Board of Directors.

(d) District 5 shall be solely responsible for payment of the contractors directly engaged by District 5 from its own financial accounts.

(e) District 1 and District 5 shall cooperate in the reconciliation of the revenues, expenditures, and fund balances as reported in the Special Revenue Fund (SRF) from January 1, 2026 through the Separation Date. District 1 shall provide District 5 with beginning and ending balance sheets, Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balances for that period, prepared in a manner consistent with past statements. District 1 will also make available a supporting general ledger, bank and ColoTrust statements, invoices, and support for allocations. Draft reports and supporting documents will be provided within 45 days of the Closing Date and final reports and documents within 60 days of the Closing Date.

Adjustments to the ending SRF fund balance will be made as described on **Exhibit D** (which is attached and incorporated by this reference). If the adjusted ending SRF fund balance is

positive, District 1 will remit that balance to District 5. If the adjusted ending SRF fund balance is negative, District 5 will remit the absolute value of that balance to District 1. Remittance will be within 15 days of District 5 accepting District 1's statements and reconciliation.

In the event District 5 shall have any disagreement with District 1's reconciliation, the Parties agree to meet within 30 days to jointly review all relevant financial documents. If such joint review is unsuccessful in reaching mutual agreement regarding the funds to be transferred, the Parties agree to engage a mutually accepted independent accounting firm within 30 days of the joint meeting to resolve the issue. The decision of the independent accounting firm shall be final.

(f) On the Closing Date, District 1 will transfer all "Facilities" and "Assets" to be owned by District 5 in conjunction with its autonomous operations as detailed in Section 9 below. As of such date, the Parties acknowledge that the ownership, operation, and maintenance of such Facilities and Assets shall be the sole responsibility of District 5, with no further involvement of District 1. In addition, to the extent not already delivered, all documentation associated with the Facilities and Assets, including but not limited to all engineering and design plans, relevant contracts affecting such Facilities or Assets from January 1, 2024 forward, and warranties received from and in the possession of District 1 or its contractors shall be delivered to District 5. All real property transferred to District 5 shall be transferred by District 1 free and clear of any encumbrances, and shall be transferred "as is," "where is" and "with all faults" known with respect to all facts, circumstances, conditions and defects as of the Closing Date, without any additional representation or warranty whatsoever. To the extent permitted by law, District 1 shall indemnify District 5 against any and all claims and liability that exists as of the Closing Date related to the Facilities or the Assets that are not known to the Parties or disclosed by District 1 to District 5.

(g) To the extent permitted by law, District 1 agrees to indemnify and hold District 5 harmless against any and all claims, damages or liabilities of any third parties, known to District 1, that may exist as a result of District 1's managerial and operational control that existed in the Banning Lewis community prior to the execution of this Agreement. This indemnification is intended by the Parties to be as broad and encompassing as allowed by law, but under no circumstance shall it constitute a waiver of limitation of the protections afforded the Parties under the Colorado Governmental Immunity Act nor shall District 1 be responsible for indemnification of District 5 for matters under District 5's control.

(h) District 5 may establish, revise, impose and collect (or assign collection of) all fees, rates, tolls and charges permitted by Colorado law and as authorized in the District 5 Service Plan for residents within the District 5 boundaries, for payment of debt service on its general obligation bonds, Facilities and/or operations and maintenance services. Except as detailed in this Agreement, District 1 shall not assess any fees on the residents within the District 5 boundaries. No provision of this Agreement or any other agreement between the Parties shall act to modify

or affect District 5's outstanding bond obligations including any existing bond covenants, trust indentures or any existing agreements between District 5 and its bondholders.

8. **Effect on Facilities Agreement**. As of the Closing Date, the Facilities Agreement shall be terminated by the mutual agreement of the Parties and shall be of no further force or effect. Any provisions of the Facilities Agreement that have any continuing relevance to the Parties are included within this Agreement

9. Ownership and Operations of Facilities. As of the Closing Date, District 1 shall transfer unencumbered ownership of the "Facilities" and "Assets" as more fully described in **Exhibit B**. Transfer of any real property shall occur through conveyance by Special Warranty Deed in the general form as shown in the attached **Exhibit E**, which is incorporated by this reference, and shall include all furniture, equipment, fixtures, appurtenances and amenities associated with the property transferred. Except as otherwise provided herein, and except for any water, sewer, lighting and safety improvements that were dedicated to the City or any other governmental entity or utility, District 5 shall own and be responsible for the operation and maintenance of their own Facilities.

10. Exclusion of Parcels. District 1 shall facilitate the exclusion of the following two properties from the boundaries of District 5: 7068 Mountain Spruce Drive and 6918 Mineral Belt Drive. Petitions for exclusion sufficient to initiate the legal exclusion process must be filed with District 5 within 30 days of the Closing Date.

11. General Terms.

(a) Relationship of Parties. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the Parties. There are no third-party beneficiaries to this Agreement.

(b) Authority. This Agreement shall be approved by the Boards of Directors of each of the Parties at validly noticed and held public meetings. The signatures of the individuals signing below constitute representations by the signing individuals that such approval has occurred. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

(c) Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof, and this Agreement shall be enforceable to the maximum extent allowed by law.

(d) Integration and Successors-in-Interest. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein. This Agreement shall be binding upon the Parties, and their respective members, managers, shareholders, officers,

directors, board members, successors, and assigns, related and affiliated entities, parents, subsidiaries, agents, representatives, employees, predecessors, successors, and assigns.

(e) Governmental Immunity. The Parties, and their respective officers, insurers, attorneys, and employees, are relying on, and do not waive or intend to waive any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended, or otherwise available to the Parties, and their respective officers, insurers, attorneys, or employees.

(f) No Multiple Fiscal Year Obligation. Consistent with interpretation of Article X, §20 of the Colorado Constitution, nothing within this Agreement shall be deemed to constitute a multiple fiscal year obligation of either Party. Therefore, no electoral approval of any additional debt is required or has been obtained.

(g) Time of the Essence. Time is of the essence in the performance of the obligations from time to time imposed by this Agreement.

(h) Default/Remedies. In the event of a breach or default of this Agreement by a Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing party in such proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

(i) Applicable Law; Venue. This Agreement shall be governed and construed under the laws of the State of Colorado, and any proceedings shall take place in El Paso County, Colorado.

(j) Attorneys' Fees and Costs. In the event of any legal action to interpret or enforce the terms of this Agreement, the substantially prevailing Party in any litigation or other proceeding related thereto shall be entitled to recover its reasonable attorneys' fees and costs associated with the underlying dispute and with responding to or prosecuting such action.

(k) Execution in Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, including with electronic and/or scanned signatures, each of which shall constitute an original and all of which shall constitute one and the same document.

(l) Binding Effect. This Agreement constitutes a legal and binding obligation enforceable in accordance with its terms.

(m) No Admission of Liability. No Party admits any wrongdoing or liability with respect to the disagreements and disputes regarding the validity and enforceability of the entirety of the Original Service Plan, the Facilities Agreement, or otherwise, by virtue of entering into this Agreement. Likewise, no Party admits to the permanent validity or legality of the Original Service Plan, the Facilities Agreement, or otherwise, by virtue of entering into this Agreement, except regarding all prior conduct of the Parties thereunder, the Parties agree that this Agreement alleviates, resolves and releases any prior claims that may have existed between them.

(n) Non-Disparagement, Non-Interference. To the fullest extent possible, the Parties agree not to disparage each other, and each Party's officers, directors, employees and agents, and the Parties agree not to interfere in the operations of each other, in any manner likely to be harmful to them or their business, operations, professional reputation or personal reputations. This paragraph shall not be violated by statements which are truthful, complete and made in good faith in response to legal process or governmental inquiry or as allowed by applicable law. The Parties agree that any breach of this non-disparagement/non-interference provision shall be deemed a material breach of this Agreement.

[Signature page follows]

AGREED AND APPROVED as of the dates below:

Banning Lewis Ranch Metropolitan District No. 1:

By:

Name:

Its: President

Date:

Attest:

Secretary:

Banning Lewis Ranch Metropolitan District No. 5:

By:

Name:

Its: President

Date:

Attest:

Secretary:

Exhibit 02

A Tribute to Sue Greulich

Extraordinary Service to The Retreat

Neighbors,

As Sue Greulich prepares to leave The Retreat, I want to recognize someone who, in just one and a half years, has made an extraordinary difference in our community.

Sue joined the MD5 Board of Directors as Secretary in July 2025, and from the moment she arrived, she embraced the position with enthusiasm, energy, and a genuine passion for serving our residents. And she didn't simply fill a Board position. **She made the position her own.**

Sue brought organization, discipline, and professionalism to an important role. She helps coordinate meeting agendas and supporting materials and facilitated communications among Board members. She helped ensure follow-up on Board assignments and commitments and provided continuity and consistency in Board governance during a particularly important period in our community's history.

But Sue's contributions went far beyond the traditional responsibilities of Board Secretary. The MD5 Board **Newsletter will be a Lasting Legacy of Transparency**. **What a difference that idea has made!** Because of this initiative, our residents now have a consistent, comprehensive source of information about the issues that matter most to our community. Our journey toward independence from MD1 is arguably the most consequential undertaking in The Retreat's history. It involves complex legal, financial, and operational issues that affect every homeowner. Sue recognized how important it was for residents to understand that journey—not just the milestones, but the reasons behind our decisions and the work required to get there. The newsletter helped make that possible.

It also brought greater visibility to the outstanding work of our Finance Committee and Facilities Committee. Residents learned more about how our finances are managed, how reserves are being planned, how our facilities are maintained, and how much effort goes into keeping our community operating effectively. The newsletter has become far more than a communication tool. It is an important part of our commitment to transparency and accountability. And that is a legacy that will continue long after Sue's departure.

Lastly, as many people know she has inserted herself into improving everyday life in many areas. Pickleball advisory board, running round robins, just one example. But the one that really stands out is her willingness to coordinate t**he Sales Office Conversion. There she showed exceptional leadership.** This has been one of the most complex and challenging projects our community has undertaken. It required coordinating residents with differing

opinions, managing the relationship with our architect, organizing ideas and alternatives, balancing expectations, and keeping a diverse volunteer committee moving toward a common objective. Sue handled these responsibilities exceptionally well. She demonstrated the qualities of an outstanding project manager: organization, communication, planning, sound judgment, flexibility, accountability, patience, and, perhaps most importantly, the ability to bring people together. The architectural work ultimately revealed costs substantially higher than anticipated. But identifying those costs before making financial commitments is precisely why we undertake careful planning. Sue guided the committee through a complicated process and gave the Board and residents the information necessary to make thoughtful decisions about the next phase.

In summary, as I reflect on Sue's year on the Board, what impresses me most is the breadth of her contributions. She strengthened our governance through her work as Secretary. She transformed our communications through the newsletter. She advanced one of our most challenging community projects through her leadership of the Sales Office Conversion Committee. And throughout it all, she brought enthusiasm, intelligence, professionalism, patience, and a sincere commitment to making The Retreat a better place to live.

On behalf of the Board of Directors, and personally as someone who has had the privilege of working alongside her, I want to express my deepest appreciation. Sue, thank you for your leadership, your dedication, your patience, your many hours of service, and your unwavering commitment to our residents. We are a better-informed, better-organized, and more transparent community because of you. We will miss you, and we wish you every happiness and success in the next chapter of your life.

With gratitude and appreciation,

Steve Langer
President, MD5 Board of Directors

Exhibit 03

Banning Lewis Ranch Metropolitan District No 5
Check Register
10/27/26

Payment Date	Check #	Payee	Amount	Payment Description
4/3/2026	100000	Paul C. Rufien, P.C.	15,210.00	General Legal Consulation Fees
4/3/2026	100001	Seter & Vander Wall, PC	1,377.01	General Legal Consulation Fees
4/3/2026	100002	El Paso County	615.66	Board Election Expenses
4/3/2026	100003	Wolfersberger, LLC	27,349.91	Management Service Fees
4/8/2026	100004	Seter & Vander Wall, PC	4,299.00	General Legal Consulation Fees
4/16/2026	1	El Paso County	615.66	2025 TABOR Election
5/7/2026	100000	Seter & Vander Wall, PC	176.28	General Legal Consulation Fees
5/18/2026	2	Steven and Rosemary Langer	84.41	Board meeting expenses
5/26/2026	100001	Paul C. Rufien, P.C.	9,220.00	General Legal Consulation Fees
6/5/2026	100002	Seter & Vander Wall, PC	1,813.00	General Legal Consulation Fees
6/9/2026	3	Town & Country Title Services, LLC	7,000.00	Foundation fee
6/17/2026	100003	ABC Custom Iron & Locksmith, Inc	2,111.41	Entrance Gate Maintenance
7/8/2026	100004	Wolfersberger, LLC	58,082.75	Management Service Fees for two months
7/8/2026	100005	Seter & Vander Wall, PC	405.00	General Legal Consulation Fees
7/14/2026	100006	DK Enterprises, Inc	749.92	Polling Insurance Set up Fee
8/4/2026	100007	Paul C. Rufien, P.C.	12,270.00	Legal Consulation Fees
8/7/2026	100008	Seter & Vander Wall, PC	2,370.77	General Legal Consulation Fees
8/17/2026	100009	Colorado Special Districts Property and Liability Pool	450.00	Insurance
8/25/2026	4	First American Title Insurance Company	183.58	Reimbursement Check paid to wrong District
9/4/2026	100010	Kline Alvarado Veio, PC	8,500.00	Bond Counsel
9/4/2026	100011	DK Enterprises, Inc	450.00	Polling
9/8/2026	100012	UMB Bank NA	7,000.00	Bond Trustee
9/8/2026	100013	Seter & Vander Wall, PC	1,311.00	General Legal Consulation Fees
9/10/2026	100014	Paul C. Rufien, P.C.	$ 3,330.00	Legal Consulation Fees
9/16/2026	100015	Wolfersberger, LLC	$ 29,830.92	Management Service Fee
9/25/2026	100016	Colorado Special Districts Property and Liability Pool	$ 2,105.00	Insurance
9/28/2026	5	Patricia Jackson	$ 1,000.00	Reimbursement Check
9/29/2026	100017	EMK Consultants, Inc	$ 5,000.00	Map and legal discription of Patio Home Subdistric
10/2/2026	100018	Flynn CPA, LLC	$ 8,500.00	Auditor
10/9/2026	100019	Seter & Vander Wall, PC	$ 2,770.00	Legal Consulation Fees
10/12/2026	6	Elizabeth Boisvert	$ 1,000.00	Reimbursement Check
10/22/2026	100020	Altitude Community Law P.C.	$ 304.00	Legal Consulation Fees

Check #100014 - 100020 & #5-6 = $53,839.92

Exhibit 04

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5



FINANCIAL STATEMENTS
As of and for the 12-month period ended
December 31, 2025

Table of Contents

STATEMENT OF NET POSITION 1

STATEMENT OF ACTIVITIES 2

BALANCE SHEET – GOVERNMENTAL FUNDS 3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES 4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES 5

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL 6

GENERAL FUND EXPENDITURE - DETAILS– BUDGET AND ACTUAL 7

NOTES TO FINANCIAL STATEMENTS 8

SUPPLEMENTARY INFORMATION

DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL 24

CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL 26

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY 27

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED 28

OTHER SUPPLEMENTARY INFORMATION

CHANGE IN TOTAL OVERLAPPING MILL LEVY 30

HISTORICAL DEBT RATIOS 31

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Banning Lewis Ranch Metropolitan District No. 5

El Paso County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Banning Lewis Ranch Metropolitan District No. 5 (the "District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2025, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Castle Pines, Colorado
September 27, 2026

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ -
Cash and investments – restricted	1,246,303
Accounts receivable – specific ownership taxes	7,452
Property taxes receivable	1,063,605
Non-depreciable capital assets	25,160
Depreciable capital assets, net	5,374,278
Total Assets	**7,716,798**
LIABILITIES	
Accounts payable and accrued liabilities	11,296
Accrued interest payable	1,509,367
Current portion of general obligation refunding bonds	90,000
General obligation refunding bonds	9,358,000
Total Liabilities	**10,968,663**
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	1,063,605
NET POSITION (DEFICIT)	
Restricted:	
Emergency reserves	12,755
Debt service	1,240,611
Capital projects	-
Non-spendable	-
Unassigned:	(5,568,836)
Net Position (Deficit)	**$ (4,315,470)**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended
December 31, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:					
Government Activities:					
General government activities	$ (408,215)	$ -	$ -	$ -	$ (408,215)
Interest and related costs on long-term debt	(640,229)	92,000	-	-	(548,229)
Capital project activities	(137,802)	-	-	-	(137,802)
	$ (1,186,246)	**$ 92,000**	**$ -**	**$ -**	**(1,094,246)**
	General Revenues				
	Property taxes				975,218
	Specific ownership taxes				93,530
	Net investment income				70,058
	Total general revenue				**1,138,806**
	Change in net position				44,560
	Net Position (Deficit) – Beginning of Year (As Adjusted Per Note 7)				(4,360,030)
	Net Position (Deficit) – End of Year				**$ (4,315,470)**

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
ASSETS				
Cash and investments	$ -	$ -	$ -	$ -
Cash and investments - Restricted	10,327	1,235,976	-	1,246,303
Accounts receivable - specific ownership tax	2,817	4,635	-	7,452
Property taxes receivable	425,442	638,163	-	1,063,605
TOTAL ASSETS	**$ 438,586**	**$ 1,878,774**	**$ -**	**$ 2,317,360**
LIABILITIES				
Accounts payable and accrued liabilities	$ 11,296	$ -	$ -	$ 11,296
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	425,442	638,163	-	1,063,605
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**436,738**	**638,163**	**-**	**1,074,901**
FUND BALANCES				
Restricted:				
Emergencies (TABOR)	12,755	-	-	12,755
Debt service	-	1,240,611	-	1,240,611
Capital projects	-	-	-	-
Non-spendable	-	-	-	-
Unrestricted	(10,907)	-	-	(10,907)
TOTAL FUND BALANCES	**1,848**	**1,240,611**	**-**	**1,242,459**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 438,586**	**$ 1,878,774**	**$ -**	

Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds	
Land and water rights	25,160
Property, structures and equipment, net	5,374,278
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation bonds	(9,448,000)
Accrued interest payable	(1,509,367)
Net position of governmental activities	**$ (4,315,470)**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended
December 31, 2025

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
REVENUES				
Property taxes	$ 368,657	$ 606,561	$ -	$ 975,218
Specific ownership taxes	35,357	58,173	-	93,530
Facility fees	-	92,000	-	92,000
Net investment income	11,495	58,563	-	70,058
Other income	-	-	-	-
Total Revenues	**415,509**	**815,297**	**-**	**1,230,806**
EXPENDITURES				
General and administration	268,311	-	-	268,311
Debt service				
Debt management & compliance	-	16,102	-	16,102
Interest payments - Series 2018 bonds	-	743,978	-	743,978
Principal payments - Series 2018 bonds	-	70,000	-	70,000
Major capital projects	-	-	-	-
Total Expenditures	**268,311**	**830,080**	**-**	**1,098,391**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**147,198**	**(14,783)**	**-**	**132,415**
OTHER FINANCING SOURCES (USES)				
Fund Transfers In / (Out)	(5,446)	-	5,446	-
Transfers to BLR Metro District No 1	(139,904)	-	-	(139,904)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**1,848**	**(14,783)**	**5,446**	**(7,489)**
FIND BALANCES – BEGINNING	**-**	**1,255,394**	**(5,446)**	**1,249,948**
FUND BALANCES – END OF YEAR	**$ 1,848**	**$ 1,240,611**	**$ -**	**$ 1,242,459**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
12-Month Period Ended
December 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances – Total government funds	$	(7,489)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Bonds - principal payments		70,000
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the net capital outlay activity for the year:		
Construction of public infrastructure		-
Depreciation expense on property, structures and equipment		(137,802)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest on debt		119,851
Changes in net position of governmental activities	**$**	**44,560**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2025

	Original and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	$ 368,873	$ 368,657	$ (216)
Specific ownership taxes	36,887	35,357	(1,530)
Net investment income	1,300	11,495	10,195
Other income	18,116	-	(18,116)
Total Revenues	**425,176**	**415,509**	**(9,667)**
EXPENDITURES			
General and administration	23,649	268,311	(244,662)
Total Expenditures	**23,649**	**268,311**	**(244,662)**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**401,527**	**147,198**	**(254,329)**
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(5,446)	(5,446)
Transfers to BLR Metro District No 1	(401,527)	(139,904)	261,623
Total Other Financing Sources (Uses)	**(401,527)**	**(145,350)**	**256,177**
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER	**-**	**1,848**	**1,848**
FUND BALANCE – BEGINNING OF YEAR	**-**	**-**	**-**
FUND BALANCE – END OF YEAR	**$ -**	**$ 1,848**	**$ 1,848**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
GENERAL FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2025

	Original and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
District management and accounting fees	$ -	$ 181,354	$ (181,354)
Administrative costs	-	260	(260)
Audit fees	-	5,720	(5,720)
Collection fees – County Treasurer	5,533	5,532	1
Board of Directors' fees	-	-	-
Board training and conferences	-	-	-
Board election costs	-	3,916	(3,916)
Insurance	-	3,249	(3,249)
Legal fees	-	68,280	(68,280)
Contingency	18,116	-	18,116
Total General and Administration	**$ 23,649**	**$ 268,311**	**$ (244,662)**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

NOTE 1 – DEFINITION OF REPORTING ENTITY

Banning Lewis Ranch Metropolitan District No 5 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on December 01, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a consolidated service plan for Banning Lewis Ranch Metropolitan District Nos. 1, 2, 3, 4, 5 and 6 (now Banning Lewis Ranch Regional Metropolitan District No. 1) and 7 (now Banning Lewis Ranch Regional Metropolitan District No. 2) (collectively, the Districts) approved by the City of Colorado Springs (City) in October 2005 and as amended and restated with City approval in March 2008. The District's service area is approximately 155 acres located entirely within El Paso County, Colorado and is comprised of 586 single family homes located at the southwest corner of Dublin Blvd and Vista del Tierra and is divided into 11 plat filings (Banning Lewis Ranch Plat Filing No 21, 22, 23, 24, 25, 26, 27, 28, 29, 37, 38). The District was established to provide financing for the design, acquisition, construction and installation of water, sanitation, street improvements, parks and recreational facilities, television relay and translation, mosquito control and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was created to provide certain essential public-purpose facilities for the use and benefit of all its anticipated residents and taxpayers of real property located within the boundaries of the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred inflows and the sum of liabilities and deferred outflows of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

> The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.
>
> The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

Budgets

In accordance with Colorado State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the county. In 2025, the District's share of Specific ownership taxes received from the County was equal to approximately 9.6% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2025 are comprised of property taxes due from El Paso County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District has assets with an initial, individual

cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets that are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets.

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

Liabilities

The District identifies and records liabilities that meet the following three essential characteristics of a liability as defined by FASB Concept Statement No. 6:

1) it embodies a present duty or responsibility to one or more other entities that entails settlement by probable future transfer or use of assets at a specified or determinable date, on occurrence of a specified event, or on demand;

2) the duty or responsibility obligates a particular entity, leaving it little or no discretion to avoid the future sacrifice; and

3) the transaction or other event obligating the entity has already happened.

Agreements where amounts payable by the District are subject to annual appropriation and are not multiple-fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution do not meet the definition of a liability and are considered contingent obligations.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- ***Non-spendable fund balance*** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.

- ***Restricted fund balance*** – The portion of a fund balance that is constrained to being used for a specific purpose by external parties (such as lenders), constitutional provisions, or enabling legislation.

- ***Committed fund balance*** – The portion of a fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

- ***Assigned fund balance*** – The portion of a fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

- ***Unassigned fund balance*** – The residual portion of a fund balance that does not meet any of the criteria described above.

If more than one classification of find balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance of these financial statements.

The District adopted the requirements of this guidance effective January 01, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments – unrestricted	$	-
Cash and investments – restricted		1,246,303
Total cash and investments	**$**	**1,246,303**

Cash and investments as of December 31, 2025 consist of the following:

Deposits with financial institutions	$	-
Investments		1,246,303
Total cash and investments	**$**	**1,246,303**

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained

by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank balance and carrying balance of $0.

Investments

The District has not adopted a formal investment policy. However, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those listed below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
ColoTrust+ Fund	Weighted Average Under 60 Days	$ 1,246,303

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus finds. The State Securities Commissioner administers and

enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement.

The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAm by Standard & Poor's.

NOTE 4 – CAPITAL ASSETS & LAND

An analysis of the changes in capital assets for the 12-month period ended December 31, 2025, follows:

	Balance at Dec. 31, 2024	Additions	Dedications	Balance at Dec. 31, 2025	Accumulated Depreciation
Streets (25.2 acres)	$ 5,512,080	$ -	$ -	$ 5,512,080	($ 137,802)
Total	**$ 5,512,080**	**$ -**	**$ -**	**$ 5,512,080**	**($ 137,802)**

There are 21 land tracts totaling approximately 29.3 acres within the District designated for parks, open spaces and recreational facilities. Recreational facilities situated on these land tracts include (1) the Barn Clubhouse and adjacent parking lot, (2) the sales office building, (3) pickleball courts and (4) community swimming pool. All of these facilities, parks and open space land tracts are owned by either Banning Lewis Ranch Metropolitan District No 1 or Clayton Properties Group II, Inc (Developer).

NOTE 5 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2025:

	Balance at Dec. 31, 2024	Additions	Retirements	Balance at Dec. 31, 2025	Due within one year
Series 2018A G.O. Bonds	$ 6,565,000	$ -	($ 70,000)	$ 6,495,000	$ 90,000
Accrued Interest – Series 2018A G.O. Bonds	31,457	377,488	(377,488)	31,457	-
Series 2018B G.O. Bonds	1,011,000	-	-	1,011,000	-
Accrued Interest – Series 2018B G.O. Bonds	504,188	121,215	(366,490)	258,913	-
Series 2018C Junior Lien Bonds	1,942,000	-	-	1,942,000	-
Accrued Interest – Series 2018C Junior Lien Bonds	1,093,572	125,424	-	1,218,996	-
Total	**$ 11,147,217**	**$ 624,127**	**($ 813,978)**	**$ 10,957,366**	**$ 90,000**

Details regarding the District's long-term obligations are as follows:

Series 2018A Limited Tax General Obligation Bonds (Senior Bonds)

On December 11, 2018, the District issued Limited Tax General Obligation Bonds, Series 2018A in the amount of $6,585,000. The stated interest rate on the Senior Bonds is 5.75%, and the Bonds are payable semi-annually on June 1

and December 1, beginning on June 01, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 01, 2024. The Senior Bonds mature on December 1, 2048. In the event any amounts due and owing on the Senior Bonds remain outstanding on December 01, 2059, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Senior Bonds were used as follows:

Bond proceeds	$	6,585,000
Less:		
Capitalized interest costs	(	1,135,913)
Funds restricted for the Senior Reserve Fund	(	565,000)
Underwriter's discount	(	131,700)
Legal, accounting and other costs of issuance	(	212,100)
Net bond proceeds available for funding costs of public improvements within and without the District	**$**	**4,540,287**

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
c) all Capital Fees; and
d) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Amounts on deposit in the Senior Bond Fund and, prior to the Conversion Date, amounts on deposit in the Senior Surplus Fund also secure payment of the Senior Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Surplus Fund in accordance with the Senior Indenture up to the Maximum Surplus Amount of $658,500. The Senior Reserve Fund was originally funded with bond proceeds in the amount of $565,000.

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount. Pursuant to the Senior Indenture, the Senior Surplus Fund will be terminated upon the Conversion Date, if it occurs, and any moneys therein applied to any legal purpose of the District.

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium ($)
December 1, 2025, to November 30, 2026	1.0%	$ 64,950
December 1, 2026, and thereafter	0.0%	$ -

Outstanding bond principal and interest on the Senior Bonds mature as follows:

	Principal	Interest	Total
2026	$ 90,000	$ 373,463	$ 463,463
2027	95,000	368,288	463,288
2028	110,000	362,825	472,825
2029	115,000	356,500	471,500
2030	135,000	349,888	484,888
2031-2035	850,000	1,621,213	2,471,213
2036-2040	1,270,000	1,331,125	2,601,125
2041-2045	1,825,000	905,913	2,730,913
2046-2048	2,005,000	266,800	2,271,800
Total	**$ 6,495,000**	**$ 5,936,013**	**$ 12,431,013**

The District's detail debt service schedule for its Series 2018A Bonds is provided on page 27.

Series 2018B Subordinate Limited Tax G.O. Bonds (Subordinate Bonds)

On December 11, 2018, the District issued Subordinate Limited Tax General Obligation Bonds, Series 2018B in the amount of $1,011,000. The stated interest rate on the Subordinate Bonds is 8.00% per annum, and the Bonds are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amounts due and owing on the Subordinate Bonds remain outstanding on December 15, 2059, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Subordinate Bonds were used as follows:

Bond proceeds	$ 1,011,000
Less:	
Underwriter's discount	(30,330)
Net bond proceeds available for funding costs of public improvements within and without the District	**$ 980,670**

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

a) all Subordinate Property Taxes (generated by the imposition of the Subordinate Required Mill Levy);
b) all Subordinate Specific Ownership Taxes (attributable to the Subordinate Required Mill Levy);
c) all Subordinate Capital Fee Revenue (meaning any Capital Fee Revenue remaining after deduction of any amounts applied to the payment of the Senior Bonds); and
d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Under the Subordinate Indenture, any amounts in the Senior Surplus Fund (which is funded up to the Maximum Amount) upon termination of such fund are pledged to the payment of the Subordinate Bonds.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on December 15, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium ($)
December 15, 2025, to December 14, 2026	1.0%	$ 10,110
December 15, 2026, and thereafter	0.0%	$ -

Series 2018C Junior Lien Limited Tax General Obligation Bonds (Junior Lien Bonds)

On December 11, 2018, the District issued Junior Lien Limited Tax General Obligation Bonds, Series 2018C in the amount of $1,942,000. The stated interest rate on the Junior Lien Bonds is currently 6.00% per annum, and the Bonds are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2051. In the event any amounts due and owing on the Senior Bonds remain outstanding on December 01, 2059, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Junior Lien Bonds compounds annually on each December 15. In no event is any principal or interest to be paid on the Junior Lien Bonds until the Subordinate Bonds, and to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations, have been paid in full or defeased.

The Junior Lien Bonds are secured by and payable from Junior Lien Pledged Revenue, net of any costs of collection, which includes:

a) all Junior Lien Property Taxes (generated by the imposition of the Junior Lien Required Mill Levy);
b) all Junior Lien Specific Ownership Taxes (attributable to the Junior Lien Required Mill Levy);
c) all Junior Lien Capital Fee Revenue (meaning any Capital Fee Revenue remaining after deduction of any amounts applied to the payment of the Senior Bonds and the Subordinate Bonds); and
d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

The Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District on December 15, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium ($)
December 15, 2025, to December 14, 2026	1.0%	$ 19,420
December 15, 2026, and thereafter	0.0%	$ -

Per the 2018 Financial Forecast included with the Junior Lien Bond Offering document, repayments on the Junior Lien Bonds were projected to total $9,238,625 through 2059, which equates to an annual net effective interest rate of 12.7%.

Events of Default – Series 2018 Bonds

The following events are considered events of default under the 2018 bond indentures of trust: (1) the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee or Bond Owners or (3) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

Debt Authorization

Debt Authorization – Service Plan

The District's amended and restated Service Plan (approved by the City in March 2008) authorizes the District to issue up to $100 million in debt and repayment of such debt, including any refinancing of such debt, shall not be over a period in excess of 40 years from the date the District first issues any debt. The repayment of the District's debt can exceed 40 years if the majority of the District's Board are residents of the District and the District's Board has voted in favor of refunding a part or all of the District's debt.

The District's Service Plan also establishes a Maximum Mill levy the District is permitted to impose on taxable property within the District for the payment of debt. As long as the District's total outstanding debt exceeds 50% of the assessed valuation of all taxable property within the District, the Maximum Debt Mill Levy is 30 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 1, 2008. As of January 01, 2008, the ratio was 7.96%. The ratio for 2025 was 6.70% with a $55,000 valuation exemption per residential lot, which caused the Maximum Mill Levy for debt service for 2025 to be 37.956.

As of December 31, 2025, total remaining debt issuance authorization under the District's Amended and Restated Service Plan is as follows:

Authorized maximum debt issuance per Service Plan	$ 100,000,000
Less:	
2018A Senior Bonds	6,585,000
2018B Subordinate Bonds	1,011,000
2018C Junior Lien Bonds	1,942,000
Unused, authorized debt issuance as of Dec. 31, 2025	**$ 90,462,000**

Debt Authorization – TABOR

On November 07, 2006, the District's three electors (all of whom were qualified to vote by the owner of all land within the District at that time) unanimously approved the District to issue debt at a net effective interest rate not to exceed 18% per annum in an amount not to exceed $760.5 million to fund infrastructure improvements, $84.5 million to fund the District's operations and maintenance costs and $84.5 million to refund debt at a net cost increase to taxpayers.

On November 04, 2025, 560 of the District's electors participated in an election approving by a margin of 95% to forever eliminate all remaining, unused borrowing power granted by the District's eligible electors to the District in all past elections.

NOTE 6 – CONTINGENT OBLIGATIONS

Advance, Acquisition, and Reimbursement Agreement. The District, District 1 and Clayton Properties Group II, Inc (CPG2) entered into an Advance, Acquisition and Reimbursement Agreement (the AARA), with an effective date of August 02, 2018, whereby CPG2 may request the District to subsidize (1) funds advanced by CPG2 to District 1 to construct Public Infrastructure (as defined in the AARA) within District 5 or (2) costs incurred by CPG2 to construct Public Infrastructure within the District. Considering, per the 2018 IGA between the District and District 1, the District is not authorized to construct any Public Infrastructure, the AARA incorrectly characterizes CPG2 as an agent authorized to construct Public Infrastructure on behalf of the District and costs incurred by CPG2 on behalf of the District are "reimbursable" to CPG2 from the District. Such claims submitted by CPG2 to the District under the AARA are actually requests for the District to subsidize CPG2's construction activities.

The AARA allows reimbursable costs incurred by CPG2 on behalf of the District to accrue simple interest at the rate of 7% per annum. However, because CPG2 was not constructing any public infrastructure on behalf of the District, none of the claims submitted by CPG2 to the District under the AARA are "reimbursable" costs incurred by CPG2 on behalf of the District and, therefore, no interest has accrued under the AARA on CPG2 claims.

Although the AARA allows CPG2 to request the District to subsidize CPG2's construction activities that substantially increased the value of CPG2's land (caused by the additional of roads, sewer lines, water lines, parks, etc to CPG2's land), the AARA does not address whether CPG2 should share with the District any of the profits incurred by CPG2 from selling improved land funded by District subsidies.

The District has neither registered nor filed a notice of claim of exemption regarding this contingent obligation agreement with the Colorado Securities Commissioner ("Commissioner"). Interpretative Order No. 06-IN-001 issued by the Commissioner provides that neither a registration application nor notice of claim of exemption is required to be filed with the Commissioner for a contractual obligation to repay a developer for advanced fund if such obligation provides that it is not transferable. This contingent obligation agreement is not transferrable to third parties.

The Original AARA does not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor does it constitute a multiple fiscal year financial obligation, and the making of any reimbursement thereunder will be at all times subject to annual appropriation by the District.

For the 12-month period ended December 31, 2025, financial activity that occurred under the AARA was as follows:

CPG2 Outstanding Claims		
Beginning Balance (Jan 01, 2025)	$	939,766
Additional subsidy claims		-
Accrued interest		258,397
Subsidies paid to CPG2		-
Ending Balance (Dec. 31, 2025)	**$**	**1,198,163**

NOTE 7 – NET POSITION (DEFICIT)

Correction of Beginning Balances

In 2024, the Developer transferred approximately 16,212 linear feet of streets to the District. The District failed to report the streets as an asset of the District in its 2024 financial statements.

Between 2018 and 2024, the District incorrectly recognized as liabilities amounts claimed by CPG2 under the AARA. This contingent obligation agreement is subject to annual appropriation by the District and is not a multiple-fiscal year obligation for the purposes of Article X, Section 20 of the Colorado Constitution. The District's beginning net position (deficit) has been restated to reflect the removal from the liability section of the District's Statement of Net Position of such CPG2 claims that are contingently payable by the District under the AARA.

The effects from these adjustments are as follows:

Net deficit - December 31, 2024, as originally stated	($ 11,029,649)
Addition of streets and land owned by District	5,537,240
Correct improper recognition of claims under the AARA as liabilities	1,132,379
Net deficit - December 31, 2024, as restated	**($ 4,360,030)**

Restricted Net Position

The District's restricted net position as of December 31, 2025 in the general fund, debt service fund and capital projects fund totaled $12,755, $1,240,611 and $0, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 11 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2018 Bonds. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction of public infrastructure and repairing and replacing existing infrastructure owned by the District.

Unassigned Net Position

The District's unassigned net position as of December 31, 2025 totaled ($5,568,836). This deficit amount was a result of the District being responsible for the repayment of general obligation debt issued for public improvements conveyed to the City and the District.

NOTE 8 – INTERGOVERNMENTAL AGREEMENTS

District Facilities Agreement (DFA)

On August 02, 2018 – as amended and restated on November 12, 2018 – the District and District 1 entered into the DFA whereby District 1 would (1) own and operate all public facilities within the District (including the recreation center, pool, sports courts, parks, open spaces, perimeter fencing, and entrance monumentation), (2) provide certain public services (including but not limited to enforcement of the covenants, landscape maintenance and snow removal services to the individual home lots and weekly trash pick-up services) to all property owners within the District and (3) provide all administrative, accounting and legal services necessary for the operation of the District. In exchange, the District agreed to financially support District 1's services by (1) levying the maximum allowed general mill levy under its service plan each year and remit such revenues to District 1 and (2) allow District 1 to levy and collect service fees on all property owners within the District.

The DFA may be terminated by either District upon (1) provision to the other party of a notice one year in advance of the planned termination date and (2) the District paying in full any amounts incurred by District 1 for providing the services under the DFA that District 1 that has not yet been fully offset by service fees and property tax contributions from District 1. Upon termination of the DFA, District 1 shall transfer to the District (1) clean title to all property and facilities located within the District and (2) all service contracts, easements, leases and other obligations related to the necessary operation of such properties and facilities.

Cooperation Agreement

On July 18, 2019, the District entered into a "Cooperation Agreement" with District 1, Banning Lewis Ranch Metro District No 2 ("District 2"), Banning Lewis Ranch Metro District No 3 ("District 3") and Banning Lewis Ranch Metro District No 4 ("District 4") whereby all five districts formed an advisory committee for the purpose of providing advice and recommendations to District 1 regarding District 1's provision of services and management of public facilities located in District 2, District 3, District 4 and the District. District 2, District 3 and District 4 each entered into agreements with District 1 that are similar to the DFA between the District and District 1.

The Cooperation Agreement does not obligate District 1 to follow any of the advice or recommendations provided by this advisory committee.

The District withdrew from the Cooperation Agreement effective as of December 31, 2025.

NOTE 9 – RELATED PARTIES

The owners and developers of the land within the District was Clayton Properties Group II, Inc (CPG2). Beginning in May 2022, none of the directors serving on the Board were affiliated with or employed by CPG2. Between December 2005 and May 2022, all directors serving on the Board were affiliated with or employed by CPG2.

All directors serving on the District 1 Board are employees or otherwise affiliated with CPG2.

In 2025, none of the directors serving on the District's Board reported conflicts of interest regarding their service on the Board.

As of December 31, 2025, one active agreement exists between the District and CPG2 – the AARA as defined in Note 6. The AARA was executed between the District, District 1 and CPG2 in 2018 when CPG2 controlled all directors serving on the District's board and District 1's board.

As of December 31, 2025, one active agreement exists between the District and District 1 – the DFA as defined in Note 8. The DFA was executed between the District and District 1 in 2018 when CPG2 controlled all directors serving on the District's board and District 1's board.

NOTE 10 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution—referred to as the Taxpayer's Bill of Rights (TABOR)—contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 07, 2006, the District's three electors (all of whom were employees or spouses of employees of the Developer) unanimously voted to authorize the District to levy up to $8 million in property taxes annually (exclusive of property taxes levied for debt service) without limitation to rate, to pay the District's operations, maintenance and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

NOTE 12 – SUBSEQUENT EVENTS

On April 16, 2026, the District and District 1 entered into an Interim Management, Accounting and Operations Agreement (IMAOA) which essentially establishes a transition plan that is anticipated to lead towards the effective termination of the DFA (defined in Note 8) as of December 31, 2026. Per the IMAOA, the District will begin providing all services to all property owners within the District and manage and operate all properties and facilities currently owned by District 1 within the District. To fund the provision of these services, the District will retain its general tax revenues and begin assessing, collecting and retaining the monthly services fees previously assessed and collected by District 1 on all District property owners. The IMAOA remains in effect until December 31, 2026 and may be extended once by either party unilaterally for 90 days. The IMAOA does not replace or modify the DFA.

SUPPLEMENTARY INFORMATION

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2025

	Original and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	$ 606,916	$ 606,561	$ (355)
Specific ownership taxes	60,692	58,173	(2,519)
Facility fees	92,000	92,000	-
Other income	25,686	-	(25,686)
Net investment income	50,000	58,563	8,563
Total Revenues	**835,294**	**815,297**	**(19,997)**
EXPENDITURES			
Debt management & compliance	41,790	16,102	25,688
Cash payments on debt			
Interest payments - Series 2018A Bonds	377,488	377,488	-
Interest payments - Series 2018B Bonds	363,781	366,490	(2,709)
Interest payments - Series 2018C Bonds	-	-	-
Principal payments – 2018A Series Bonds	70,000	70,000	-
Principal payments – 2018B Series Bonds	-	-	-
Principal payments – 2018C Series Bonds	-	-	-
Total Expenditures	**853,059**	**830,080**	**22,979**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**(17,765)**	**(14,783)**	**2,982**
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**(17,765)**	**(14,783)**	**2,982**
FUND BALANCE – BEGINNING	**1,241,265**	**1,255,394**	**14,129**
FUND BALANCE – END OF YEAR	**$ 1,223,500**	**$ 1,240,611**	**$ 17,111**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
DEBT SERVICE FUND
DEBT MANAGEMENT & COMPLIANCE EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2025

	Original and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
DEBT MANAGEMENT & COMPLIANCE			
Collection fees – County Treasurer	$ 9,104	$ 9,102	$ 2
Debt covenant compliance and management	-	-	-
Bond paying agent fees	7,000	7,000	-
Miscellaneous	25,686	-	25,686
Total Debt Management & Compliance	**$ 41,790**	**$ 16,102**	**$ 25,688**

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2025

	Original and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Net investment income	$ -	$ -	$ -
Other income	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
General and administrative fees	-	-	-
Capital projects			
Major capital projects	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	-	5,446	5,446
Total Other Financing Sources (Uses)	-	5,446	5,446
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES	-	5,446	5,446
FUND BALANCE – BEGINNING OF YEAR	-	(5,446)	(5,446)
FUND BALANCE – END OF YEAR	$ -	$ -	$ -

These financial statements should be read only in connection with the accompanying notes to the financial statements.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2025

The District's repayment schedule for its Series 2018A Bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2026	$ 90,000	$ 373,463	5.75%	$ 463,463
2027	95,000	368,288	5.75%	463,288
2028	110,000	362,825	5.75%	472,825
2029	115,000	356,500	5.75%	471,500
2030	135,000	349,888	5.75%	484,888
2031	140,000	342,125	5.75%	482,125
2032	160,000	334,075	5.75%	494,075
2033	165,000	324,875	5.75%	489,875
2034	185,000	315,388	5.75%	500,388
2035	200,000	304,750	5.75%	504,750
2036	220,000	293,250	5.75%	513,250
2037	230,000	280,600	5.75%	510,600
2038	255,000	267,375	5.75%	522,375
2039	270,000	252,713	5.75%	522,713
2040	295,000	237,188	5.75%	532,188
2041	315,000	220,225	5.75%	535,225
2042	340,000	202,113	5.75%	542,113
2043	360,000	182,563	5.75%	542,563
2044	395,000	161,863	5.75%	556,863
2045	415,000	139,150	5.75%	554,150
2046	450,000	115,288	5.75%	565,288
2047	475,000	89,413	5.75%	564,413
2048	1,080,000	62,100	5.75%	1,142,100
	$ 6,495,000	**$ 5,936,013**		**$ 12,431,013**

The original amount borrowed under the Series 2018A Bonds was $6,585,000. Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2019	$ 52,650	22.111	33.166	$ 2,900	$ 2,910	100.3%
2020	176,710	22.266	33.398	9,800	9,836	100.4%
2021	3,434,230	22.266	33.398	191,200	191,162	100.0%
2022	6,359,050	22.266	33.398	354,000	353,970	100.0%
2023	11,241,380	21.993	32.989	618,100	618,074	100.0%
2024	13,297,300	23.136	38.617	821,100	821,148	100.0%
2025	15,990,000	23.069	37.956	975,800	975,218	99.9%
2026	17,025,900	24.988	37.482	1,063,600	[TBD]	[TBD]

NOTE A: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

OTHER SUPPLEMENTARY INFORMATION

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5

CHANGE IN TOTAL OVERLAPPING MILL LEVY

December 31, 2025

	2024 Mill Levy *	2025 Mill Levy **	Change
Banning Lewis Ranch Metropolitan District No 5	61.025	62.470	1.445
El Paso County School District #49	45.565	45.649	0.084
Banning Lewis Ranch Regional Metro #1	12.465	12.019	(0.446)
El Paso County	6.985	7.187	0.202
City of Colorado Springs	3.554	3.009	(0.545)
Pikes Peak Library District	3.140	2.938	(0.202)
Southeastern Colorado Water Conservation District	0.747	0.850	0.103
Total Mill Levy	**133.481**	**134.122**	**0.641**

* -- For property tax collections in 2025

** -- For property tax collections in 2026

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO 5

HISTORICAL DEBT RATIOS

December 31, 2025

	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
General Obligation Debt	$ 9,538,000	$ 9,538,000	$ 9,538,000	$ 9,518,000	$ 9,448,000
Accrued, unpaid interest - Debt	850,662	1,113,949	1,434,400	1,629,217	1,509,366
Restricted cash in debt fund	(958,300)	(930,228)	(1,068,108)	(1,244,449)	(1,235,976)
Combined assessed property values within the District	6,359,050	11,241,380	13,297,300	15,990,000	17,025,900
Ratio of debt to assessed property values	148.3%	86.5%	74.5%	61.9%	57.7%

Exhibit 05

FLYNN CPA, LLC
Bill@flynn-cpa.com
(303) 970-9698

September 27, 2026

To the Board of Directors

Banning Lewis Ranch Metropolitan District No. 5

We have audited the financial statements of the governmental activities and each major fund of Banning Lewis Ranch Metropolitan District No. 5 (the District) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 10, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District. are described in Note 1 to the financial statements. GASB 102 was adopted and the application of existing policies was not changed during year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements was:

> Management's estimate of the deferred tax receivable is based on the county's assessed home value and mill levies certificated and the estimated depreciation expense is based on the value and useful life of the asset. We evaluated the methods, assumptions, and data used to develop the deferred tax receivable and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

> The disclosure of long term debt in Note 5 and Note 6 to the financial statements describes the amount of debt held by the District and related future payments.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 27, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the required supplementary information which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the board and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bill Flynn

Flynn CPA, LLC

Exhibit 06

FLYNN CPA, LLC
Bill@flynn-cpa.com
(303) 970-9698

Audit Engagement Letter

September 13, 2026

To the Board of Directors

We are pleased to confirm our understanding of the services we are to provide Banning Lewis Ranch Metropolitan District No. 5 for the year ended December 31, 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Banning Lewis Ranch Metropolitan District No. 5 as of and for the year ended December 31, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Banning Lewis Ranch Metropolitan District No. 5's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Banning Lewis Ranch Metropolitan District No. 5's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis (as applicable)

2) Budgetary comparisons for the General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Banning Lewis Ranch Metropolitan District No. 5's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1) Budgetary comparisons for all major funds other than General Fund

2) Schedule of Debt Service Requirements (as applicable)

3) Summary of Assessed Valuation, Mill levy, and Property Taxes Collected (as applicable)

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. Other significant risks include the approval of invoices by the board of directors or other governing bodies.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Flynn CPA, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an authorized agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Flynn CPA, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to an authorized agency or its designee. The authorized agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Bill Flynn is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately May 2027 and to issue our reports no later than 30 days after receiving all relevant information.

Our fee for services will be $8,500. Our invoices for these fees will be rendered once the audit is issued and is payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of Banning Lewis Ranch Metropolitan District No. 5's financial statements. Our report will be addressed to management and those charged with governance of Banning Lewis Ranch Metropolitan District No. 5. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Banning Lewis Ranch Metropolitan District No. 5 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Flynn CPA, LLC

RESPONSE:

This letter correctly sets forth the understanding of Banning Lewis Ranch Metropolitan District No. 5.

Governance signature: _____
Title: _____
Date: _____

Exhibit 07

Wolfersberger, LLC
Unlocking Neighborhood Wealth

8354 Northfield Blvd
Building G, Suite 3700
Denver, Colorado 80238
Telephone (720) 541-7725
www.wolfersbergerllc.com

October 01, 2026

Members of the Board of Directors
Banning Lewis Ranch Metropolitan District No 5
Colorado Springs, CO 80927

Dear Board Members,

Wolfersberger, LLC ("Wolfersberger" or "we"), a limited liability company organized under the laws of the State of Colorado, is pleased to be appointed as the management company of Banning Lewis Ranch Metropolitan District No 5 (the "District" or "you"), a quasi-municipal corporation and political subdivision of the State of Colorado, beginning January 01, 2027. The purpose of this engagement letter (i.e. "Engagement Letter" or "Agreement") is to confirm our mutual understanding of the specific terms and conditions of our services, which terms and conditions are supplemented by our General Terms and Conditions set out in the **Appendix I** attached to this Engagement Letter. Should there be any conflict between our General Terms and Conditions and the specific terms and conditions set out in this Engagement Letter, the specific terms and conditions of this Engagement Letter shall apply.

I. Agent Authority & Communication

The District hereby grants Wolfersberger the authority and powers necessary to perform the Services (defined in Section II) in the name of the District.

Wolfersberger will take direction only from (a) the District's Board, as defined by proper resolution, (b) the President of the District acting within his/her scope of delegated authority or (c) if the President is absent, the Vice President of the District acting within his/her scope of delegated authority. The District assures Wolfersberger that Board communications between the District and Wolfersberger that occur outside of Board meetings will be coordinated through the President or Treasurer of the District.

II. Scope of Services

The following lists the scope and nature of services (i.e. "Services") that will be provided by Wolfersberger during the term of this Agreement:

Accounts Payable	We will manage the District's accounts payable process. The District is responsible for approving all contracts for services, change orders to such contracts, reimbursement requests and purchase orders and is responsible for providing us with such approved contracts, change orders, reimbursement requests and purchase orders. The District is responsible for reviewing and approving invoices for payment. We are not responsible for the District's loss of early payment discounts or imposition of past due fees due to any failure by the District to review and approve invoices for payment in a timely manner. However, subject to restrictions provided in the next paragraph, we are responsible for ensuring Board-approved invoices are paid in a timely manner. We are responsible for ensuring the District's cash balances are adequate before issuing remittances to vendors and contractors. We will inform the Board if the District's cash balances are (a) insufficient to fund check remittances or (b) below a Board-established minimum threshold. In these situations, we will not issue check remittances until after we receive additional approval from the Board.
Debt Service	We will manage the District's debt payment process and periodic reporting requirements in accordance with the District's debt agreements and state statutory requirements. The District is solely responsible for ensuring it has adequate moneys to fund any debt payments.
Cash Management	We will reconcile the District's cash accounts monthly. We will monitor and, if necessary, address all significant reconciling items.
Annual Budget	We will draft the District's annual budget by October 15th each year and submit it to the Board for review and approval.
Annual Financial Statements	We will prepare, compile and submit supporting documentation to District's CPA to facilitate the audit of the District's annual financial statements.
Periodic Financial Reporting	We will prepare periodic financial reporting packages and submit such report packages to the Board for review and approval. The financial reporting package will consist of the following schedules: • Income statement (with budget to actual comparisons) • Statement of Net Position • Accounts payable ledger • Accounts receivable ledger • Bank statements

Meeting Management & Attendance	The District Manager will attend **up to ten regular and special board meetings** annually. For meetings lasting longer than three hours, we will charge the District at the property manager rate provided in Section IX (Reimbursable Costs) of this Agreement. We do not charge for our employees' travel time to and from board meetings. We will post meeting agendas and notices in accordance with the District's board meeting notice resolutions and pursuant to State statutes. We will draft the minutes for each meeting at which we are in attendance. The District's Board is responsible for reviewing and approving the minutes drafted by us.
Record Management	We will organize and store the District's hard-copy and electronic documents. The District's hard-copy documents will be stored either (1) at a third-party secured document storage facility or (2) in our secured office premises. The District's electronic documents will be stored on a secure third-party server. We will adhere to State statutes and the District's current policy regarding the inspection and copying of District records by district residents and third parties and the maintenance of the District's permanent records. We provide accounting and covenant enforcement services using Caliber software. All accounting transactions processed by our firm are recorded and stored in a database managed by Caliber software.
Website Management	We will maintain the District's website including (1) posting all meeting notices and agendas to the District's website no less than 24 hours in advance of each board meeting, (2) posting annual budgets, annual financial statements, board resolutions, board policies and board meeting minutes to the document library on the District's website.
Contractor Management	We will assist the District in the solicitation and summation of bids for contract work in accordance with State statutes. The District is responsible for reviewing all contractor bids submitted by us and for awarding bids for contract work.

We will manage the contractual relationships between the District and its contractors. Specifically, we will review and process contractor invoices, inform contractors when we are made aware of deficiencies in products, materials or services they provide to the District and periodically perform visual inspections, where applicable, of work performed.

Insurance Management

We will obtain quotes for insurance coverage as directed by the District. The District is responsible for authorizing any changes in insurance carriers, insurance coverage and policy limits.

We will file claims on behalf of the District. However, before we file any claims on any of the District's insurance policies, we will submit to the District such claim requests for review and approval. We will cooperate with the District's insurance carrier and agent(s) in their investigation of any insurance claims. However, any work we perform that exceeds four hours to assist in an investigation is considered a Special Project (as defined in Section VIII of this Agreement).

Governmental Reporting

We will prepare and submit the various periodic reports (including the annual transparency notice, annual service plan report, audited annual financial statements, mill levy certification, etc.) required for the District to comply with the various reporting requirements established by state statutes.

Board Election Management

Our base management fee includes us managing all aspects of the District's elections process if the election is cancelled (i.e. the number of candidates does not exceed the number of director positions subject to election). If more candidates exist than director positions subject to election (i.e. a contested election exists), we will manage the contested election and bill the District for our time in accordance with our Standard Hourly Rates listed in (h) of Section VIII of this contract.

Design Review

We will manage the District's design review process to ensure the Board is fulfilling its responsibilities required by the Declaration document.

Specifically, we will perform the following services:

- Review design request forms submitted by homeowners to ensure information is reasonably complete prior to forwarding such design request forms to the Board (or Design Review Committee) for review and consideration;

- Follow-up with board members (or Design Review Committee members) regarding the status of their review of homeowner design request forms;

- Forward copies of board-signed design request forms to respective homeowners; and

- Scan board-signed design request forms and maintain the District's electronic library of board-signed design request forms.

The responsibility for approval of all design request forms rests solely with the Board (or Design Review Committee).

The District agrees to use Wolfersberger LLC's proprietary online design review system (DRS) for processing all design request forms. All approved and denied design request forms processed through the DRS will be property of the District. The DRS is the sole property of Wolfersberger, LLC. If the District elects to charge homeowners a processing fee(s) for submitting design request forms through the DRS such fees paid through the DRS will be remitted by Wolfersberger, LLC to the District.

Covenant Enforcement

We will manage the Board's covenant enforcement process to ensure the District is fulfilling its responsibilities required by the Declaration document.

Specifically, we will perform the following services:

- Perform a walkthrough inspection of the community **twice per month** throughout the term of this Agreement;

- Evaluate home lots in accordance with (a) the District declaration document and (b) the District-authorized Design Guidelines and identify covenant violations;

- In accordance with the District's covenant enforcement policies, send violation letters to the owners/residents of home lots with identified violations and, if necessary, levy fines in accordance with the District's policies against such home lots; and

- Prepare and submit periodic covenant enforcement reports to the Board for review.

Inspection walkthroughs may be performed by contractors of Wolfersberger, LLC. Contractors' work will be reviewed and monitored by a Wolfersberger, LLC manager assigned to the District.

A walkthrough inspection is considered completed if Wolfersberger, LLC or its contractors physically inspect each home lot within the scope of this Agreement. Differences of opinion between Wolfersberger, LLC and the District regarding the existence of violations on individual home lots is not considered a failure to complete a walkthrough inspection. Each walkthrough inspection may be performed in a single day or over multiple days.

The Board: (Check One)

Authorizes	☐
Does NOT authorize	☐

Wolfersberger, LLC to follow the direction received from any individual Board member(s) to record and issue violation notices on any properties identified by such Board member(s).

III. Financial Statement Preparation

You have requested that we prepare the annual basic financial statements of the District beginning with the year ended December 31, 2026 and the related notes to the financial statements and accompanying supplemental information. In addition, you have requested we prepare periodic financial statements which will comprise the statement of net position and the related statement of revenue, expenses. The periodic financial statements will not include (1) any other financial statements or supplemental schedules included in the basic annual financial statements and (2) related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this engagement to prepare the annual and periodic financial statements of the District by means of this Agreement.

Our Responsibilities

The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the periodic or annual financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

The Board's Responsibilities

The engagement to be performed is conducted on the basis that the Board acknowledges and understands that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The Board has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare the District's financial statements in accordance with SSARSs:

a) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements;

b) The prevention and detection of fraud;

c) To ensure that the entity complies with the laws and regulations applicable to its activities;

d) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements;

e) To provide us with:

i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and
iii. Unrestricted access to persons within the District of whom we determine necessary to communicate.

The periodic financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them. Regarding the annual financial statements, we will issue an accountant's report that will state the annual financial statements were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

IV. Work Authorization

The District authorizes Wolfersberger to incur expenses that are (a) less than $300 and (b) consistent with the District's budget. Such expenses may be incurred by Wolfersberger without approval of the Board. Emergency repairs may be authorized by Wolfersberger on behalf of the District regardless of cost. Emergency repairs are those repairs which, if not immediately undertaken, may (a) result in substantial further costs or losses to District property or (b) immediately threaten the health or safety of any person.

V. Bank Accounts

The District shall maintain its checking account with a bank to be designated by us that complies with State statutory requirements. All bank accounts of the District shall be maintained in the name of the

District and at least one checking account and one savings account shall be authorized by you for securing and maintaining the District's cash assets.

You shall include at least two officers of the District as authorized signors on the District's cash accounts. We will not be check signors on any District accounts. All bank accounts will be established in a manner requiring at least two signatures for any check disbursement and cash transfer (excluding any regular automated payments identified in this Engagement Letter).

VI. Binding Obligation

This Agreement is for the benefit of the parties named hereunder and constitutes a binding obligation upon such parties and their respective administrators, successors and assigns.

VII. Insurance

We represent, warrant, and agree that we have and shall maintain workers compensation insurance coverage in amounts required by law for our employees, if any. We shall also maintain broad form general liability and error and omissions insurance in the minimum amount of $1,000,000 per single occurrence and $1,000,000 in the aggregate and cyber liability insurance in the minimum amount of $1,000,000 per single occurrence and $1,000,000 in the aggregate. We shall provide the District with a certificate of insurance evidencing such coverage and listing the District as an additional insured prior to the effective date of this Agreement.

VIII. Reimbursable Costs

The following is a list of Reimbursable Costs we will likely incur in the performance of our Services (defined in Section I of this Services Contract) that are reimbursable to us from the District:

a) Newsletters – Printing, assembling and mailing one 4-page newsletter to one address via USPS first class mail (Cost = $2.50 black and white newsletter; $5.25 color newsletter).

b) Check and Invoice Processing: Costs charged by AvidExchange for online invoice and check processing is $25/month and will be passed on to the District.

c) Postal Mailings – The time to prepare and deliver statements/letters/notices to homeowners regarding past due accounts, covenant violations and design request form applications are included in the Base Service Fee. However, material costs related to such mailings are reimbursable to us. Violation notices (non-certified) will be mailed out at a cost of $1.55 per letter and collection notices (non-certified) will be mailed out at a cost of $1.55 per letter.

d) Color Copies/Printings - $1.35 per page.

e) Certified Mailings – Printing, mailing and tracking a certified notice/letter to one address (Cost = $16.00/certified letter)

f) Statutory Liens – The fee for preparing, notarizing and filing with the county clerk and recorder's office a lien on a home lot within the District is $250, and the fee is $100 for filing a lien release.

g) Observation of Members' Inspections of District Records – Copies and any observation time (based on our Standard Hourly Rate) incurred by us to satisfy open record requests submitted by individuals to inspect and copy District records. [Note: We will observe a requestor's inspection of District records, unless we receive a request (in writing) from the District (a) requesting us to not observe a requestor's inspection of District records and (b) indicating the District assumes responsibility and liability for any mishandling, damage, destruction or misuse caused by a requestor's inspection of District records.]

h) Court Appearance & Preparation Time – If requested by the District's Board or the District's attorneys, we will attend court on behalf of the District regarding property account delinquencies, covenant enforcement issues, property owner design review requests, and any other District litigation matters. Also, we will (a) attend meetings with the District's attorney, (b) attend meetings with the District's Board, (c) attend depositions in preparation for court appearances, (d) be deposed by opposing counsel, (e) compile documents and perform research at the direction of the Board and/or the Board's general counsel and/or Board's litigation counsel and (f) perform any related functions directly related to supporting such District legal matters. We will bill for our time related to all such matters at our Standard Hourly Rates. We will not charge for travel time to and from court or the attorney's offices as long as such destinations are not more than 35 miles from the District's neighborhood. Time required by us to prepare for and perform administrative functions related to any court appearance will also be billed to the District at our Standard Hourly Rate. We may over the course of the related legal matter submit progress billings for such time incurred, or we may submit billings for such time after the conclusion of the related legal matter.

i) Extra Meetings / Meeting Overtime – Time required to attend extra Board meetings (not included in our Scope of Services (see Section II)) and attendance at meetings within the Scope of Services that exceed two hours will be billed to the District at our Standard Hourly Rate.

j) Special Projects – Time required to perform Board-requested tasks outside the scope of this Service Contract will be billed at our Standard Hourly Rate.

Our Standard Hourly Rates are as follows:

- Principals and managers: $160/hr to $360/hr
- District and accounting managers: $90/hr to $135/hr
- Inspection managers and assistant managers: $70/hr to $90/hr
- Assistant district and accounting managers: $65/hr to $90/hr
- Administrative Staff: $45/hr to $60/hr

Unless otherwise agreed to in writing between Wolfersberger and the Board, the Board is not required to prepay us for any Reimbursable Costs we expect to incur but have not yet incurred. We will submit reimbursement requests to the Board no more frequently than monthly.

IX. Other Reimbursable Costs

The following is a list of Other Reimbursable Costs we will likely incur in the performance of our Services (defined in Section I of this Services Contract) that are reimbursable to us from the seller/buyer of Member lots:

a) Status Letter (Fee = $175) – Preparing and sending a written response to realtors, mortgage companies and/or title companies regarding Member lots in the process of being refinanced or sold. We process all status letters through a third-party website (www.homewisedocs.com). We may charge buyers/sellers an additional fee for "rush" service requests and for requests to update expired status letters.

b) New Account Setup Fee (Fee = $250) – We charge a new account setup fee to each new home buyer. The fee covers certain software license fees plus the cost of our time required to (1) set up the new homeowner account information in our system, (2) work with the title company and real estate agents and (3) responding to new homeowner inquiries regarding the District and the rules, regulations and guidelines applicable to the neighborhood.

X. Service Fee Schedule

Services Lines	Pricing	
	Per Month	Annually
Accounting services	$ 4,133	$ 49,600
General management services	6,642	79,700
Billing Services	2,583	31,000
Covenant enforcement services (585 lots total)	1,575	18,900
Design review management services	392	4,700
Total Pricing (Monthly / Annually)**	$ 15,325	$ 183,900

** - Note: Beginning January 01, 2028, pricing will be adjusted annually on January 1st at a rate equal to the change in the Consumer Price Index for the Denver-Aurora-Lakewood area (as published by the United States Bureau of Labor Statistics) for the 12-month period ended September 30th.

XI. Payment Terms

The Base Service Fee is invoiced in advance on odd-numbered months (January, March, May, July, September, and November) and payments are due on the first day of the billing month. Reimbursable Costs are due and payable upon submission of the related reimbursement requests to the District.

XII. Contract Ratification

Executed on behalf of Wolfersberger, LLC

Signature: 

Name (Please Print): Charles R. Wolfersberger

Title: President

Executed on behalf of Banning Lewis Ranch Metropolitan District No 5

Signature: _____

Name (Please Print): Steve Langer

Title: President

Appendix I
General Terms and Conditions

These General Terms and Conditions apply to the delivery of services by Wolfersberger, LLC to a client pursuant to a letter enclosing these General Terms and Conditions and recording the engagement ("the Engagement Letter").

Definitions

The meanings of the following words and phrases which are widely used in these General Terms and Conditions shall be set out below:

Services – the services to be provided by us under the Engagement Letter.

Wolfersberger, LLC, us or we – the Wolfersberger, LLC contracting party as identified in the Engagement Letter.

The District or you – the addressee of the Engagement Letter.

Services Contract – these General Terms and Conditions and the Engagement Letter, together with any documents or other terms applicable to the Services ("Additional Terms") to which specific contractual reference is made in the Engagement Letter.

Wolfersberger Persons – the Wolfersberger, LLC contracting party together with each and all of our employees, owners and agents. "Wolfersberger Person" shall mean any one of them.

Other Beneficiaries – any and each person or organization identified in the Engagement Letter (other than you) as a beneficiary of the Services or any product thereof.

These definitions shall apply wherever these words and phrases are used in the Services Contract.

Our services and responsibilities

1. The Engagement Letter shall set out the Services to be delivered by us and associated matters. These General Terms and Conditions shall be subject to variation if required in the Engagement Letter.

2. The Services shall be delivered with reasonable skill and care.

3. Where individuals to be involved in delivering the Services are named in the Engagement Letter, we shall use reasonable endeavors to ensure that they are so involved. We may substitute those identified for others of equal or similar skills but we shall consult you before doing so.

4. For the purposes of marketing or publicizing or selling our services we may wish to disclose that we have performed work (including the Services) for you, in which event we may identify you by your name and we may indicate only the general nature or category of such work (or of the Services) and any details which have properly entered the public domain.

5. The Services shall be delivered on the basis that you shall not quote our name or reproduce our logo in any form or medium without our prior written consent.

Your Responsibilities

6. Notwithstanding our duties and responsibilities in relation to the Services, you shall retain responsibility and accountability for

    a. Monitoring the Services provided by Wolfersberger, LLC;

    b. Authorizing policies governing the operations and affairs of the District;

    c. deciding on your use of, choosing what you wish to rely on and implementing advice or recommendations or other products of the Services supplied by us;

    d. making any decision affecting (i) the Services, (ii) any product of the Services, (iii) your interests or (iv) your affairs; and

    e. the delivery, achievement or realization of any benefits directly or indirectly related to the Services which require implementation by you.

7. Without our prior written consent, you shall not, directly or indirectly, solicit the employment of any of our employees (a) while we provide services to you or (b) for a period of 12 months

following termination or expiration of the Services Contract.

Independent Contractor and Registered Agent

8. The Services performed by Wolfersberger LLC under the Services Contract will be performed in the capacity of an independent contractor. Nothing in the Services Contract shall be construed as creating an employee/employer relationship between the District and Wolfersberger Persons.

9. Wolfersberger LLC is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Neither Wolfersberger LLC nor its employees, if any, are entitled to workers' compensation benefits for the performance of the services specified in this Agreement.

10. Except for the Services Contract, we shall not be a party to any contracts entered into by the District even though we may be identified as the District's registered agent in such contracts.

Normal Work Hours

11. Normal work hours are defined as 8:30am to 5:30pm Monday through Friday excluding the following observed holidays:

    a. New Year's Day (January 1st)
    b. President's Day (3rd Monday in February)
    c. Memorial Day (Last Monday in May)
    d. Independence Day (July 4th)
    e. Labor Day (First Monday in September)
    f. Thanksgiving (4th Thursday in November)
    g. The day after Thanksgiving
    h. Christmas (December 25th)

    If an observed holiday falls on a Saturday, the Friday before is observed. If an observed holiday falls on a Sunday, the following Monday is observed.

Limitation on the Collection Services We Provide

12. We are not a debt collector or collection agency as those terms are defined by the Colorado or Federal Fair Debt Collection Practices Statutes. We are not required to take any actions which would qualify us as a debt collector or collections agency as defined therein.

Limitation on Covenant Enforcement Services We Provide

13. Regardless of the Board's covenant enforcement policy (or any future amendments thereto), the Board shall not require us to solicit homeowners/residents to comply with covenants via phone calls or personal visits to homeowners' homes. We will also not trespass on private property, knowingly take action that is contrary to law or take action that may endanger our employees or contractors.

General Disclaimers

14. Wolfersberger Persons may provide the District with certain information and general advice that it may use or otherwise consider in making decisions regarding the adequacy of its insurance coverage. However, Wolfersberger Persons are not experts in insurance interpretation. The Board should consult with its insurance agent or attorney regarding interpretations of its insurance policies and adequacy of insurance coverage.

15. Wolfersberger, LLC is not a law firm, and the Wolfersberger Persons are not acting as your attorney. While certain information Wolfersberger Persons may provide to the District may deal with legal issues, it does not constitute legal advice. Any information or advice Wolfersberger Persons provide regarding legal matters cannot substitute for the advice of a licensed attorney—a competent authority with specialized knowledge who can apply it to the particular circumstances of your case.

16. We cannot provide assurance that any covenant enforcement issue will be resolved since all Services provided are administrative in nature.

17. Although we may make recommendations to the Board regarding contractors and/or contractor bids received, we cannot guarantee the performance or quality of work of any contractor.

18. Although we may perform visual inspections of contractors' work, we are neither acting as superintendent for any contractor nor overseeing contractors' actual performance of day-to-day work. We are also unable to exercise control over contractors' performance of their work other than informing them of areas of non-performance and making recommendations to the Board. We are not an "on-site" representative of the District.

19. If applicable, we cannot provide any assurance that any Consolidation Plan which we may help the Board to develop will ultimately be successful. In evaluating, developing and executing any Consolidation Plan, the District is solely responsible for assuming any legal costs incurred to consult with its legal counsel. We may consult with legal counsel on your behalf but it will not do so prior to obtaining your approval.

20. Any advice, opinion, statement of expectation, forecast or recommendation supplied by us as part of the Services shall not amount to any form of guarantee that we have determined or predicted future events or circumstances.

Limitation on Website Management Services We Provide

21. The Colorado Anti-Discrimination Act ("CADA"), as set forth in Title 34, Article 34, Parts 3 through 8 of the Colorado Revised Statutes provides that it is unlawful to discriminate against an individual with a disability as that term is defined in Section 24-34-301(7), C.R.S. The Colorado legislature, through House Bill 21-1110 and subsequently amended by Senate Bill 23-244 (the "Technology Accessibility Bills"), amended CADA to include certain provisions regarding website accessibility for individuals with disabilities. The Technology Accessibility Bills, require the Colorado Office of Information Technology (the "OIT") to establish rules regarding information technology systems accessibility standards for individuals with disabilities. OIT has adopted Rules Establishing Technology Accessibility Standards as contained in 8 CCR § 1501-11, et seq., (the "Accessibility Rules") requiring all public entities and state agencies, as such terms are defined in the Accessibility Rules, to comply with the Accessibility Rules. The Accessibility Rules require the District to ensure its website is compliant with OIT Technical Standards.

22. We will perform our best efforts to maintain the District's website in compliance with OIT Technical Standards. However, we do not guarantee the District's website will comply in all respects with OIT Technical Standards. Any fines, penalties or legal costs incurred by the District related to failure of the District's website to comply with OIT Technical Standards shall be borne solely by the District.

Ownership

23. You shall acquire ownership of any product of the Services in its tangible form on payment of our Charges for any such product. For the purposes of delivering services to you or other clients, we and other Wolfersberger Persons shall be entitled to use, develop or share with each other knowledge, experience and skills of general application gained through performing the Services.

24. All documents such as reports, plans, drawings and contract specifications, information, and other materials prepared or furnished by us (or our independent professional associates, subcontractors, and consultants) and paid for pursuant to this Agreement are instruments of public information and property of the District. All internal documents which support the public information such as field data, field notes, laboratory test data, calculations, estimates and other documents prepared by us as instruments of service shall be provided to the District. The District understands such documents are not intended or represented to be suitable for reuse by the District or others for purposes outside the specific scope and conditions of the Agreement. Any reuse without written verification or adaptation by us for the specific purpose intended will be at the District's sole risk and without liability or legal exposure to us, or to our independent professional associates, subcontractors, or consultants.

    This clause shall survive the expiration of the Services Contract.

Our Charges

25. We shall render invoices in respect of the Services comprising monthly management fees and Reimbursable Costs ("our Charges"). Details of our Charges and any special payment terms shall be set out in the Engagement Letter. Our monthly management fee is based on the degree of responsibility of our owners, employees or contractors, as the case may be, involved in delivering the Services, their skill and time spent by them in performing them and the nature and complexity of them. Reimbursable Costs are defined in the Engagement Letter. Our Charges may differ from estimates or quotations that may

have been supplied, which shall be provisional only.

26. In return for the delivery of the Services by us, you shall pay our Charges (without any right of set-off) on presentation of our invoice or at such other time as may be specified in the Engagement Letter. If the Services Contract is terminated or suspended, we shall be entitled to payment for Reimbursable Costs incurred to that time and to payment of management fees for services provided to that time. If the termination date occurs before the last day of the month, our monthly management fee in the last month of service shall be prorated based on a 30-day month.

Information

27. To enable us to perform the Services, you shall ensure all information and all access to documentation in your possession and in possession of your former management company is provided to us in a timely manner. You shall inform us of any information or developments which may come to your notice and which might have a bearing on the Services.

28. We may rely on any instructions or requests made or notices given or information supplied, whether orally or in writing, by any person whom we may know to be or reasonably believe to be authorized by you to communicate with us for such purposes. We may communicate with you by electronic mail for any communications. Both parties agree that any electronic mail communications will be subject to appropriate internet security practice which will be agreed between us.

29. We may receive information from you or from other sources in the course of delivering the Services.

    To the fullest extent permitted by law, we shall not be liable to you for any loss or damage suffered by you arising from fraud, misrepresentation, withholding of information material to the Services or other default relating to such material information, whether on your part or that of the other information sources, unless such fraud, misrepresentation, withholding or such other default is evident to us without further inquiry.

Knowledge and Conflicts

30. In this clause the following definitions shall apply:

    a. "the Service Team" shall mean, collectively or individually, Wolfersberger Persons who is or are involved in delivering the Services,

    b. "Colleagues" or "a Colleague" shall mean, collectively or individually, Wolfersberger Persons who are not members of the Service Team.

    c. The Service Team shall not be required expected or deemed to have knowledge of any information known to Colleagues which is not known to the Service Team or be required to obtain such information from Colleagues.

    d. The Service Team shall not be required to make use of or to disclose to you any information, whether known to them personally or known to Colleagues, which is confidential to another client.

31. We or other Wolfersberger Persons may be approached to advise another party or parties who are in dispute with you, or to advise or represent the interests of a party or parties whose interest are opposed to yours though their material concern in matters to which the Services are specifically and directly related ("Adversarial Conflicts"). We see and shall continue to seek to identity Adversarial Conflicts. If you know or become aware of any which may arise, you shall inform us promptly. We shall not accept an engagement which we are aware gives rise to an Adversarial Conflict. We shall advise you of all circumstances identified by us where we believe there may be an Adversarial Conflict to the extent consistent with our obligations of confidentiality to third parties.

32. Where a party has engaged us to advise it, we or you may consider that your interests are likely to be prejudiced and we or you may not be satisfied that the situation can be managed. In that event, either of us shall be entitled to terminate the Services Contract on notice taking effect immediately on delivery but that party shall consult the other before doing so.

Confidentiality

33. If you are involved in litigation and require us to provide any services in direct support of such litigation, you agree that all communications between you (collectively and individually) and opposing parties to such litigation shall occur only through the District's general counsel or litigation counsel.

34. You agree to protect as confidential for a period of not less than 7 years after final resolution of any legal matter (a) all communications between us and you and/or your legal/litigation counsel that is subject to attorney/client privileged protections and (b) all work product (e.g. memos, spreadsheets, presentations, recordings, etc) created by us in support of any legal or litigation matters of the District. Such requirement shall survive expiration of the Services Contract.

The Services Contract

35. The Services Contract sets out the entire agreement and understanding between us in connection with the Services and supersedes any prior agreements, understandings, agreements, statements or representations (unless made fraudulently) relating to the Services. Any modifications or variations to the Services Contract must be in writing and signed by an authorized representative of each of us. In the event of any inconsistency between the Engagement Letter and any other elements of the Services Contract, the Engagement Letter shall prevail. In the event of any inconsistency between these General Terms and Conditions and Additional Terms that may apply, the Additional Terms shall prevail. Nothing in the Services Contract shall operate to exclude any liability which we would otherwise have to you in respect of any statements made by us fraudulently prior to the date of the Services Contract.

Third Party Rights

36. The Services Contract shall not create or give rise to, nor shall it be intended to create or give rise to, any third party rights. No third party shall have any right to enforce or rely on any provision of the Services Contract which does or may confer any right or benefit on any third party, directly or indirectly, expressly or impliedly. The application of any legislation giving to or conferring on third parties contractual or other rights in connection with the Services Contract shall be excluded. No Wolfersberger Person shall be deemed to be a third party for the purposes of this clause.

Circumstances beyond your or our control

37. Neither of us shall be in breach of our contractual obligations nor shall either of us incur any liability to the other if we or you are unable to comply with the Services Contract as a result of any cause beyond our or your reasonable control. In the event of any such occurrence affecting one of us, that one shall be obliged as soon as reasonably practicable to notify the other, who shall have the option of suspending or terminating the operation of the Services Contract on notice taking effect immediately on delivery.

Waiver, assignment and sub-contractors

38. Failure by any one of us to exercise or enforce any rights available to us shall not amount to a waiver of any rights available to either of us.

39. Neither of us shall have the right to assign the benefit (or transfer the burden) of the Services Contract to another party without the written consent of the other of us.

40. We shall have the right to appoint sub-contractors to assist us in delivering the Services but where any such sub-contractors are not Wolfersberger Persons we shall consult you before doing so. Where we appoint sub-contractors under this clause, for all purposes in connection with the Services Contract their work shall be deemed to be part of the Services.

Exclusions and limitations on our liability

41. In the particular circumstances of the Services set out in the Engagement Letter, the liability to you and to Other Beneficiaries of each and all Wolfersberger Persons in contract or tort or under state or otherwise for any indirect or consequential economic loss or damage (including loss of income) suffered by you (or by any such other party) arising from or in connection with the Services, however the indirect or consequential economic loss or damage is caused, including our negligence but

not our fraud or other deliberate breach of duty, shall be excluded.

42. Our liability in connection with the Services shall be limited in accordance with this clause.

    a. In the particular circumstances of the Services set out in the Engagement Letter and subject to clause 43 and clause 44 below,

        i. the aggregate liability to you and to Other Beneficiaries of each and all Wolfersberger Persons,

        ii. in contract or tort or under statute or otherwise,

        iii. for any direct loss or damage suffered by you (or by any such other party) arising from or in connection with the Services,

        iv. however the direct loss or damage is caused, including our negligence but not our fraud or other deliberate breach of duty,

        shall be limited to the amount specified in the Engagement Letter.

    b. Where there is more than one beneficiary of the Services ("Beneficiary") the limitation on our liability agreed under this clause to each Beneficiary shall be apportioned by them amongst them. No Beneficiary shall dispute or challenge the validity, enforceability or operation of this clause on the ground that no such apportionment has been so agreed or on the ground that the agreed share of the limitation amount apportioned to any Beneficiary is unreasonably low. In this clause, "Beneficiary" shall include you and Other Beneficiaries.

43. Subject always to the aggregate limitation on our liability in clause 42 above, the following provisions shall govern the extent of our liability to you and to any Other Beneficiaries:

    a. The liability of Wolfersberger Persons shall be limited to that proportion of the total loss or damage, after taking into account your contributory negligence (if any) or the contributory negligence (if any) of any Other Beneficiaries, which is just and equitable having regard to the extent of the responsibility of Wolfersberger Persons for the loss or damage concerned ("the Wolfersberger Proportion") and the extent of responsibility of any other party also liable or potentially liable to you or to Other Beneficiaries in respect of the same loss or damage ("Another Liable Party").

    b. For the purposes of determining the Wolfersberger Proportion,

        i. no account shall be taken of Another Liable Party having ceased to exist, having ceased to be liable, having had imposed an agreed limit on its liability or being impecunious or for other reasons unable to pay; and

        ii. in any relevant court proceedings brought against us by you or Other Beneficiaries ("the Claimant'), on request by us, the Claimant shall join Another Liable Party to any such proceedings against us, unless doing so is prohibited by law and on the basis that, provided the court determines the conduct of the Claimant has been reasonable both before the proceedings and during them, we shall not resist an application to the court by the Claimant that we (rather than the Claimant) should bear the reasonable costs awarded (if any) against the Claimant in respect of any such joiner of Another Liable Party to proceedings.

    c. Where despite the provisions of this clause 43 the extent of the Wolfersberger Proportion is not determined, the question shall be referred on request to an expert, to be appointed by agreement, who shall act as an expert and not as an arbitrator and whose decision on the Wolfersberger Proportion shall be final and enforceable in satisfaction of any prior judgment.

44. We accept the benefit of the limitations in clause 42 and clause 43 above on our own behalf and as agent and trustee for each and all other Wolfersberger Persons who may be or might have been involved in delivering the Services. Any clauses in these General Terms and Conditions operating or which may operate to exclude or

limit our liability in any respects shall not operate to exclude or limit any liability which cannot lawfully be excluded or limited.

45. This clause shall apply to claims arising from or under the Services Contract.

    a. You and Other Beneficiaries shall not bring any claim against any Wolfersberger Person other than the Wolfersberger contracting party in respect of loss or damage suffered by you or by Other Beneficiaries arising out of or in connection with the Services. This restriction shall not operate to limit or exclude the liability of the Wolfersberger contracting party as a company for the acts or omissions of any other Wolfersberger Person.

    b. Any claim from you or Other Beneficiaries in respect of loss or damage suffered as a result of, arising from or in connection with the Services Contract, whether in contract or tort or under statute or otherwise, must be made

        i. where Services have been delivered, within four years of the date on which the work giving rise to the claim was performed

        ii. if the Services Contract has been terminated, within four years of the date of termination

    and in any of these cases that shall be the date when the earliest cause of action (in contract or tort or under statute or otherwise) shall be deemed to have accrued in respect of the relevant claim. For the purposes of this clause a claim shall be made when court or other dispute resolution proceedings are commenced.

Third Parties

46. If you breach any of your obligations under the Services Contract and there is any claim made or threatened against us by a third party, you shall compensate us and reimburse us for and protect us against any loss, damage, expense or liability incurred by us which results from or arises from or is connected with any such breach and any such claim. If any payment is made by you under this clause you shall not seek recovery of that payment from us at any time. In this clause "us" shall include all Wolfersberger Persons and "you" shall include Other Beneficiaries.

Termination

47. Each of us can terminate the Services Contract or suspend its operation by giving 60 days' prior notice in writing to the other at any time.

48. The Services Contract is terminable without penalty to the District or to Wolfersberger, LLC.

49. We shall have the right to cancel the Services Contract at any time by giving fifteen (15) days' notice in the event any of the following conditions apply:

    a. The Board breaches a material term of the Services Contract; or

    b. The Board actions, lack of action or position fails to comply with or is in violation of any requirement of any constitutional provision, statute, ordinance, law, or regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction over it, and we, in our sole and absolute discretion, consider the District's action, lack of action or position with respect thereto may result in damage or liability to us.

50. The Board shall have the right to cancel the Services Contract at any time by giving fifteen (15) days' notice in the event that we:

    a. do not substantially comply with the Services Contract;

    b. breach a material term of the Services Contract;

    c. act in a way that causes undue or extreme financial liability to befall the District; or

    d. act in a way that exposes the District to legal liability.

51. Upon termination of or withdrawal from this Agreement by either party, the District shall assume the obligations of any contract or outstanding bill executed by us under this Services Contract for and on behalf of the District and responsibility for payment of all unpaid bills.

52. Termination or suspension under this section shall be without prejudice to any rights that may have accrued for either of us before termination or suspension and all sums due to us shall become payable in full when termination or suspension takes effect.

53. The following clauses of these General Terms and Conditions shall survive expiry or termination of the Services Contract: clauses 6, 7, 24, 29, 31, 32, 34, 35, 36, 38, 39, 41, 42, 43, 44, 45, 46, 52, 54, 55, 56, 57, 58, 60, 61, 62, 63, 64.

Acceptance not Waiver

54. The District's approval or acceptance of, or payment for, any of the services shall not be construed to operate as a waiver of any rights or benefits provided to the District under this Services Contract.

Default

55. Each and every term and condition hereof shall be deemed to be a material element of this Services Contract. In the event either party should fail or refuse to perform according to the terms of this Service Contract, such party may be declared in default.

Remedies

56. In the event a party declares a default by the other party, such defaulting party shall be allowed a period of ten (10) business days within which to cure said default. In the event the default remains uncorrected, the party declaring default may elect to (a) terminate the Services Contract and seek damages; (b) treat the Services Contract as continuing and require specific performance; or (c) avail itself of any other remedy at law or equity. If the non-defaulting party commences legal or equitable actions against the defaulting party, the defaulting party shall be liable to the non-defaulting party for the non-defaulting party's reasonable attorney fees and costs incurred because of the default.

Notices

57. Any notice to you or us delivered under the Services Contract shall be in writing and delivered by either (a) regular mail to our address appearing in the Engagement Letter or (b) email to our respective emails appearing in the Engagement Letter. Notices delivered by regular mail shall be deemed to have arrived on the second business day following the date of posting. Notices delivered via email (a) after 5pm on Regular Business Days or (b) on days other than Regular Business Days (e.g. weekends, holidays) shall be deemed to have been received on the next Regular Business Day.

Time is of the Essence

58. All times stated in this Services Contract are of the essence.

Annual Appropriation

59. The District's obligations hereunder are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations shall be made in the sole discretion of the District's Board.

Severability

60. Each clause or term of the Services Contract constitutes a separate and independent provision. If any of the provisions of the Services Contract are judged by any court or authority of competent jurisdiction to be void or unenforceable, the remaining provisions shall continue in full force and effect.

Capacity

61. You agree to and accept the provisions of the Services Contract on your own behalf and as agent for Other Beneficiaries. You shall procure in such circumstances that any Other Beneficiaries shall act on the basis that they are a party to the Services Contract, as if they had each signed a copy of the Engagement Letter and agree to be bound by it. However, the District alone shall be responsible for payment of our charges.

62. We accept your agreement to and acceptance of the terms of the Services Contract on our own behalf and as agent and trustee for each and all other Wolfersberger Persons.

Law and jurisdiction

63. The Services Contract shall be subject to and governed by the Colorado Revised Statutes and all disputes arising from or under the Services

Contract shall be subject to the jurisdiction of the Colorado courts.

Complaints

64. If at any time you would like to discuss with us how the Services can be improved or if you have a complaint about them, you are invited to contact Charles Wolfersberger, owner of Wolfersberger, LLC.

Exhibit 08

From: Deft Pest Solutions
To: Annemarie Nelson
Subject: Deft Pest Solutions agreement
Date: Tuesday, October 13, 2026 2:48:48 PM

View Your Account: Customer Portal
Account Number: 20012

Deft Pest Solutions
scheduling@deftpest.com
(719) 375-2576

Deft Pest Solutions agreement

Hi Banning Lewis Metro District 5,
Hello **Banning Lewis Metro District 5**,

Here is the agreement you requested. Attached you will find your service agreement. Please look over it, confirm information is accurate and sign it. The agreement will automatically upload on our end. If you have any questions please give us a call at (719) 375-2576.

Thank you,

Click here to view document.

Phoebe
scheduling@deftpest.com
(719) 375-2576

Exhibit 09

WM Affiliate("WM")
222 S Mill Ave STE 301
Tempe AZ 85281
FCHOA@wm.com

WM Agreement #	**62E-15887**
Customer Acct #	**000345807493009**
Acct. Name	**Banning Lewis Ranch Metro Dist 5**
Salesperson	**BEN HOLLAND**

Homeowner Association Service Agreement

Homeowner Association Information

Association Name:	Banning Lewis Ranch Metro Dist 5	Contact Name	Annmarie Tucker
Association Total Unit Count:	585	Telephone #	(719) 284-7242 719) 635-0300
Street Address:	121 S Tejon St	Email:	atucker@wolfersbergerllc.com
City State Zip:	Colo Spgs, CO 80903	Billing Method	WM bills Association
County	El Paso		

Term Information

Effective Date	11/2/2026
Term Length	Initial Term is 24 months from the Effective Date. After the Initial Term, this Agreement shall automatically renew thereafter for additional successive terms of 12 months (each, a "Renewal Term"), unless terminated as set forth in Section 7 of the Terms and Conditions.

Equipment & Service Summary

Material Stream	Cart Size	Collection Frequency	Total Unit Count[1]	Monthly Rate[2&3] (per Unit)
Waste Materials	96 gallon	Weekly	585	$13.25
Recyclables	96 gallon	Every Other Week	585	INCLUDED
				$0.00

Schedule of Supplemental Charges [3]

Valet/Walk-up Service (per month)	WM STANDARD	Container Exchange (per cart)	WM STANDARD
Overage (per incident)	WM STANDARD	Cart Removal (per cart)	WM STANDARD
Contamination (per incident)	WM STANDARD	Additional Cart (per cart)	5.00
Hard to Service (per unit)	WM STANDARD	Administrative Fee [4]	WM STANDARD
Delivery Charge (per cart)	WM STANDARD		

Special Program Instruction/Comments

-WM is exclusive hauler for all homes in the community. All items must be inside WM carts with lid closed for service. WM carts provided for use during service; (1) 96 gallon trash, (1) 96 gallon recycle included per household. 1 Additional Cart 5.00. BLR allowed TWO 30 YD Roll offfs for community clean up at no additional charge. HOA must contact WM to coordinate dates for rolloff with minimum two week advance notice. HOA will be responsible to notify residents of rolloff dates and acceptable items.Terms are for 24 months. WM offers convenient collection of bulk items for a charge. Acceptable items are collected on your usual collection day by appointment. For the safety of our drivers, we ask that all items must be under 50 lbs. in weight, or taken apart into sections under that limit.Price lock for 1st year. No more than 4% for year 2.

[1] Total unit count subject to change monthly based on new unit builds.
[2] The above listed monthly rates are for recurring regularly scheduled services only. Charges for all additional services will be at rates specified in the Schedule of Supplemental Charges.
[3] **The monthly rate and supplemental fees do not include, and are subject to, an Energy Surcharge.** Information about the Energy Surcharge can be found at www.wm.com/billhelp. State & Local taxes, and/or fees and a Recycle Material Offset, if applicable, will also be added to the Charges.
[4] An Administrative Fee will be assessed per invoice and can be removed by enrolling in paperless statements and automated payments.
This Agreement does not provide for a fixed price during the Contract Term. Unless specifically provided otherwise herein, Association should expect WM to increase Charges as allowed by Section 8(b) and to seek other price increases subject to Association's consent under Section 8(c) of this Agreement. Consent to price increases may be given orally, in writing, or by notice and Association's payment of, or failure to object to, the price increase.

This Homeowner Association Service Agreement ("Agreement") is made as of the Effective Date shown above by and between the Waste Management Affiliate identified immediately below ("WM") and Association named below. The individuals signing on behalf of WM and Association each acknowledge that he/she/they has read and understands the following terms and conditions, which are hereby incorporated into this Agreement, and that he/she/they has the authority to sign on behalf of WM and Association, respectively.

Association Signature	Printed Name	Title	Date

WM Signature	Printed Name	Title	Date

Terms and Conditions

1. DEFINITIONS.
   a. "Contamination" refers to materials placed in a Recyclables container other than Recyclables.
   b. "Contamination Charge" means an amount charged to Association with reimbursement to WM, to compensate WM costs for separating non-Recyclables placed in Recyclable's cart, or for arranging special, unscheduled collections due to placement of non-Recyclables in Recyclables containers.
   c. "Customer" means a residential premise located within the geographical area encompassing all of the residences which are subject to any of the rules of Association as of the Effective Date of this Agreement and any additional geographical area(s) encompassing any additional residences that become subject to any of the rules of Association.
   d. "Excluded Materials" means any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or chemical or other properties that are deleterious or capable of causing material damage to any part of WM's property, its personnel or the public or materially impair the strength or the durability of the WM's structures or equipment, or any materials containing information (in hard copy or electronic format, or otherwise) which information is protected or regulated under any local, state or federal privacy or data security laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended, or other regulations or ordinances, or any special waste or other waste or material that is prohibited from being received, managed or disposed of at a transfer, storage, recycling or disposal facility used hereunder by federal, state or local law, regulation, ordinance, permit or other legal requirement.
   e. "Overage" means (i) Waste Materials and/or Recyclables exceeding its container's intended capacity such that the lid is lifted (or would be lifted if lowered) or (ii) Waste Materials and/or Recyclables placed on top of or in the immediate vicinity of the Container, in bags or otherwise.
   f. "Overage Charge" means an amount charged to Association to compensate for expense incurred by WM arising from Overages, and to provide a financial incentive to Customers to subscribe to the level of service that will allow all materials to fit within the container.
   g. "Recyclables" are defined in Section 16.
   h. "Waste Materials" means all non-hazardous solid waste and Recyclables (as defined in Section 16) generated by Customer(s) at Association's Service Address(es) attributed to the normal activities of a single-family residence but excludes Excluded Materials.

2. SERVICES. Association grants to WM the exclusive right to provide the "Services" (defined below). WM, through itself and its Affiliates, shall furnish equipment and services to collect and dispose of and/or recycle all Waste Materials generated by Customers, deposited, accumulated, or otherwise coming to exist at Association's Service Address(es), subject to the terms and provisions contained herein (the "Services"). Association agrees that this is an exclusive Agreement in that all Customers shall be required by Association to utilize the Services of WM. Association represents and warrants that the materials to be collected under this Agreement shall be only "Waste Materials" as defined herein. Title to Waste Materials is transferred to WM upon WM's receipt or collection unless otherwise provided in this Agreement or applicable law. Title to Excluded Materials shall remain with the generator and shall not transfer to WM. Association is liable for Excluded Materials. All Waste Materials must be curbside by 6:00 A.M. on the scheduled collection today. All Waste Materials must fit inside the cart(s).

3. CONTRACT TERM. The Initial Term and any subsequent Renewal Term of this Agreement (collectively, the "Contract Term") is set forth on the Service Summary. Unless otherwise specified on the Service Summary, at the end of the Initial Term and any subsequent Renewal Term, the Contract Term shall automatically renew for an additional Renewal Term at the then current Service levels and applicable Charges, unless (a) for a Renewal Term of twelve (12) months or more, either party gives to the other party written notice of termination at least ninety (90) days, but not more than one hundred eighty (180) days, prior to the termination of the then-existing term, and (b) for a Renewal Term of less than twelve (12) months, either party gives to the other party written notice of termination at least thirty (30) days prior to the termination of the then-existing term.

4. SERVICE GUARANTEE. If WM fails to perform Services in accordance with the attached service summary (the "Service Summary"), and WM does not remedy such failure within ten (10) days of its receipt of a written demand from Association, Association may immediately terminate this Agreement without penalty.

5. REPRESENTATIONS BY ASSOCIATION. Association represents and warrants to WM that (A) Association has the authority under the applicable Covenant, Conditions & Restrictions and/or bylaws and declarations (CC&Rs) to enter into this Agreement either on behalf of or for the benefit of all of the Customers; (B) Association has the authority to obligate all of the Customers to utilize WM exclusively for the Services; and, (C) this Agreement has been approved by Association's board of directors.

6. ASSOCIATION OBLIGATIONS. Association agrees to perform all obligations required of Association pursuant to the terms and conditions of this Agreement, including, but not limited, the following:
   a. Association shall timely update WM in the event the total number of units (i.e., the total house count eligible to receive WM's services) increases from the Unit Count set forth in the Service Summary. WM will use the updated Unit Count total in its next invoice to Association. WM has no responsibility for any incorrect Unit Counts provided by Association, but has the right, in its discretion, to verify the Residential Unit count information provided by Association. Association agrees that if Association's community is fully constructed, the Unit Count will be fixed for the Contract Term and Association will not be entitled to any credits or Unit Count deductions if there are any temporary or permanent vacancies.
   b. Association assumes full responsibility for informing current and future residents of this Agreement.
   c. Association shall timely inform WM of complaints made by Customers and shall work with WM in good faith to resolve any Customer service issues.
   d. Association shall educate Customers to encourage, promote and obtain proper Waste Materials and Recyclables set-out, collection, and disposal as required by this Agreement.
   e. Association shall provide safe and unobstructed access to the equipment referenced in Section 10 on the scheduled collection day. If the equipment is inaccessible, Association agrees to pay additional charges for any service modifications caused by or resulting from Association's failure to provide access.
   f. Association shall not deposit or permit the deposit of collection of any Excluded Materials.
   g. Association shall pay WM the Charges for the Services, including additional Charges for additional Services provided by WM as described in Section 8(a).

7. TERMINATION RIGHTS. Notwithstanding the foregoing, this Agreement can be terminated prior to the end of the Initial Term, or a Renewal Term, as follows:
   a. by Association (with no obligation to pay liquidated damages as provided in Section 11), (i) if WM fails to satisfy the Service Guarantee provided in Section 4 or (ii) pursuant to Section 8(c) if WM increases the Charges payable by Association hereunder with a Consensual Price Increase;
   b. by Association with thirty (30) days prior written notice to WM, subject to Association's obligation to pay liquidated damages as provided in Section 11 no later than thirty (30) days after written notice of termination;
   c. by WM, (i) if as a result of Association's breach of Section 9 or of Association's failure to pay, WM suspends Services for more than fifteen (15) days, or (ii) if Association fails to cure any other breach of its obligations under this Agreement within five (5) business days of its receipt of written demand from WM to cure such breach;
   d. by WM, with at least fifteen (15) days prior written notice to Association, any time after Association retains, designates or appoints a broker or agent to act for Association, or manage its Services, under this Agreement; and,
   e. by WM, with at least thirty (30) days prior written notice to Association, for any reason if WM determines that such termination in its best interest.

In order to move containers in a safe, secure and orderly fashion, WM shall have up to fourteen (14) days to remove any containers and equipment from Association's service location(s) after the effective date of the termination of this Agreement.

8. (a) CHARGES; ADDITIONAL SERVICES; CHANGES. The initial charges, fees and other amounts payable by Association ("Charges") for Services and/or equipment furnished by WM are set forth on the Service Summary. WM also reserves the right to charge Association additional Charges for additional Services provided by WM to Association, whether requested or incurred by Association, including, but not limited to, container relocation or removal; gate, enclosure or roll out services; account resume or reactivation services; extra pickups or trip charges; Contamination Charge; Overage Charge and overflows; and equipment repair and maintenance (see www.wm.com/billhelp for a list of "Additional Services", which may be updated from time to time), all at such standard prices or rates that WM is charging its Associations in the service area at such time. Changes in the frequency of collection, collection schedule, number, capacity and/or type of equipment, the terms and conditions of this Agreement, and any changes to the Charges payable under this Agreement (including any Consensual Price Increase or Negotiated Price Adjustment), may be agreed to orally, in writing or by other actions and practices of the parties, including, without limitation, electronic or online acceptance or payment of the invoice reflecting such changes, and written notice to Association of any such changes and Association's failure to object to such changes, which shall be deemed to be Association's affirmative consent to such changes.

(b) PERMITTED PRICE INCREASES. WM reserves the right, and Association acknowledges that it should expect WM to increase or add Charges payable by Association hereunder during the Contract Term: (i) for any changes or modifications to, or differences between, the actual equipment and Services provided by WM to Association and those specified on the Service Summary; (ii) for any changes or difference in the composition, amount or weight of the Waste Materials collected by WM from Association's service location(s) from what is specified on the Service Summary (including for container overages or overflows); (iii) for any increase in or other modification made by WM to the Fuel Surcharge, Regulatory Cost Recovery Charge, Recyclable Materials Offset, Environmental Charge, and/or any other Charges included or referenced in the Service Summary (which Charges are calculated and/or determined on enterprise-wide basis, including WM and all Affiliates); (iv) to cover any increases in disposal, processing, and/or transportation costs, including fuel surcharges; (v) to cover increased costs due to uncontrollable circumstances, including, without limitation, changes (occurring from and after three (3) months prior to the Effective Date) in local, state, federal or foreign laws or regulations (or the enforcement, interpretation or application thereof), including the imposition of or increase in taxes, fees or surcharges, or acts of God such as floods, fires, hurricanes and natural disasters; and (vi) for increases in the Consumer Price Index ("CPI") for Water, Sewer and Trash Collection Services published by U.S. Bureau of Labor Statistics, or with written notice to Association, any other national, regional or local CPI, with such increases in CPI being measured from the Effective Date, or as applicable, Association's last CPI based price increase date ("PI Date"). Increases to Charges specified in this Section 8(b) may be applied singularly or cumulatively and may include an amount for WM's operating or profit margin. Association acknowledges and agrees that any increased Charges under this Section 8 (including any Consensual Price Increases or Negotiated Price Adjustments) are not represented to be solely an offset or pass through of WM's costs.

(c) CONSENSUAL PRICE INCREASES. Without limiting the foregoing, WM also reserves the right to seek, and Association acknowledges that it should expect WM to seek, increases in the Charges payable by Association hereunder for reasons not specifically permitted in Section 8(b) (a "Consensual Price Increase"). If Association does not accept the Consensual Price Increase, Association's sole right and remedy shall be to terminate this Agreement by written notice to WM no later than thirty (30) days after WM notifies Association of such Consensual Price Increase. Association's failure to terminate this Agreement (within the 30-

day period) shall be construed as Association's acknowledgement that the continuation of the Services by WM hereunder is good, valuable and sufficient consideration for the Consensual Price Increase. Notwithstanding the foregoing, the parties may, but are not obligated to, agree to a different increase or adjustment to Association's Charges (a "Negotiated Price Adjustment") as a result of a Consensual Price Increase. Absent a Negotiated Price Adjustment, the Consensual Price Increase shall be binding and enforceable against Association under this Agreement unless Association terminates this Agreement (within the 30-day period) as described above. Association's agreement to a Consensual Price Increase or Negotiated Price Adjustment may be evidenced pursuant to Section 8(a) and the parties agree that this Agreement with such modified Charges will continue in full force and effect.

9. INVOICES; PAYMENT TERMS. WM shall send all invoices for Charges incurred by Association and any required notices to Association under this Agreement to Association's billing address specified in the Service Summary, unless Association elects to be billed or receive notices electronically or by e-mail. WM shall invoice Association based on the Unit Count, regardless of how many Units utilize the Services. Association shall pay all invoiced Charges within thirty (30) days of the invoice date. Any Association invoice balance not paid within thirty (30) days of the date of invoice is subject to a late charge, and any Association check returned for insufficient funds is subject to a non-sufficient funds charge, both to the maximum extent allowed by applicable law. Association acknowledges that any late charge charged by WM is not to be considered as interest on debt or a finance charge, and is a reasonable charge for the anticipated loss and cost to WM for late payment. If payment is not made when due, WM retains the right to suspend Services, in whole or in part, until the past due balance is paid in full. In addition to full payment of outstanding balances, Association shall be required to pay a reactivation charge to resume suspended Services. If Services are suspended for more than fifteen (15) days, WM may immediately terminate this Agreement, in whole or in part, for default and recover any equipment and all amounts owed hereunder, including liquidated damages under Section 11.

10. EQUIPMENT, ACCESS. All equipment furnished by WM shall remain its property; however, Association shall have care, custody and control of the equipment and shall be liable for all loss or damage to the equipment and for its contents while at Association's service location(s). Association shall not overload, move or alter the equipment or allow a third party to do so, and shall use it only for its intended purpose. At the termination of this Agreement, WM's equipment shall be in the condition in which it was provided, normal wear and tear excepted. WM may suspend Services or terminate this Agreement in the event Association violates any of the requirements of this provision. Association shall pay, if charged by WM, any additional Charges, determined by WM in its sole discretion, for overloading, moving or altering the equipment or allowing a third party to do so, and for any service modifications caused by or resulting from Association's failure to provide access. Association warrants that Association's property is sufficient to bear the weight of WM's equipment and vehicles and agrees that WM shall not be responsible for any damage to Association's pavement or any other surface resulting from the equipment or Services.

11. LIQUIDATED DAMAGES. In the event Association terminates this Agreement prior to the expiration of the Initial or Renewal Term for any reason other than as set forth in Section 7(a), or in the event WM terminates this Agreement for Association's default pursuant to Section 7(c), Association shall pay the following liquidated damages in addition to WM's legal fees, if any: (a) if the remaining Contract Term (including any applicable Renewal Term) under this Agreement is six (6) or more months, Association shall pay the average of its six (6) monthly Charges immediately prior to default or termination (or, if the Effective Date is within six (6) months of WM's last invoice date, the average of all monthly Charges) multiplied by six (6); or (b) if the remaining Contract Term is less than six months, Association shall pay the average of its six (6) most recent monthly Charges multiplied by the number of months remaining in the Contract Term. Association acknowledges that the actual damage to WM in the event of Association's early termination or breach of contract is impractical or extremely difficult to fix or prove, the foregoing liquidated damages amount is reasonable and commensurate with the anticipated loss to WM resulting therefrom, and such liquidated damages payment is an agreed upon charge for Association's early termination or breach of contract and is not imposed as a penalty. Association shall also pay liquidated damages of $100 for every Association waste tire that is found at any disposal facility used by WM. In addition to and not in limitation of the foregoing, WM shall be entitled to recover all losses, damages and costs, including attorneys' fees and costs, resulting from Association's breach of any other provision of this Agreement in addition to all other remedies available at law or in equity.

12. INDEMNITY. WM agrees to indemnify, defend and save Association and its Affiliates harmless from and against any and all liability which Association or its Affiliates may suffer, incur or pay as a result of any bodily injuries (including death), property damage or violation of law, to the extent caused by any negligent act or omission or willful misconduct of WM or its employees, which occurs (a) during the collection or transportation of Association's Waste Materials, or (b) as a result of the disposal of Association's Waste Materials in a facility owned by WM or an Affiliate, provided that WM's indemnification obligations will not apply to occurrences involving Excluded Materials. Association agrees to indemnify, defend and save WM and its Affiliates harmless from and against any and all liability which WM and its Affiliates may suffer, incur or pay as a result of any bodily injuries (including death), property damage or violation of law to the extent caused by Association's breach of this Agreement or by any negligent act or omission or willful misconduct of any of the Customers or Association or its employees, agents or contractors or any Customer or Association's use, operation or possession of any equipment furnished by WM. Neither party shall be liable to the other for consequential, incidental or punitive damages arising out of the performance or breach of this Agreement.

13. RIGHT TO PROVIDE COMPETING OFFERS. If Association receives an offer from (or makes any offer to) a third party relating to such third party's provision to Association of the same or similar Services to those provided hereunder, Association shall give WM prompt written notice of any such offer and a 15-day period to respond to such third party offer prior to Association agreeing to such third-party offer. The Parties agree that Section 13 does not obligate WM to respond to or match any such offer and that Association's termination of this Agreement after receiving a competing offer will be pursuant to Section 7(b).

14. DISPUTE RESOLUTION-ARBITRATION AGREEMENT AND CLASS ACTION WAIVER. BINDING ARBITRATION: Except for those claims expressly excluded below (EXCLUDED CLAIMS), Association and WM agree that any and all existing or future controversy or claim between them arising out of or related to this Agreement or any prior agreements between the parties, whether based in contract, law or equity or alleging any other legal theory, or arising prior to, in connection with, or after the termination of this Agreement or any other agreements, shall be resolved by mandatory binding arbitration (see www.wm.com for details on arbitration procedures). CLASS ACTION WAIVER: Association and WM agree that under no circumstances, whether in arbitration or otherwise, may Association bring any claim against WM, or allow any claim that Association may have against WM to be asserted, as part of a class action, on a consolidated or representative basis or otherwise aggregated with claims brought by, or on behalf of, any other entity or person, including other Associations of WM. EXCLUDED CLAIMS: The following are not subject to mandatory binding arbitration: (a) either party's claims against the other in connection with bodily injury or real property damage and for environmental indemnification; and (b) WM's claims against Association for collection or payment of Charges, damages (liquidated or otherwise) or any other amounts due or payable to WM by Association under this Agreement or any prior agreements between the parties, but Association and WM may mutually agree to arbitrate any Excluded Claims.

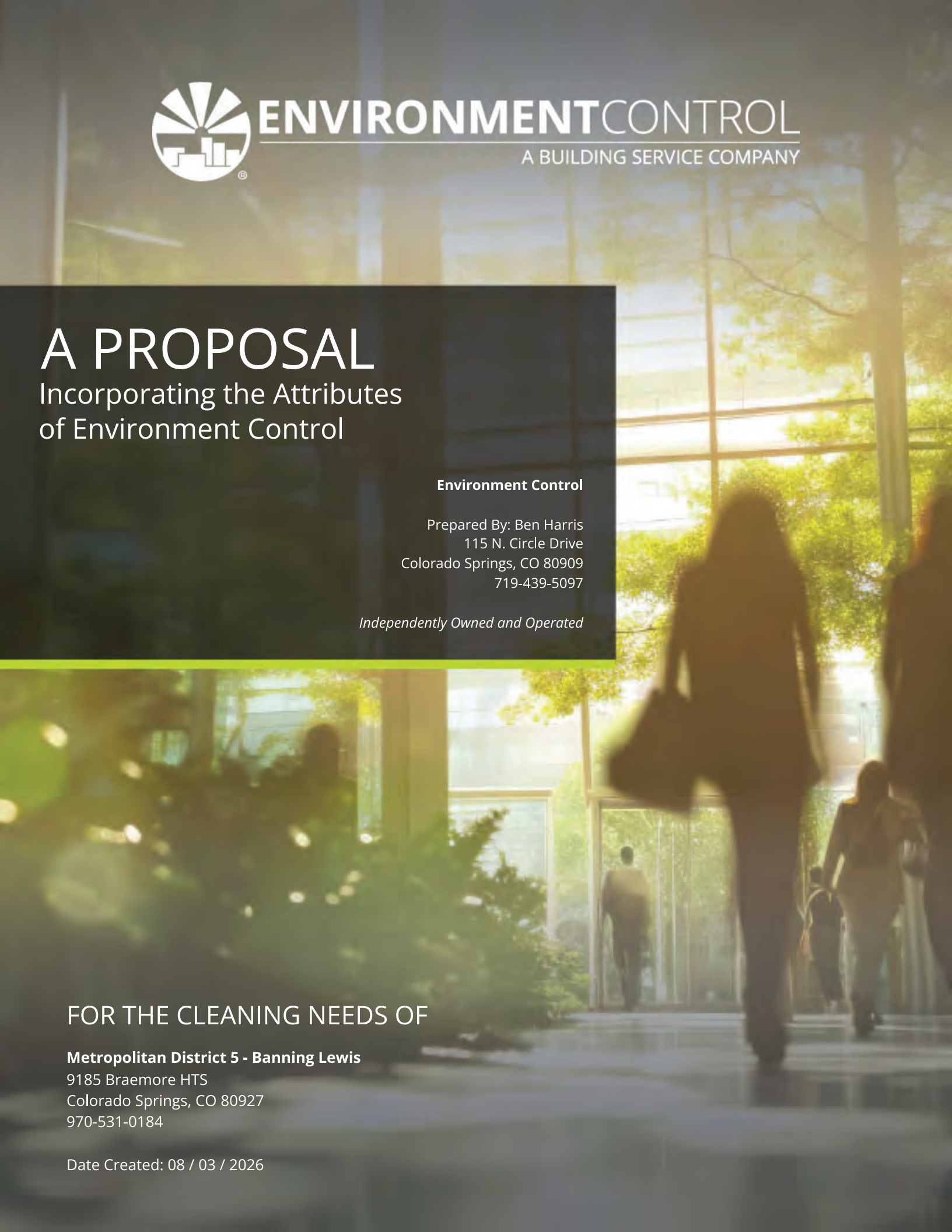
15. MISCELLANEOUS. (a) Except for the obligation to make payments hereunder for Services already performed, neither party shall be in default for its failure to perform or delay in performance caused by events or significant threats of events beyond its reasonable control, whether or not foreseeable, including, but not limited to, strikes, labor trouble, riots, imposition of laws or governmental orders, fires, acts of war or terrorism, acts of God, and the inability to obtain equipment, and the affected party shall be excused from performance during the occurrence of such events. (b) This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. (c) The terms, conditions and disclosures set forth on www.wm.com related to billing, charges, dispute resolution and for those Associations that sign up for electronic billing and payment, WM ezPay or Autopay, are incorporated by reference and made a part hereof (as such terms, conditions and disclosures may be changed or modified from time to time, effective from such change or modification). In addition to, and not in limitation of, the foregoing, the terms and provisions of this Agreement may be amended and modified as agreed to by the parties as provided in Section 8(a). Subject to the foregoing, this Agreement represents the entire agreement between the parties and supersedes any and all other agreements for the same Services at the same Association locations covered by this Agreement, whether written or oral, that may exist between the parties. (d) This Agreement shall be construed in accordance with the law of the state in which the Services are provided. (e) All written notification to WM required by this Agreement shall be effective upon receipt and delivered by Certified Mail, Return Receipt Requested, courier or by hand to WM's address on the first page of the Service Summary, provided that WM may provide written notice to Association of a different address for written notice to WM. (f) If any provision of this Agreement is declared invalid or unenforceable, then such provision shall be severed from and shall not affect the remainder of this Agreement; however, the parties shall amend this Agreement to give effect, to the maximum extent allowed, to the intent and meaning of the severed provision. (g) In the event WM successfully enforces its rights against Association hereunder, Association shall be required to pay WM's attorneys' fees and court costs. (h) Notwithstanding the termination of this Agreement, Sections 10, 11, 12, 13, 14 and 15 and Association's obligation to make payments for all Charges and other amounts due or payable hereunder through the termination date shall survive the termination of this Agreement. (i) It is expressly agreed that the parties shall be independent contractors and that the relationship between the parties shall not constitute a partnership, joint venture, agency, or employer-employee relationship. (j) The term "Affiliate" means with respect to any specified party, any corporation, limited liability company, partnership or other legal entity, directly or indirectly, controlled by, controlling or under common control with such specified party, with "control" meaning, directly or indirectly, the power to direct or cause the direction of the management and policies of such legal entity, whether through the ownership of voting securities, by contract or otherwise. (k) "business day" means Monday through Friday, excluding bank holidays. (l) If this Agreement is entered into before control of Association is transferred from the developer to the residents, this Agreement shall be binding on Association after the transfer of such control.

16. RECYCLABLES.

(a) "Recyclables" means the following materials, but only if they are dry, loose (i.e., not bagged), unshredded and empty: aluminum cans, PET bottles with the symbol #1 (with screw tops only), mail, magazines, glossy inserts and pamphlets, newspaper, HDPE plastic bottles and containers with the symbol #2 (milk jugs, detergent containers, and shampoo bottles, etc.), uncoated paperboard (e.g., cereal boxes; food and snack boxes), PP plastic bottles and containers with symbol # 5 (e.g., yogurt containers, syrup bottles), uncoated printing, writing and office paper, steel and tin cans, uncoated old corrugated containers/cardboard (e.g., moving boxes, pizza boxes), and any color glass food and beverage containers.

(b) The following materials are not Recyclables: plastic bags and bagged materials (even if containing recyclables), microwavable trays, porcelain and ceramics, mirrors, window or auto glass, light bulbs, coated cardboard, soiled paper, including paper plates and cups, plastics not listed above including but not limited to those with symbols #3, #4, #6, #7 and unnumbered plastics, including utensils, expanded polystyrene, coat hangers, glass and metal cookware/bakeware, household appliances and electronics, hoses, cords, wires, yard waste, construction debris, and wood, flexible plastic or film packaging and multi-laminated materials, needles, syringes, iv bags or other medical supplies, food waste and liquids, containers containing such items, textiles, cloth, or any fabric (e.g., bedding, pillows, sheets), Excluded Materials or containers which contained Excluded Materials, napkins, paper towels, tissue, paper plates, and paper cups, any Recyclables less than 4" in size in any dimension, propane tanks, fuel cannisters, batteries and any other material that does not fall within the definition of Recyclables.

Exhibit 10



ENVIRONMENTCONTROL
A BUILDING SERVICE COMPANY

A PROPOSAL

Incorporating the Attributes of Environment Control

Environment Control

Prepared By: Ben Harris
115 N. Circle Drive
Colorado Springs, CO 80909
719-439-5097

Independently Owned and Operated

FOR THE CLEANING NEEDS OF

Metropolitan District 5 - Banning Lewis
9185 Braemore HTS
Colorado Springs, CO 80927
970-531-0184

Date Created: 08 / 03 / 2026

Dear Joy,

Thank you for your interest in Environment Control and for the opportunity to work with Metropolitan District 5 - Banning Lewis !

We are a locally owned and operated company but also have the strong support of a national organization with **six decades** of experience in the commercial cleaning industry. This unique structure combines the care and concern of a local owner with the extensive experience and backing of a national organization. We believe our excellent management practices, our strong approach to leadership, and our proven systems can be a significant asset to you and your employees.

Our program assures the transition from your current service is seamless and stress-free. We pride ourselves in our comprehensive commitment to you and your satisfaction. This includes:

- The best value for your cleaning budget. We continually push the envelope on excellence and efficiency and pass these benefits on to you.
- A service that is attentive to your individual needs. Our current customer satisfaction is proof (see testimonials).
- Managing, so you don't have to.
- Protection of your facilities, including optimum insurance protection and personalized care.

The relationships we have developed with our current customers provide the best proof of our commitment to you, so we encourage you to reach out to them. Thanks again for this opportunity!

Sincerely,

Ben Harris

Table of Contents

Our Team	4
The Remedy for Your Cleaning Needs	5
Building Maintenance Services	6
Service Authorization Agreement	11
ATTACHMENT “A”	12
SAA TERMS AND CONDITIONS	12
Signature	13
References	14
Insurance Certification	17

Our Team

Kevin Steinseifer President
For over 30 years, I believe that I offer the very best service in town. My commitment is to provide each customer with the maximum possible service for their cleaning budget. I, also, believe I can bring integrity to an industry where it is currently lacking, by selecting the best employees and giving customers the quality and consistency they have been looking for in a cleaning partner.

Ben Harris General Manager
With over 8 years of experience at Environment Control, I am dedicated to delivering exceptional service and ensuring client satisfaction in janitorial and building maintenance. I prioritize long-term partnerships by understanding each client's unique needs and consistently exceeding expectations. My goal is to provide a seamless, dependable experience that earns your continued trust and confidence.

Samantha Bowman Senior Operations Manager
Starting as a night time cleaners, I have been able to grow with Environment Control. My job is to ensures seamless service delivery, staff coordination, and quality control across all accounts.

Michelle Peacock Day Area Manager
Celebrating 20 years with Environment Control, I am Dedicated to customer satisfaction and team support. I supervise our field operations, ensuring clients receive top-tier janitorial and maintenance services.

Ryan Steinseifer Systems and Business Operations Manager
I enjoy problem solving and taking on unique tasks. My position is responsible for learning and implementing new software, developing work systems, and handling a variety of operational tasks.

Michelle Kirkland HR Manager
As the backbone of our workforce, I fosters a positive company culture, oversees recruitment, and ensures compliance with industry standards.

Sam Collins Sales
I am passionate about growth and service. I connect businesses with tailored janitorial solutions, helping clients maintain clean, well-managed facilities.

The Remedy for Your Cleaning Needs

There is a general feeling in the business community that no janitorial service is reliable. Environment Control is changing that opinion. Consider our unique program in light of your janitorial needs and imagine how you would benefit from the following:

Concern of a Local Owner

Although EC is a national organization, you deal directly with the individual who has the most to gain or lose—the local managing owner. Our integrity, reputation, personal income, and investment are subject to your satisfaction. Our only security is to provide you with a consistent quality service.

Select Employees

Qualified employees are a requirement for quality service. It takes an aggressive recruiting program to find, hire, train, and ultimately place them in your building. To aid in the screening process, each applicant passes through a series of evaluations, including an interview and reference checks. During this process, we look for important qualities, such as common sense, thoroughness, dependability, and a proven work record.

Professional Training and Supervision

We do not assume that any new employee knows how to clean. Janitorial work is not unskilled labor. Our training program combines videos, written manuals, visual aids, and actual on-the-job training. After the formal training period, regular supervision and written inspections help the employee maintain quality.

Consistent Quality Control

Environment Control's unique Quality Assurance Program monitors our service in five critical areas:

1. **Inspection Reports**
   We regularly verify the quality of our work after the cleaning is complete. This reporting is shared with you and archived for our records.

2. **Quality Control Reports**
   We ask our customers to rate the quality of our service each quarter. This rating provides objective feedback regarding your individual satisfaction.

3. **Personal Visits**
   We take the initiative to visit your building during office hours to discuss your needs.

4. **Customer Requests**
   We electronically track our customer communication and requests to ensure timely completion.

5. **Accountability**
   We record and review each of the above categories with both management and cleaners to confirm consistent service excellence.

A Commitment to Customer Satisfaction

For over six decades, Environment Control has continually refined its leadership and systems to provide the highest level of service at a competitive price. Our business has prospered because of our performance, and we want to include you on our list of satisfied customers. Because you are not bound to a long-term contract, our only security is your continued satisfaction. We would appreciate the opportunity to put this program into action for you.

Building Maintenance Services



Full Service Janitorial

We provide full-service cleaning from one to seven days a week, customized to your unique requirements. Whatever your facility needs, we have the leadership, experience, and systems to get the job done right, consistently.

Day Porter Services

Day porters are available to remain onsite at your facility, catering to various needs throughout the day. From periodic restroom maintenance to high touch point disinfecting, to the handling of unexpected mishaps and special needs that arise, our well-trained employees will keep your facility clean and safe throughout the day.

Healthcare Cleaning

We specialize in caring for healthcare facilities with exceptional cleaning for your medical office, exam rooms, and sterile areas. We strive to protect the health and well being of both our customers and their patients. We understand that this does not occur by chance. It is the result of careful attention to all company operations by those who are both directly and indirectly involved with caring for your facility. We achieve this through continuous safety training, in-depth protocols, and superior equipment.

Disinfection Services

The professionals at Environment Control have been providing disinfection services for over 50 years. Viruses and diseases come and go, we at EC can keep you and your staff safe by providing top-notch disinfection services through them all. Let us focus on your high touch point surfaces so you can focus on your business.

Construction Cleanup

Let us get rid of the mess before you move in! We will customize our cleanup according to your needs. Our services include removal of: caulking and adhesives, drywall mud and dust, masking tape, fingerprints and other debris from your trim and baseboards, windows, window sills, doors, cabinetry, fixtures, etc. Carpet cleaning, tile refurbishment, grout sealing, and much more will leave your new or reconstructed facility in show-ready condition!

Restroom Supplies

Our national buying power allows us to pass along great savings to you for all of your restroom supply needs. Our relationships with the major restroom consumable manufacturers give us access to the leading experts in the field enabling us to pass along the best products and the newest technologies. From can liners to air fresheners and everything in between, EC will keep your facilities well-stocked, consistently!

Lighting Replacement

Light is both an aesthetic and a safety issue. Proper attention reinforces a well-kept appearance. Environment Control will consistently maintain your lighting, making replacements as needed or at your request.

Carpet Cleaning

Extend the life of your flooring and improve your facility's indoor air quality with routine carpet cleaning. Through decades of experience, we have curated and proven a carpet care program to keep your floors looking great. Enjoy services like pre-cleaning, inspection, vacuuming, pre-spray and spotting, extraction cleaning, furniture removal (as requested), and post-inspection.

Hard Floor Care

Nothing says clean quite like a well-maintained floor. Maintaining the appearance of your hard floor surfaces starts with knowledgeable technicians who understand the right product's equipment and proper methodology for all floor types.

Pressure Washing

With proper pressure washing techniques, fresh and clean appearances can be restored to patios and walkways, stucco surfaces, brick and block walls, metal surfaces, and varied siding materials. Talk to our specialist about the possibilities.

Window Washing

Our specialized cleaning products and proven methods are the secret to a sparkling window. By avoiding scratches to the glass, eliminating spots and streaks, and giving attention to the window sills, your eyes will look through the window, not at it.

❒ Empty trash receptacles, change liners if necessary. Clean trash cans (inside and outside) as needed. Bring recyclables to appropriate bin if applicable. INCLUDES OUTSIDE TRASH MAY TO OCTOBER.	X		
❒ Remove spots and smudges from all entry area glass doors (inside and out). This does *not* include windows on either side of the entry glass doors.		X	
❒ Vacuum and mop hard surface floors.		X	
❒ Vacuum carpeted areas and mats. (This does not include hand-picking staples out of carpets.) Includes turf in Golf simulator.		X	
❒ Clean and sanitize drinking fountains		X	
❒ Wipe with disinfectant cleaner horizontal surfaces of desks, credenzas, tables, counters, filing cabinets, windowsills, ledges and banisters. The visible surfaces will be wiped; papers and personal items on a desk will not be disturbed. Includes tables in lounge area.		X	
❒ Remove finger marks and smudges from doors and door frames. Wipe light switch covers and door handles with disinfectant.		X	
❒ Wipe fingerprints and smudges from interior partition glass.		X	
❒ Wipe down all large fitness equipment.		X	
❒ Vacuum edges and corners of carpeting.			X
❒ High dusting (between 6 ft. and 9 ft.) of ledges, tops of doors, door frames, air vents, ceiling corners, ceiling fans and edges			X
❒ Low dusting of ledges and vents.			X
❒ Dust mini blinds. (Washing blinds is a special service)			X
❒ Dust baseboards. (Washing baseboards is a special service).			X

RESTROOMS INCLUDES 2 OUTDOOR RESTROOMS THE BARN IN THE RETREAT			
❒ Empty trash cans, change liners. Clean cans as needed.	X		
❒ Empty sanitary napkin receptacles and spray with a disinfectant. Replace liners.	X		
❒ Wipe door handles, partition handles, light switch covers and dispensers with disinfectant.	X		
❒ Clean mirrors.	X		
❒ Clean and disinfect sinks, counters, fixtures, dispensers, toilets, toilet seats, and urinals.	X		
❒ Sweep/vacuum and mop floor with hospital grade cleaner.	X		
❒ Clean walls and partitions with disinfectant cleaner to remove smudges.	X		
❒ Restock all paper products, hand soap and urinal blocks (if applicable). Notify when stock is low.	X		
❒ Clean restroom and partition walls and around all toilets and urinals with disinfectant.	X		
❒ Clean shower stalls in locker/restrooms.	X		
❒ Pour water with disinfectant into floor drains.		X	
❒ High dust tops of doors, partitions, mirrors and air vents.		X	
BREAKROOM/KITCHENETTE THE BARN IN THE RETREAT			
❒ Remove trash to a collection point. Clean trash can inside and out if needed. Wipe down walls around the trash cans to remove spillage.	X		
❒ Damp wipe tables, chairs and counter tops with disinfectant cleaner.		X	
❒ Clean and disinfect sinks and shine bright work. Clean splash marks around sinks.		X	
❒ Vacuum and mop hard floor with multi-surface or neutral cleaner and vacuum carpeted areas.		X	
❒ Remove finger marks and smudges from doors and door frames. Wipe light switch covers and door handles with disinfectant.		X	

❒ Damp wipe exterior of microwave and wipe out inside.		X	
❒ Damp wipe exterior of all kitchen appliances such as refrigerators, water coolers, coffee makers etc. with disinfectant.		X	
❒ Dust horizontal surfaces of windowsills and ledges.		X	
❒ Wipe fingerprints and smudges from interior partition glass.		X	
❒ High dusting (between 6 ft. and 9 ft.) of ledges, tops of doors, door frames, air vents, ceiling corners, ceiling fans and edges			X
❒ Low dusting of ledges and vents.			X
❒ Dust mini blinds. (Washing blinds is a special service)			X
❒ Dust baseboards. (Washing baseboards is a special service).			X

Work Hours

Work hours shall be Monday through Friday, 6:00 p.m. to 12:00 a.m. excluding stated holidays

Holidays

Environment Control is not obligated to perform services on the following legal holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Environment Control shall have a small staff in the event the Customer requests cleaning on a holiday. Customer will notify Environment Control 48 hours in advance of such cleaning. Holiday work will be billed at the rate specified in cost of services. If a holiday falls on a scheduled cleaning day the cleaning will be done on the first weekday available.

To Communicate a Request, Concern or Question please log into your customer portal, use this email: Support@ecsoco.com or call our Office: (719) 574-2515 ext. 160

B.H.

Service Authorization Agreement

Service Authorization Agreement ("SAA"), between Environment Control Environment Control ("EC"), **and:**	
Customer Name:	Metropolitan District 5 - Banning Lewis
Address:	9185 Braemore HTS
Phone:	970-531-0184
Email:	joyblum1@gmail.com
Authorized Contact:	Joy Blum
Effective Start Date:	TBD
Description of Facility (attach schematic if available):	
Clean all restrooms - clubhouse - mailroom - Fitness Center - dump trash cans outside	

Contracted Monthly Services:	Monthly Charges:
☑ Regular Maintenance:	$1,863.00
☑ Service (3 days per Week)	$0.00
☐ Service - 2 Full cleans - 1 Partial - restrooms and trash only $1300.00 Per month	$0.00

TOTAL MONTHLY BILLING: $1,863.00

Summary of Special Services:	Monthly Charges:
☐ Initial Cleanup Maintenance Service Fee	$0.00
☐ Special Billing on Windows	$0.00
☐ Carpet Shampoo upon Request (per square foot)	$0.00
☐ Tenant Moving Adjustment Rate (per square foot)	$0.00
☐ Extra Work by Mutual Agreement (per man-hour)	$0.00

TOTAL MONTHLY BILLING: $0.00

The attached SAA Terms and Conditions (Attachment "A") and the preceding Proposal document are incorporated into this Agreement by this reference.

B.H.

ATTACHMENT "A"
SAA TERMS AND CONDITIONS

(One-Year Price Guarantee/30-Day Termination for Cause Required)

Contract Terms: This Contract has been set up for an initial term of one (1) year. The reason for this is the fact that Environment Control ("EC") makes a major commitment of time and money when it agrees to perform services for any customer. Namely, it must invest in commercial grade specialty equipment that becomes dedicated to the facility being serviced; and it must employ and train professional staffing that will best blend in and support the facility being served. To make this commitment fair, we ask the customer to enter into an agreement for a term of one (1) year in exchange for EC guaranteeing its prices for that same period of time. Having made this commitment, however, does not mean that you should ever feel stuck with services that you are unhappy with. A long-term contract is never an excuse for performing inferior work in servicing your account. Accordingly, EC grants you the right to terminate this Contract for any legitimate reason, and at any time, related to EC's failure to perform services on your account. To exercise this right, you must (a) provide a written thirty (30) day notice of termination which includes the specific reasons, conduct, or events that you believe give cause for the termination; and (b) allow EC 72 hours, after receipt of this written notice, to correct the problem(s) that you have specified in the notice. If EC fails to cure these problems, then the termination will take effect on the thirtieth (30) day after receipt of the notice by EC. By contrast, if EC cures the problems set forth in the termination notice, then the notice shall be null and void and this Contract will continue unabated until its next regular termination date. At the end of this initial one (1) year term, this Contract will automatically renew for successive one (1) year terms, unless either party informs the other in writing, at least thirty (30) days in advance, that they do not want to renew the contract. Following the initial one (1) year term, either party may terminate this Contract at any time and for any reason upon giving the other party a thirty (30) day written notice of termination. At each renewal date, EC reserves the right to adjust its prices for services for the following year. If you want a shorter or longer notice period, and are willing to give EC the same courtesy, then we will replace the thirty (30) day notice period with a longer or shorter one, and make it a part of this Contract. To make this change, both parties must initial here:

Notice period shall be 30 days. B.H.

What is Required of You: To safely and efficiently perform the service commitments in this Contract, it is helpful to receive from you as much accurate information about your facility as we can. This requirement is not intended to be a burden to you, but only a request that you share with us what you reasonably know about the facility. This may include the existence of secured or unsecured cash kept on the premises, art and valuables, firearms, hazardous materials, or building vulnerabilities like unique surfaces that may require special care. EC is not responsible for latent or observable defects, or natural wear and tear of materials and surfaces existing in your building. Advanced notice of any potential defect or building vulnerability will allow us to consider whether to adjust our insurance coverage to mitigate for any increased risk, which in turn may add further protection for you and our staff in a responsible way. Obviously, this Contract only covers the facility description and Statement of Work as it exists on the date that this Contract is signed. If you subsequently wish to increase or decrease the facility space being serviced, or adjust service requirements, this Contract will need to be modified in writing to increase or decrease the service fees involved. Also, we make a major investment in recruiting and training our employees; accordingly, we request that you not attempt to hire any of them, whether you solicit them or not, during the term of this Contract and for six (6) months following its termination. If you do make such a hire contrary to the terms of this Contract, either directly or indirectly through an associate company, unless otherwise specifically prohibited by state or federal law, you agree to pay EC (as liquidated damages), twenty-five percent (25%) of the annual wages for the individual hired in his or her new capacity with your company. After all, had EC not recruited and trained the person well, you would not be interested in hiring them. Regarding your payment for our services, by signing this Contract, you are agreeing to pay for our services in a timely manner. We will send you an invoice at the beginning of each month. Payment is due and payable upon receipt of this invoice, and a 1.5 percent late payment fee per month (18 percent per annum) will be assessed for any payment made after thirty (30) days from the date of invoice. EC also reserves the right to suspend or terminate its services if payment has not been received on or before forty-five (45) days from the date of invoice. Upon termination under these circumstances, you agree to cooperate with us to determine all outstanding accounts and to pay these amounts immediately. The termination of this Contract for failure to pay

shall not negate your responsibility to pay for services and supplies already expended by EC on your behalf. You agree to assume all legal costs associated with the collection of any delinquent fees due and owing under this Contract, including reasonable attorneys' fees and costs. For your information, and from time-to-time EC provides other potential customers with general listings of existing clients (without contact information). It is your responsibility to inform EC if you specifically wish to excuse your name or brand in this manner.

What EC Provides: *EC* will implement its comprehensive quality management program for your facility and share its Inspection and Quality Control Reports with you on a regular basis. These written reports, in conjunction with personal visits by local management, provide a unique opportunity for both of us to communicate with each other and to determine that your specific cleaning needs are being met to your satisfaction. EC will also provide you with contact information. If you have a question or are dissatisfied about some aspect of our service, we want to know about it so we can resolve it quickly.

Protection of Mutual Banking Information and Accounts: Once you and *EC* exchange banking information for purposes of electronic transfers of payments for *EC* services, *EC* will NEVER inform you of a change in bank information by phone or email. While *EC* has not changed its bank contacts in decades, if this were ever to occur, Environment Control would utilize the following protocol: (i) send you notice of the pending change of bank information by registered mail approximately thirty (30) calendar days prior to the implementation of the change, and (ii) follow-up such notice of change by delivering to you a written authorization via hand delivery from an employee of Environment Control holding proper identification. Only then, will you be authorized to change banking information of Environment Control for payment transfer purposes. For your own protection, please note that any funds distributed to an unauthorized account will be made solely at the transferring party's risk of loss.

Miscellaneous Provisions*:* This Contract may not be modified, nor any waiver made, unless it is put in writing and signed by both parties to this Contract; but this modification or waiver may be signed in one or more counterparts, including facsimile signatures, and all such counterparts shall constitute one and the same instrument. It is also understood that events do occur from time to time which are not under the control of either party, such as local or statewide increases in minimum wages, payroll taxes, or workers compensation insurance. You acknowledge, when such events beyond EC's control do occur, that EC has the right to make a timely modification to this Contract to adjust for such an event. This Contract is not assignable by either party without the express written consent of the other party. Governing law shall be that of the State of Colorado and proper venue for any legal action shall be El Paso County, Colorado. This Contract contains the entire contract between us and supersedes all other contracts, oral or written, that we may have had on the same subject prior to entering into this Contract. In the event that a dispute arises between us regarding this Contract, we agree to resolve such disputes utilizing the Arbitration model pursuant to the rules set forth by the American Arbitration Association. The signatories to this Contract represent that they are authorized by their companies to enter into this Contract. The invalidity or unenforceability of any particular provision of this Contract shall not affect any other provision and the remaining provisions shall be interpreted as though the invalid or unenforceable provision was omitted. EC is an Independent Contractor of Customer and is not an employee.

Signature

Presented to: Metropolitan District 5 - Banning Lewis

Accepted by:

Printed Name	Signed Name
Title	Date

Proposed by:

Ben Harris	Ben Harris
Printed Name	Signed Name
General Manager	2026-10-20
Title	Date

President:

Kevin Steinseifer	*Kevin Steinseifer*
Printed Name	Signed Name
President	*08 / 03 / 2026*
Title	Date

References



Thomas R. Brown and Associates
Tom Brown, Property Manager
(719) 650 1898
TomBrown@ThomasRBrown.com



Ent Credit Union
Mike Lauppe, Facilities Director
(719) 649 8517
MLauppe@Ent.com



Griffis-Blessing, Inc.
Patty Jones, Senior Property Manager
(719) 520 1234
Patty@GB85.com

Griffis-Blessing Testimonial

May 30, 2018

To whom it may concern:

GRIFFIS BLESSING

I am pleased to write this letter of reference for Environment Control. We have hired Environment Control to provide their services for several office and medical buildings that we manage. We are very pleased with the quality and the professionalism that is given by their team. They provide day porter services, nightly cleaning services and an emergency response team. They respond immediately to any needs we may have throughout the day. The management team of Environment Control strives to make sure that all my tenants are happy with their service and are quick to respond to any concerns that are reported. I would recommend them to anyone looking for a reliable and professional janitorial company.

Sincerely,

Patty Jones

Patty Jones, CPM
Portfolio Manager

102 North Cascade Avenue, Suite 550, Colorado Springs, CO 80903-1409 • Phone: 719.520.1254 • Fax: 719.520.1204 • www.griffisblessing.com

Pinnacle Surgery Center Testimonial

PINNACLE
SURGERY CENTER

May 11, 2017

To Whom It May Concern:

This letter is in reference to the quality of daily terminal and other medical level cleaning provided by Environment Control. As the premiere center for eye care in Colorado Springs, Pinnacle Eye Surgery Center requires the highest of standards for both quality of cleaning and patient care.

Environment Control has been providing our cleaning services for the past 3 years. During this time they have shown a dedication to providing consistent quality service, qualified staff with proper training, and documentation of their work. Their management is quick to respond, when needed, to any issues that may arise or any special request we may have.

I would recommend their services to anyone requiring a high standard of cleaning. Please feel free to connect by email or phone should you have any questions.

Sincerely,

Sandra J Beers

Sandra Beers
Clinical Director
Pinnacle Surgery Center
2770 N. Union Blvd.
Colorado Springs, CO 80909
(o)719-418-4707
sbeers@pinnaclesurgerycenter.com

Insurance Certification

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/25/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
MARSH USA, LLC. 1301 5th Avenue, Suite 1900 Seattle, WA 98101 Attn: Seattle.certrequest@marsh.com	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
CN101848208-439-GAWUC-25-26	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED	INSURER A : National Union Fire Insurance Co	1944
ECCS, Inc. dba Environment Control 115 N Circle Dr Colorado Springs, CO 80909	INSURER B : Markel American Insurance Co.	5
	INSURER C : Hanover Insurance Company	2893
	INSURER D :	2
	INSURER E :	2229
	INSURER F :	2

COVERAGES **CERTIFICATE NUMBER:** SEA-003522478-14 **REVISION NUMBER:** 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			GL3118620	03/01/2025	03/01/2026	EACH OCCURRENCE	$ 5,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
	X Contractual Liability						MED EXP (Any one person)	$ 25,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY	$ 5,000,000
	POLICY PRO-JECT LOC						GENERAL AGGREGATE	$ 10,000,000
	X OTHER: Named Insured						PRODUCTS - COMP/OP AGG	$ 10,000,000
							Vol Prop Damage	$ 150,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
B	X UMBRELLA LIAB X OCCUR			MKLM6MM70001112	03/01/2025	03/01/2026	EACH OCCURRENCE	2,000,0
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	00
	DED X RETENTION $ 10,000							2,000,0
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			WC067960936	03/01/2025	03/01/2026	X PER OTH-	00
	ANYP ROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y	N / A					E.L. EACH ACCIDENT E.L.	1,000,0
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						DISEASE - EA EMPLOYEE$ $	00
							E.L. DISEASE - POLICY LIMIT	1,000,0
C	Crime Third Party			BDC1072037	03/01/20	03/01/20	Limit	00 50,000
A	Lost Key Coverage			GL3118620	25 03/01/20	26 03/01/20	Limit Occ/Agg	1,000,0 50,000 00
					25	26		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER

ECCS Inc. dba Environment Control
115 N Circle Dr
Colorado Springs, CO 80909

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Marsh USA LLC

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/25/2025

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PRODUCER	CONTACT NAME:
MARSH USA, LLC. 1301 5th Avenue, Suite 1900 Seattle, WA 98101 Attn: Seattle.certrequest@marsh.com	PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
CN101848208-439RE-Pack-24-26	
INSURED ECCS, Inc. dba Environment Control 115 N Circle Dr, Colorado Springs, CO 80909	

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Nautilus Insurance Company	1737
INSURER B :	National Union Fire Insurance Co	0
INSURER C :	Markel American Insurance Co.	1944
INSURER D :		5
INSURER E :		2893
INSURER F :		2

COVERAGES **CERTIFICATE NUMBER:** SEA-003864919-09 **REVISION NUMBER:** 3

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			ECP204414010	07/14/2024	07/14/2025	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
	X GL BI & PD DED $2500						MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X PRO-POLICY JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:						Vol Prop Damage	$ 50,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
C	UMBRELLA LIAB X OCCUR			MKLM6MM70001112	03/01/2025	03/01/2026	EACH OCCURRENCE	2,000,0
	X EXCESS LIAB CLAIMS-MADE						AGGREGATE	00
	DED X RETENTION $ 10,000							2,000,0
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			WC067960936	03/01/2025	03/01/2026	X PER OTH-	00
	ANYP ROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y	N / A					E.L. EACH ACCIDENT	$ 1,000,0
	(Mandatory in NH)						E.L. DISEASE - EA EMPLOYEE	$ 00
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$ 1,000,0 00
A	Contractors Pollution & Professional Liability			ECP204414010 Deductible $5,000	07/14/2024	07/14/2025	Each Claim	1,000,000
							Aggregate	1,000,0 2,000,000 00

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Bailees Coverage included under the General Liability policy listed above as follows: Customer's Personal Property Limits $250,000 Each Occurrence / Aggregate

Transit coverage is included under Markel American Property policy: $25,000 Limit

CERTIFICATE HOLDER

ECCS, Inc.
dba Environment Control
115 N Circle Dr
Colorado Springs, CO 80909

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Marsh USA LLC

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Exhibit 12

SERVICES AGREEMENT

This Services Agreement (this “Agreement”) effective the 01 day of January, 2027 through December 31 2027, by High Desert Services of Colorado LLC, located at 8763 Meadow Wing Circle, Colorado Springs, CO 80927 (“Service Provider”) and Banning Lewis Ranch Metro District 5, located at 9150 Braemore heights , Colorado springs, CO 80927 ("Buyer"). Each Service Provider and Buyer may be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

1. Services. Service Provider agrees to provide and Buyer agrees to purchase the following services for the specific projects described below:

Project Description	Cost
Misc maintenance around The Retreat community, as per requested	_____$75/hr + materials____

2. Purchase Price. Buyer will pay to Service Provider and for all obligations specified in this Agreement, if any, as the full and complete purchase price, the sum of ____$75/hr + materials_____.

Unless otherwise stated, Service Provider shall be responsible for all taxes in connection with the purchase of Services in this Agreement.

3. Payment. Payment for the Services will be by Company check, according to the following schedule:

A. Net 30 days from time of receipt

4. Security Interest. Buyer hereby grants to Service Provider a security interest in any final products resulting from said services, until Buyer has paid Service Provider in full. Buyer shall sign and deliver any document needed to perfect the security interest that Service Provider reasonably requests.

5. Force Majeure. Service Provider shall not be responsible for any claims or damages resulting from any delays in performance or for non-performance due to unforeseen circumstances or causes beyond Service Provider's reasonable control.

6. Limitation of Liability. Service Provider will not be liable for any indirect, special, consequential, or punitive damages (including lost profits) arising out of or relating to this Agreement or the transactions it contemplates (whether for breach of contract, tort, negligence, or other form of action) and irrespective of whether Service Provider has been advised of the possibility of any such damage. In no event will Service Provider's liability exceed the price paid by Buyer for the Services giving rise to the claim or cause of action.

7. Amendments. No amendment to this Agreement will be effective unless it is in writing and signed by both Parties.

8. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, not including its conflicts of law provisions.

9. Disputes. Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

10. Entire Agreement. This Agreement contains the entire understanding between the Parties and supersedes and cancels all prior agreements of the Parties, whether oral or written, with respect to such subject matter.

11. Notices. Any notice or other communication given or made to any Party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the address stated above or to another address as that Party may subsequently designate by notice and shall be deemed given on the date of delivery.

12. Waiver. No Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by any Party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

13. Miscellaneous. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors and assigns. The provisions of this Agreement are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision. The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision of this Agreement.This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document.

14.The Agreement is approved as submitted for any project estimated to cost up to $5,000 (costs and materials) which services may be requested or directed by Client or an authorized representative of Banning Lewis Ranch Metropolitan District No . 5. Any project, the cost of which is anticipated to exceed $5,000 (costs and materials), shall be approved by the Client, in writing, before the services may be performed. To the extent that additional services are required or additional expenses are necessitated, they must receive prior written approval from the Client.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first written above.

Banning Lewis Ranch Metro District 5

Buyer Signature	**Buyer** Full Name
	High Desert Services of Colorado LLC
Service Provider Signature	**Service Provider** Full Name

Exhibit 13

ShouDesign
Commercial Architecture

Invoice #26025-01

PROPOSAL DATE: Oct 24, 2026
PROJECT No: 26025

CLIENT:
Banning Lewis Ranch HOA
Sue Gruelich
(443) 717-0660

PROJECT NAME/LOCATION
Sales Office Conversion(Schematic Presentation)

Banning Lewis Ranch
9158 Braemore Heights
Colorado Springs, CO

Original Contract Fee		
Discipline	Status	Amount
Architecture	Research & Presentation - Completed	$2,000.00
Engineering	Consultation Report - Completed	$1,000.00
Total		$3,000.00
Amounted Earned This Invoice		
Completed Concept Schemes/Research/Presentation		$3,000.00
Total Due		**$3,000.00**

Payment is due upon receipt and can be made via Quickbooks link (sent separately) or via check. Please let me know if another arrangement is requested.

If mailing a check, please send payment to:

ShouDesign, LLC
3472 Research Pkwy, #104-123
Colorado Springs, CO 80920

Thank you for the opportunity to provide architectural services for this project!

Very respectfully,
Jason Shoudis, Architect
ShouDesign | Commercial Architecture
jason@shoudesign.com
(719) 400-1114

Exhibit 14

1. Introduction

Through 2025, CLA consolidated the Operating Fund and the Maintenance Reserve Fund as the Special Revenue Fund (SRF). Beginning in 2027, we will present them as separate funds.

Subject to annual Board approval, the Finance Committee is recommending that the Maintenance Reserve Fund be funded from two transfers from the Operating Fund.

- A percentage of net operating property tax revenues.
  (The entire net debt service property tax revenues will continue to be assigned to the Debt Service Fund.)
- End of the year Operating Fund balances that exceed required TABOR and Operations Reserves.
  (This excess approach is consistent with past treatment.)

This report focuses on proposed 2027 budget revenue, expenses, fund transfers, and change in fund balances, based on the Finance Committee's projection as of October 21, 2026. The budget package for the November 19 budget hearing will also include beginning and ending fund balances and changes (such as 2006 actuals) available after October 21.

Revenues, expenses, and change in fund balances are rounded to the near $1,000 so there may be rounding differences in the totals.

Funds and Fund Names

When reading this and other District documents, not all use the same name for funds. The District reports three funds, and in this document, the common names are typically used. The formal names will be used for the budget presented at the November 19 budget hearing.

Common Name	Formal Name
Operating Fund	General Fund or Special Reserve Fund (CLA)
Debt Service Fund	Debt Service Fund
Maintenance Reserve Fund	Capital Reserve Fund (WLF)
Total	Summary

2. Executive Summary

The proposed 2027 budget plans for total revenue of $3,410,000 and total expenses of $3,476,000. This results in a total change in fund balance of negative $66,000. This negative results from spending more on maintenance reserve projects than revenues and transfers coming into the fund.
(This can happen for a maintenance reserve fund – some years will have more projects than other years.)

2027 Budget Totals and Net Change in Fund Balance by Fund

Fund	Revenues	Expenses	Transfers In / (Out)	Change in Fund Balance
Operating Fund	$2,587,000	$2,398,000	$ (181,000)	$ 8,000
Maintenance Reserve Fund	0	255,000	181,000	(74,000)
Debt Service Fund	823,000	823,000	0	0
Total	**$3,410,000**	**$3,476,000**	**$ 0**	**$ (66,000)**

Major Themes for 2027

Property Taxes and Mill levies: As part of our new Service Plan from the City, the formulas for the our mill levies changed to 2022 adjustment rules. This results in a $58,000 decrease in our operations levy and no change to our debt-service levy formula. This decrease translates to about $100 lower property taxes for the average Retreat home. Because property taxes go down, specific ownership taxes will also decline, by about $5,000 (these are an allocation of vehicle registration taxes).

Monthly Homeowner Fees: The Finance Committee originally proposed increasing monthly fees by $6 per month ($72 annually, about 2%) to cover increased costs. Recently, the new service plan changes the mill levy formula and decreases the amount we can collect in operating property taxes. While this is good for homeowners (reducing taxes about $100 from the prior formula), it reduces the District's operating income by about $63,000. To make the budget work, the Finance Committee is recommending an additional $4 per month in homeowner fees ($48 annually). Total proposed homeowner fee increase is $10 per month ($120 annually), which will be substantially offset by the property tax reduction. The increase to $298 per month is about a about 3.5% increase.

Expenses – Operating Fund: Total operating expenses increased $50,000 from projected 2026 to proposed 2027. Operations and Maintenance increased $164,000 including $102,000 for landscaping and utilities. General and Administrative decreased $229,000 including eliminating $206,000 of MD1/CLA costs.

Lifestyle expenses are unchanged from the 2026 budget. The Lifestyle RFP Advisory Group is working on options. The Finance Committee recommends realigning lifestyle responsibilities (and budget) to carve out a property management function, still to be determined.

Transition expenses will be paid to MD1. In 2026, we expect to pay $37,000 for MD1 legal fees associated with the transition. From 2027 through 2035 we will pay MD1 $39,000 annually ($351,000 total) to support parks, trails, and median landscaping in greater BLR.

Proposed 2027 special projects were scaled back but still include amounts for signage for the two Torrisdale/Mireland alleys, security, pickleball wind screens, and Barn door fobs.

Expenses – Maintenance Reserve Fund: Reserve projects increased $149,000. Significant 2026 projects included pool repairs and street repairs. 2027 proposed projects are the sales office, dog park, and pickleball courts.

Mill Levy and Property Taxes

2027 Operating Mill Levy: This follows a formula using the lesser of two calculations:

- Actual budget divided by assessed valuation.
- Maximum of 20 mills adjusted for changes in the calculation of actual and assessed values since 2022.
  (Prior to 2027, we adjusted for changes in the calculation of actual and assessed values since 2008. The change from 2008 to 2022 is the cause of our 2027 reduction in property taxes.)

The second bullet above will always result in the least levy and will always be used, because our budget is mostly funded by monthly homeowner fees.

2027 Debt Service Mill Levy: This follows a formula using the lesser of three calculations:

- Actual budget divided by assessed valuation.
- Maximum of 30 mills adjusted for changes in the calculation of actual and assessed values since 2008.
  (This is the formula promised to bondholders and carries forward with the new service plan.)
- Maximum of 50 mills adjusted for changes in the calculation of actual and assessed values since 2022.
  (This is the maximum rate in the new service plan.)

The second bullet above will always result in the least levy and will always be used. Because we have cash flow bonds (Series B and C), the maximum budget will be the outstanding principal and interest for these bonds. And, 50 mills adjusted for changes since 2022 will always produce a greater mill levy than 30 mills adjusted since 2008.

The formulas produce the following mill levies for 2026 and 2027. 2027 values are preliminary based on the Assessor's preliminary values. Final values are expected by December 1, 2026.

	2026 Certified	2027 Preliminary	Change
Actual value (taxable)	$247,028,000	$287,589,000	$40,561,000

	2026 Certified	2027 Preliminary	Change
Assessed value (taxable)	$ 17,026,000	$ 17,854,000	$ 828,000
Operations mill levy	24.988	22.705	(2.283)
Debt service mill levy	37.482	38.916	1.479
Total mill levy	62.470	61.621	(0.849)
Calculated property tax revenue (AV × mills ÷ 1,000)	$1,063,605	$1,100,173	$ 36,568

Actual values increased by 16.4% (primarily more homes) while assessed values increased by 4.9% (state law change to reduce assessed values). These law changes provide the mechanism for adjusting mill levies demonstrated by the increase in levies for debt service. While the increase also affected the operations mill levy, the impact of the service plan change was much more significant.

We also receive from the county Treasurer several items related to property taxes.

- Specific ownership taxes (auto registration) that have averaged 8-10% of property taxes.
- Small amounts of penalties and interest.
- Less cost of collection (Treasurer's fees) equal to 1.5% of property taxes.

Economic Assumptions

Assumption	2027
Inflation applied to contracts and services	3% generally although some line items are lower or higher where we have information.
Actual values Assessed values	From the county Assessor's preliminary value notification, final to be received about December 1. 2027 reflects state law changes reducing assessed values.
Specific ownership taxes	8.4% of property taxes for both 2026 and 2027.

Assumption	2027
New homes / growth	2026 average number of homes is 577. 2027 is fully built out with 585 homes.
Other	The model is primarily trend-based, except when we have better information such as proposals or contracts.

3. Operating Fund

The Operating Fund is the catch-all for all activities of the District not included in either the Debt Service Fund or the Maintenance Reserve Fund. Prior to 2025, CLA presented the Operating Fund and the Maintenance Reserve in a single Special Reserve Fund (SRF). We manually classified the Maintenance Reserves as the excess of the fund balance over TABOR and Operations Reserves.

In 2027, they will be separate funds. 2026 presentation is yet to be determined but the maintenance reserve will be calculated consistently with prior years.

Revenue by Source

	2026 Budget	2026 Projected	2027 Proposed	Increase over 2026 Projected
Homeowner monthly fees	$1,957,000	$1,994,000	$2,092,000	$ 98,000
Operating property taxes	425,000	425,000	405,000	(20,000)
Specific ownership taxes	36,000	36,000	34,000	(2,000)
Interest income	44,000	43,000	36,000	(7,000)
Event fees	15,000	13,000	14,000	1,000
Other income	24,000	5,000	5,000	0
Total revenue	**$2,501,000**	**$2,517,000**	**$2,587,000**	**70,000**

	2026 Budget	2026 Projected	2027 Proposed	Increase over 2026 Projected
Transfer to Maintenance Reserve Fund	0	0	(152,000)	(152,000)
Net available for Operating Fund	**$2,501,000**	**$2,517,000**	**$2,435,000**	**(82,000)**

In prior years, we have allocated amounts to the Maintenance Reserve Fund equal to the excess Operating Fund Balance over TABOR and Operations Reserves. We will be continuing this for 2027 and project an additional $29,000 to transfer to the Maintenance Reserve Fund.

Expenses by Source

Category	2026 Budget	2026 Projected	2027 Proposed	Increase over 2026 Projected
Operations and Maintenance	$1,033,000	$1,066,000	$1,229,000	$ 163,000
Lifestyle / Facilities Management	484,000	420,000	498,000	78,000
General and Administrative	366,000	487,000	258,000	(229,000)
Barn	164,000	144,000	133,000	(11,000)
Pool	68,000	130,000	123,000	7,000
Sales office	0	1,000	23,000	22,000
Other amenities	30,000	20,000	28,000	8,000
Special projects	85,000	37,000	66,000	29,000
Transition / BLR contribution	0	42,000	39,000	(3,000)

Category	2026 Budget	2026 Projected	2027 Proposed	Increase over 2026 Projected
Total operating	**$2,230,000**	**$2,348,000**	**$2,398,000**	**$ 50,000**

Revenue Detail

Homeowner Monthly Fees: These fees are set annually by the Board. For 2027, the Finance Committee proposes these fees be set at $298 a month – a 3.5% increase over 2026. This is the first increase since inception of the Retreat. It is based on $6 a month for general cost increases plus $4 a month to offset part of the reduction in operating property taxes as part of the new service plan. As discussed in Section 2, the Finance Committee proposes a total homeowner fee increase is $10 per month ($120 annually), which will be substantially offset by a property tax reduction (average $100 per home).

Expense Detail

Some of the increase in expenses, we believe, is due to remediation. We expect remediation expenses to continue for the next couple of years.

Line item	2026 Budget	2026 Projected	2027 Proposed	Driver
Landscape maintenance	$238,000	$236,000	$353,000	Fully built out, correction of property billed to MD5
Snow removal	$321,000	$287,000	$321,000	Weather dependent
Utilities (water, electric)	$155,000	$232,000	$213,000	Water costs excessive
Lifestyle / Facility Management	$484,000	$421,000	$498,000	Full staffing all year
Management fees	$122,000	$191,000	$78,000	New provider full year
Legal	$60,000	$84,000	$25,000	No special counsel, legal duties performed by Wolfersberger

Line item	2026 Budget	2026 Projected	2027 Proposed	Driver
Accounting and audit	$114,000	$144,000	$88,000	New provider full year

Operations and Maintenance: The biggest 2027 increase in this group is LEI contract maintenance which is expected to increase $117,000 over 2026. The two reasons driving this increase was LEI corrected their list of parcels within MD5 boundaries, and we have more homes and area to maintain since reaching build-out. Trash collection decreased $24,000 due to a favorably negotiated contract by MD1 on our behalf. Handyman services increased $35,000 in anticipation of him performing more services that would have been handled by other contractors (e.g., gates, Barn, sales office). Decreasing water usage will hinge on aggressive oversight and installing smart controllers. The snow removal schedule is the same as 2026, but expenses will be driven by the number and severity on snow incidents.

Lifestyle / Facility Management: While BlueStar is expected to come in under budget for 2026, this area is a TBD for 2027. The Lifestyle Advisory Group is evaluating options for lifestyle services. The Board is considering carving-out Barn management previously under lifestyle into a broader Retreat property management function. The 2027 budget amount is temporarily based on BlueStar's 2026 budget – until a path forward has been determined.

General and Administrative: The significant driver behind this decrease is eliminating MD1/CLA charges (Accounting, Billing, District Administration, and related charged expenses ($206,000). The Finance Committee also requests the Board to reduce legal expenses.

Barn, Pool, and Amenities: This reflects a small increase expecting the Handyman to respond to more and larger maintenance needs. (In 2026, MD1 allowed handyman projects up to $1,000 per work order without their approval.)

Sales Office: Increase for maintenance, cleaning, and utilities.

Special Projects: There were several small projects in 2026 but the most significant project was rectifying the "Armdale Swamp" for $30,000. In 2027, the Finance Committee recommends going forward with signage for the Torrisdale/Mireland alleys, security, fob access for the Barn, and pickleball windscreens. Other special projects were deferred for another year because of the landscaping increase and property tax decrease.

Transition / BLR Contribution: Other than our own special counsel legal counsel (included in General and Administrative), 2026 transition expenses included $37,000 for MD1 legal expenses and $5,000 for an updated survey for the new service plan. For 2027 and forward, we agreed in the separation

agreement to pay MD1 $39,000 annually until 2035 to support parks, trails, and median landscaping within greater BLR ($351,000 total over nine years).

Operations Cost Drivers to Monitor

The landscape contract (including snow removal) may need to be changed for 2028 due to increased cost.

Watering frequency of open spaces may need to be reduced, with smart controllers installed.

Lifestyle / Property Management responsibilities and contracts need to be defined and managed. In addition, the property management function needs to assume responsibility for spa and pool testing (a 2026 service performed by the YMCA for about $4,300 per month.

4. Maintenance Reserve Fund

This fund does not have revenues but does have transfers in from the Operating Fund. It may have transfers out to the Operating Fund but we try to avoid this.

Transfers In by Source

For 2027, we propose:

Transfers In from Operations – Property Taxes	$152,000
Transfers In from Operations – Excess Fund Balance	29,000
Total	$181,000

Expenses / Transfers Out by Source

Projects to be included for this fund generally follow the following criteria.

- Whether the asset is included in the reserve study, and
- Whether the expense is consistent with the reserve study reason for the expense.

The criteria is not clear so judgement is required. Following are the projects selected for 2026 and 2027.

	2026 Projected	2027 Proposed
Sales Office The 2026/2027 split was arbitrary; the Board may choose to transfer remaining 2026 funds to 2027. This project continues to be reviewed. It is a reserve study project for 2026 at an estimated cost of $125,000.	$ 10,000	$115,000
Dog Park A 2026 project not completed so moved to 2027. Some dog park projects are included in the reserve study, but most are years out and not a complete make-over.	0	50,000
Pool Repair This amount is net of a planned reimbursement of $90,814 from Oakwood Homes / MD1.	26,000	
Street Repairs This project was split between the Operating Fund and Maintenance Reserve. This is the expected remaining amount to be charged to the Maintenance Reserve.	70,000	
Pickleball Courts This amount includes repairing the court surface, re-surfacing, and replacing the west poles to better resist wind. Repainting / resurfacing is listed in the reserve study for a 2029 project at estimated cost $36,000.		90,000
Total	**$106,000**	**$255,000**

5. Debt Service Fund

The Debt-Service Fund exists to pay our bond obligations. As a general rule, the more property tax and investment income we can get into the fund by early December, the better off we are. Any cash balances above our required reserves will go to paying interest and principal. There is a mismatch with the financial statements in that some cash will come in after December 15 bond payments have been made – and go into next year's payments. (This is the prior year carryforward in the table below.)

Revenue by source

	2026 Budget	2026 Projected	2027 Proposed
Prior year carryforward		$ 24,000	
Debt service property taxes	$638,000	638,000	695,000
Specific ownership taxes	61,000	54,000	58,000
Interest income	70,000	70,000	70,000
Facilities fees	22,000	22,000	0
Other income	21,000	0	0
Total revenue	**$812,000**	**$808,000**	**$823,000**

The 2026 Projected and 2027 Proposed columns are taken directly from the WLF draft budget received 9/23/2026. They have not yet been reviewed by the Finance Committee.

Expenses by Source

	2026 Budget	2026 Projected	2027 Proposed
Management and Compliance	$ 38,000	$ 17,000	$ 18,000
2018A Interest	373,000	373,000	368,000
2018A Principal	90,000	90,000	95,000
2018B Interest	319,000	328,000	140,000
2018B Principal			202,000
2018C Interest			

	2026 Budget	2026 Projected	2027 Proposed
2018C Principal			
Total Expenses	**$820,000**	**808,000**	**823,000**

Expense Detail

Management and Compliance Expenses: These are cost of collection for property taxes (1.5% of taxes) and UMB trustee fees (currently $7,000 annually). Often, a contingency line item is included.

Series 2018A Principal and Interest: Interest on the Series A bonds should be slowly declining as we pay down interest each year. Principal is paid down according to a fixed, increasing schedule that ends in 2048.

Series 2018B Principal and Interest: This is a cash-flow bond, meaning we pay all we can with whatever cash we have available (after fully funding Series A reserves and paying Series A principal and interest). After all accumulated interest has been paid, then we start paying down principal. We started paying down interest in 2024, and we will start paying down principal in 2027.

Series 2018C Principal and Interest: This is a cash flow bond very similar to Series B. The difference is that we don't start paying off interest until Series B is completely paid off. After all accumulated interest has been paid, then we start paying down principal.

6. Fund Balances

Presentation of beginning and ending fund balances will be discussed with the District Accountant and will be included in the November 19 Budget Hearing package.

7. Statutory Compliance and Calendar

Because the district certifies a mill levy, the 2027 budget must be adopted by Dec 15, 2026. Deadlines follow C.R.S. Title 29 and Title 32; confirm dates with district counsel.

- ☐ Draft budget presented to the Board — due Oct 15, 2026

- ☐ Notice of Budget published and public hearing scheduled — hearing on [date]
- ☐ Final assessed valuation received from county assessor — expected by Dec 10, 2026
- ☐ Budget adopted and funds appropriated — due Dec 15, 2026
- ☐ Mill levy (20 operations mills) certified to the Board of County Commissioners — due Dec 15, 2026
- ☐ Adopted budget e-filed with DOLA — due Jan 31, 2027

8. Finance Committee Recommendations

Budget Hearing

Set a public hearing on the proposed 2027 budget for [date] and direct publication of the Notice of Budget.

Certify the final mill levies for operations and debt service.

Open Items

[Board] Provide a structure and plan for the Lifestyle / Facility Management. Separate budgets should be established for each.

[Finance Committee and District Accountant] Update line items for developments since October 21 and prepare a budget package prior to the November 19 hearing.

Decisions Needed from the Board

In adopting the budget, the Board should acknowledge agreement with the following .

- Increase of 2027 monthly homeowner fees to $298 (a $10 per month increase). This needs to considered in conjunction with property taxes in evaluating impact on residents.

- Splitting the former Special Reserve Fund (SRF) into an Operating Fund and Maintenance Reserve Fund, and funding the latter with a portion of property taxes. In 2027, the recommendation is 35% of net operating property taxes received from the county Treasurer. This would be an annual decision by the MD 5 Board of Directors.
- Designating nine annual payments of $39,000 to MD1 on May 1 from 2027 to 2035.

Risks

- **Planned Planned Project Spending :** the budget draws $66,000 from reserves in 2027 and a projected $352,000 in 2028 if all existing reserve study projects completed
- **Thin operating cushion:** the Operating Fund ends 2027 at its required reserves, with no extra margin. However, Metro District 5 currently has FIVE reserve funds (three operations and two debt).
- **Lower levy:** revenue impact will need of 20 mills on 2027 and future years [confirm it is reflected)
- **Maintenance reserve:** 2028 reserve projects will need extensive review; [adequacy vs reserve study] This can be managed by continuous cost containment, what if forecasting, continued as needed maintenance and prioritization by the Facilities Committee.

Appendix – Summary Statements

Finance Committee Projection and Proposed 2027 Budget (All numbers in $000s)	2026 Budget	2026 Projected	Proposed 2027 Budget	2028 Projected
Operating Fund				
Gross Revenues	2,501	2,517	2,587	2,614
Prop Tax Transfer to Reserve Fund			(151)	(223)
Total Revenues	2,501	2,517	2,435	2,391
General and Administrative	366	487	258	264
Transition Expense / BLR Contribution	-	42	39	39
Operations and Maintenance	1,033	1,066	1,229	1,259
Lifestyle Experience	484	420	498	498
Barn	164	144	133	137
Pool	68	130	123	127
Sales Office	-	1	23	28
Other Amenities	30	20	28	29
Special Projects	85	37	66	65
Total Expenses	2,230	2,348	2,398	2,446
Prelim Change in Fund Balance	271	169	37	(55)
Add'l Transfer from/(to) Reserve Fund		(126)	(29)	63
Change in Fund Balance	271	43	8	8
TABOR Reserve (3% of expenses)		71	72	73
Operations Reserve (1.5 mos of expenses)		294	300	306
Ending Fund Balance		364	372	379
Maintenance Reserve Fund				
Transfer from Operations - Prop Taxes		-	151	223
Transfer from Operations - Excess Fund Bal		126	29	(63)
Total Revenues and Transfers In		126	181	160
Projects - Sales Office	125	10	115	-
Projects - Dog Park	-	-	50	-
Projects - Pool Repair	-	26	-	-
Projects - Add'l Street Repairs	40	70	-	-
Projects - Reserve Study	-	-	-	520
Projects - Pickleball Court Resurfacing	-	-	90	-
Projects - Other	-	-	-	-
Total Expenses	165	106	255	520
Change in Fund Balance	(165)	20	(74)	(360)
Ending Fund Balance		775	701	341
Combined Operating and Reserve Funds				
Combined Change in Fund Balance	106	64	(66)	(352)
Combined Ending Fund Balance	1,181	1,139	1,073	721

As of 21 October 2026

MD-5 Retreat Utilities Expense 2026

	Acres	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
9150 Braemore Heights - Barn		**2040**	**2020**	**1931**	**1492**	**2114**	**2441**	**2633**	**2256**	**2238**	**$ 19,165**
9120 Braemore - Pool		**1691**	**1787**	**1940**	**1205**	**10629**	**4708**	**3479**	**3434**	**2055**	**$ 30,928**
Gates, Lights, Sprinkers											**$ -**
5971 Torrisdale View -Sprinklers		81	156	292	2395	2732	7802	8523	8403	9052	**$ 39,436**
6490 Vista Del Tierra - Sprinklers		137	142	322	4121	3209	5512	9597	7157	5979	**$ 36,176**
5882 Torrisdale View - Sprinklers					225	15545	16484	12794	7394	7523	**$ 59,965**
9088 Berridale - Sprinklers					22	31	34	84	83	87	**$ 341**
subtotal - Sprinklers		**218**	**298**	**614**	**6763**	**21517**	**29832**	**30998**	**23037**	**22641**	**$ 135,918**
8955 Dublin - Gates & Light		58	54	51	43	40	49	49	49	56	$ 449
6404 Lythmore Grv, Street Lights		145	145	144	143	142	142	142	142	144	$ 1,289
9124 Braemore - Street Lights		86	83	73	61	59	63	68	73	86	$ 652
6397 Syre Pt, Street Light		67	67	66	66	65	65	66	66	66	$ 594
6163 Armdale Hts, Street Light		11	11	11	11	11	11	11	11	11	$ 99
6091 Haster Grove - Street Light		22	22	22	21	21	21	21	21	22	$ 193
6102 Lockside Vw - Street Light		66	65	65	63	62	62	62	62	64	$ 571
6122 Torrisdale Vw - street Light		22	21	21	21	21	21	21	21	21	$ 190
9095 Manse Grove, Street Light		22	22	22	21	21	21	21	21	21	$ 192
5879 Torrisdale Vw- street light		139	138	137	134	133	134	134	134	136	$ 1,219
9178 Braemore Hts, Guard Shack		71	69	66	61	60	67	67	73	83	$ 617
8940 Kitson Pt. Street Light								5	28	31	$ 64
9005 Clarin Vw - Street Light		22	22	22	22	22	22	22	22	22	$ 198
Subtotal Gates, Lights		**731**	**719**	**700**	**667**	**657**	**678**	**689**	**723**	**763**	**$ 6,327**
Internet, phone lines for Gates		**268**	**269**	**268**	**269**	**269**	**269**	**269**	**269**	**235**	**$ 2,385**
Stormwater Fees											
8955 Dublin	3.3	150	150	150	150	150	150	150	150	150	$ 1,353
6138 Lockside View	1.9	85	85	85	85	85	85	85	85	85	$ 767
5971 Torrisdale View	1.6	72									$ 74
Armdale Heights	1.2	53	53	53	43	53	53	53	53	53	$ 468
9008 Manse Grove	0.9	39	39	39	39	39	39	39	39	39	$ 352
9088 Berridale							51	51	51	51	$ 204
9169 Braemore	0.8	36	36	36	36	36	36	36	36	36	$ 325
6113 Torrisdale View	0.7	32	32	32	32	32	32	32	32	32	$ 289
6279 Armdale Heights	0.7	31	31	31	31	31	31	31	31	31	$ 280
6150 Vista Del Tierra	0.5	22	22	22	22	22	22	22	22	22	$ 198
subtotal stormwater		**520**	**448**	**448**	**438**	**448**	**499**	**499**	**499**	**499**	**$ 4,298**
Total all utilities		**$ 5,468**	**$ 5,541**	**$ 5,901**	**$10,834**	**$ 35,634**	**$ 38,427**	**$ 38,567**	**$ 30,218**	**$ 28,431**	**$ 199,021**

Exhibit 15

Facilities Committee Status Update

- **Armdale Swamp Drainage Remediation:** Work has started and is expected to be completed by the first week of November.
- **Braemore and Berridale Gates:** Pricing for vehicle gate exit buttons to accommodate motorcycle and bicycle users has been approved. The paperwork is with MD1 for signature.
- **Kitson Gate:** An update on the ongoing gate issues is expected by the Board meeting. ABC Gates is expected to deliver the gates this week.
- **Road Repairs and Sealing:** Roadwork repairs and sealing are complete. Remaining punch-list items are scheduled for completion on October 26.
- **Pedestrian Gate Fob Access:** A site walk was completed with Korben to review fob access issues at the pedestrian gates. An update is pending.
- **Security Review:** Steve Langer is organizing a committee to review security options for the Barn and vehicular gates. Additional information may be provided during the meeting.