

SUNSET PARKS METROPOLITAN DISTRICT

2025 ANNUAL REPORT

Pursuant to § 32-1-207(3)(c), C.R.S., and the Third Amended and Restated Service Plan for Sunset Parks Metropolitan District (the “**District**”), the District is required to provide an annual report for the preceding year with regard to the following matters:

For the year ending December 31, 2025, the District makes the following report:

C.R.S. § 32-1-207(3) Statutory Requirements

1. Boundary changes made.

The District did not change its boundaries in 2025.

2. Intergovernmental agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any intergovernmental agreements with other governmental entities in 2025.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2025, the District had not yet adopted any rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’ public improvements as of December 31, 2025.

5. The status of the construction of public improvements by the District.

The District did not construct any public improvements in 2025. However, the District accepted landscaping improvements and various tracts from Lennar Colorado, LLC.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

No public improvements constructed by the District were dedicated or conveyed to the Town of Erie in 2025.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The 2025 final assessed valuation as certified by the Weld County Assessor for the District is \$8,260,310.

8. A copy of the current year's budget.

A copy of the 2026 Budget is attached hereto as **Exhibit A**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2025 Audit is in progress and will be provided as a supplement to this report once completed.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, the District did not receive notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any debt instrument.

11. Any inability of the District to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, there was not any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

Service Plan Requirements

1. A narrative summary of the progress of the District in Implementing the Service Plan.

In accordance with the Service Plan, the District has financed street, parks and recreation, water, and sanitation/sewer improvements in 2025.

2. Except when an exemption from audit has been granted for the fiscal year under the Local Government Audit Law, the audited financial statements of the District for the fiscal year including a statement of financial condition (i.e. balance sheet) as of December 31 of the fiscal year and the statement of operations (i.e. revenues and expenditures) for the fiscal year.

The 2025 Audit is in progress and will be provided as a supplement to this report once complete.

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the fiscal year.

The 2025 Audit is in progress and will be provided as a supplement to this report once complete.

In the next five (5) years, the public improvements contemplated in the Service Plan are projected to be completed as development progresses.

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the fiscal year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the fiscal year, the amount of payment or retirement of existing indebtedness of the District in the fiscal year, the total assessed valuation of all taxable properties within the District as of January 1 of the fiscal year, and the current mill levy of the District pledged to debt retirement in the fiscal year.

The 2025 Audit is in progress and will be provided as a supplement to this report once complete.

The 2025 Assessed Value for the District was \$8,260,310

5. The District's budget for the calendar year in which the annual report is submitted.

A copy of the 2025 Budget is attached hereto as **Exhibit A**.

6. A summary of residential development which has occurred within the District for the fiscal year.

Zero (0) residential homes were constructed in 2025. Construction of the public improvements are underway.

7. A summary of all taxes, fees, charges and assessments imposed by the District as of January 1 of the fiscal year.

Taxes levied to be collected in 2026 were \$587,251 which included \$79,068 for the General Fund and \$508,183 for the Debt Service Fund. A copy of the 2025 Budget is attached hereto as **Exhibit A**.

8. The name, business address and telephone number of each member of the Board and the chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.

Kent Pendersen	President	9193 Jamaica St 4th Floor, Englewood, CO 80112
Jennifer Thornbloom	Assistant Secretary	9193 Jamaica St 4th Floor, Englewood, CO 80112
Debra Hessler	Secretary	9193 Jamaica St 4th Floor, Englewood, CO 80112
Shlok Basnet	Assistant Treasurer	1206 Sunrise Drive, Erie, CO 80516
Vacancy		

Regular meetings are scheduled for the 1st Thursday of May and November, 2026 at 2:00 p.m. via Zoom Teleconference.

Chief Admin. Officer – Clint C. Waldron, Esq., District General Counsel

General Legal Counsel – WBA, PC; Attn: Clint C. Waldron, Esq., 2154 E. Commons Avenue, Suite 2000, Centennial, CO 80122; 303-858-1800

EXHIBIT A
2026 Budget

SUNSET PARKS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**SUNSET PARKS METROPOLITAN DISTRICTS
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 1,424	\$ 2,184,625	\$ 1,781,813
REVENUES			
Property taxes	7,782	97,263	587,251
Specific ownership taxes	263	6,476	23,490
Interest Income	5,021	80,110	60,000
Developer advance	24,664	85,000	-
Developer Advance - Capital	12,812,722	-	-
Other Revenue	7,509	-	489
Bond proceeds - Series 2024A	11,295,000	-	-
Bond proceeds - Series 2024B	1,943,000	-	-
Bond proceeds - Series 2024C	1,390,000	-	-
Total revenues	27,485,961	268,849	671,230
TRANSFERS IN	2,232,749	5,154	-
Total funds available	29,720,134	2,458,628	2,453,043
EXPENDITURES			
General Fund	57,983	82,082	77,517
Debt Service Fund	41,807	589,579	600,091
Capital Projects Fund	25,202,970	-	-
Total expenditures	25,302,760	671,661	677,608
TRANSFERS OUT	2,232,749	5,154	-
Total expenditures and transfers out requiring appropriation	27,535,509	676,815	677,608
ENDING FUND BALANCES	\$ 2,184,625	\$ 1,781,813	\$ 1,775,435
EMERGENCY RESERVE	\$ 500	\$ 600	\$ 2,500
AVAILABLE FOR OPERATIONS	(16,841)	3,265	6,568
DEBT SERVICE RESERVE FUND	888,488	888,488	888,488
DEBT SERVICE RESERVED	1,307,435	889,461	877,880
CAPITAL PROJECTS RESERVED	5,044	-	-
TOTAL RESERVE	\$ 2,184,625	\$ 1,781,813	\$ 1,775,435

See summary of significant assumptions.

SUNSET PARKS METROPOLITAN DISTRICTS
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 6,473,100
Oil and Gas - Production	78,750	100	-
Oil and Gas - Pipeline	129,940	101,770	110,980
State assessed	11,940	11,700	128,760
Vacant land	482,340	1,446,020	1,547,470
Certified Assessed Value	<u>\$ 702,970</u>	<u>\$ 1,559,590</u>	<u>\$ 8,260,310</u>

MILL LEVY

General	10.350	10.394	9.572
Debt Service	0.000	51.971	61.521
Total mill levy	<u>10.350</u>	<u>62.365</u>	<u>71.093</u>

PROPERTY TAXES

General	\$ 7,276	\$ 16,210	\$ 79,068
Debt Service	-	81,053	508,183
Levied property taxes	7,276	97,263	587,251
Adjustments to actual/rounding	506		-
Budgeted property taxes	<u>\$ 7,782</u>	<u>\$ 97,263</u>	<u>\$ 587,251</u>

BUDGETED PROPERTY TAXES

General	\$ 7,782	\$ 16,210	\$ 79,068
Debt Service	-	81,053	508,183
	<u>\$ 7,782</u>	<u>\$ 97,263</u>	<u>\$ 587,251</u>

**SUNSET PARKS METROPOLITAN DISTRICTS
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 1,424	\$ (16,341)	\$ 3,865
REVENUES			
Property taxes	7,782	16,210	79,068
Specific ownership taxes	263	1,078	3,163
Interest Income	-	-	-
Developer advance	24,664	85,000	-
Other Revenue	7,509	-	489
Total revenues	40,218	102,288	82,720
TRANSFERS IN			
Transfers from other funds	-	-	-
Total funds available	41,642	85,947	86,585
EXPENDITURES			
General and administrative			
Accounting	23,722	25,000	25,000
Auditing	-	7,420	-
County Treasurer's Fee	121	243	1,186
Dues and Membership	188	500	500
Insurance	758	3,436	6,000
Legal	29,051	38,521	30,000
Miscellaneous	-	262	500
Election	-	1,700	-
Contingency	-	-	1,502
Website	1,866	-	2,329
Bond issue costs	2,277	-	-
Operations and maintenance			
Landscaping	-	5,000	10,500
Total expenditures	57,983	82,082	77,517
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	57,983	82,082	77,517
ENDING FUND BALANCES	\$ (16,341)	\$ 3,865	\$ 9,068
EMERGENCY RESERVE	\$ 500	\$ 600	\$ 2,500
AVAILABLE FOR OPERATIONS	(16,841)	3,265	6,568
TOTAL RESERVE	\$ (16,341)	\$ 3,865	\$ 9,068

See summary of significant assumptions.

**SUNSET PARKS METROPOLITAN DISTRICTS
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ 2,195,922	\$ 1,777,948
REVENUES			
Property taxes	-	81,053	508,183
Specific ownership taxes	-	5,398	20,327
Interest Income	4,980	80,000	60,000
Total revenues	4,980	166,451	588,510
TRANSFERS IN			
Transfers from other funds	2,232,749	5,154	-
Total funds available	2,237,729	2,367,527	2,366,458
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	1,210	7,623
Paying agent fees	-	9,500	-
Contingency	-	-	13,599
Debt Service			
Bond Interest - 2024A	41,807	578,869	578,869
Total expenditures	41,807	589,579	600,091
Total expenditures and transfers out requiring appropriation	41,807	589,579	600,091
ENDING FUND BALANCES	\$ 2,195,922	\$ 1,777,948	\$ 1,766,367
DEBT SERVICE RESERVE FUND	\$ 888,488	\$ 888,488	\$ 888,488
DEBT SERVICE RESERVED	1,307,435	889,461	877,880
TOTAL RESERVE	\$ 2,195,922	\$ 1,777,948	\$ 1,766,367

See summary of significant assumptions.

**SUNSET PARKS METROPOLITAN DISTRICTS
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ 5,044	\$ -
REVENUES			
Interest Income	41	110	-
Developer Advance - Capital	12,812,722	-	-
Bond proceeds - Series 2024A	11,295,000	-	-
Bond proceeds - Series 2024B	1,943,000	-	-
Bond proceeds - Series 2024C	1,390,000	-	-
Total revenues	27,440,763	110	-
Total funds available	27,440,763	5,154	-
EXPENDITURES			
Capital Projects			
Repay developer advance	11,733,763	-	-
Bond issue costs	656,485	-	-
Capital outlay	12,812,722	-	-
Total expenditures	25,202,970	-	-
TRANSFERS OUT			
Transfers to other fund	2,232,749	5,154	-
Total expenditures and transfers out requiring appropriation	27,435,719	5,154	-
ENDING FUND BALANCES	\$ 5,044	\$ -	\$ -
CAPITAL PROJECTS RESERVED	\$ 5,044	\$ -	\$ -
CAPITAL PROJECTS RESERVE 2	-	-	-
TOTAL RESERVE	\$ 5,044	\$ -	\$ -

See summary of significant assumptions.

**SUNSET PARKS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Sunset Parks Metropolitan District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado. It is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Weld County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

Revenues

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. The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

**SUNSET PARKS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes the District's share will be equal to approximately 4% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.50%.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer.

Expenditures

Administrative and Operating Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, engineering, and insurance. Estimated expenditures related to landscaping, irrigation, snow removal, utilities, and other common area maintenance were also included the General Fund budget.

Debt and Leases

On November 1, 2024, the District issued its Series 2024A limited Tax, General Obligation Bonds in the amount of \$11,295,000 and the Series 2024B Subordinate Limited Tax General Obligation Bonds in the amount of \$1,943,000.

The 2024A Senior Bonds were being issued for the purpose of: (a) financing Public Improvements necessary to support the Development; (b) funding capitalized interest on the 2024A Senior Bonds; (c) funding the Senior Reserve Fund to the Reserve Requirement; and (d) paying other costs in connection with the issuance of the Bonds and the 2024C Junior Lien Bonds. The 2024B Subordinate Bonds are being issued for the purpose of financing additional Public Improvements necessary to support the Development.

**SUNSET PARKS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The Series 2024A Senior Bonds bear interest at a rate of 5.125%. The bond interest is payable semi-annually on June 1 and December 1, beginning on December 1, 2024. The 2024A Senior Bonds are also subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2028, and on each December 1 thereafter prior to the maturity date of such 2024A Senior Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth in the Final Limited offering Memorandum.

The 2024A Senior Bonds constitute limited tax general obligations of the District payable from Senior Pledged Revenue, defined in the 2024A Senior Indenture as the following: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The 2024A Senior Bonds are additionally secured by: (i) the Senior Reserve Fund, funded with proceeds of the 2024A Senior Bonds in the amount of the Reserve Requirement (\$888,487.50); (ii) the Senior Surplus Fund, which will not be funded with proceeds of the 2024A Senior Bonds, but instead will be funded with excess Senior Pledged Revenue, if any, up to the Maximum Surplus Amount (\$1,129,500) (subject to release in accordance with the provisions of the 2024A Senior Indenture); and (iii) capitalized interest which will be funded with proceeds of the 2024A Senior Bonds in the amount of \$1,344,261.90. In the event any amounts of principal or interest on the 2024A Senior Bonds remain unpaid on December 1, 2064, the 2024A Senior Bonds shall be deemed discharged.

The Series 2024B Subordinate Bonds bear interest at a rate of 7.625%. The 2024B Subordinate Bonds are structured as “cash flow” bonds, meaning that the 2024B Subordinate Indenture contains no scheduled payments of principal or interest on the 2024B Subordinate Bonds other than at maturity. Instead, principal and interest are payable on each December 15 from the available Subordinate Pledged Revenue, payable annually, if any commencing on December 15, 2024, pursuant to a mandatory redemption. Payment of principal of and interest on the 2024B Subordinate Bonds is subordinate to the annual payment of debt service on the 2024A Senior Bonds and any Senior Parity Bonds.

The 2024B Subordinate Bonds constitute limited tax general obligations of the District payable from the Subordinate Pledged Revenue, defined in the 2024B Subordinate Indenture as the following: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) any amounts released from the Senior Surplus Fund pursuant to the 2024A Senior Indenture; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. In the event any amounts of principal or interest on the 2024B Subordinate Bonds remain unpaid on December 15, 2064, the 2024B Subordinate Bonds shall be deemed discharged.

**SUNSET PARKS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

On November 5, 2024, the District issued its Series 2024C₍₃₎ junior Lien limited Tax, General Obligation Bonds in the amount of \$1,390,000 and bear the interest at a rate of 7.625%. Interest payments are payable annually on December 15 each year, commencing on December 15, 2024, until the principal amount is paid at maturity or upon prior redemption. To the extent principal of this Bond is not paid when due, such principal shall remain Outstanding until paid. To the extent interest on this Bond is not paid when due, such interest shall compound annually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein or in the Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of this Bond, including all payments of principal and interest, and this Bond will be deemed discharged and no longer Outstanding upon the payment by the District of such amount, subject to the immediately succeeding paragraph. Notwithstanding any of the foregoing, in no event shall any principal, interest or Mandatory Redemption Price be paid on the Bonds until such time as there has been paid in full or discharged the 2024B Subordinate Bonds, and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations issued by the District.

The District has outstanding operating and maintenance developer advances in the amount of \$38,755.15 as of December 31, 2024 with an interest rate of 2%. The District has outstanding capital developer advances in the amount of \$4,420,216.66 as of December 31, 2024 with an interest rate of 7.870%.

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2026, as defined under TABOR.

This information is an integral part of the accompanying budget.

**SUNSET PARKS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$11,295,000 Limited Tax General Obligation Bonds

Interest Rate 5.125%

Principal Due December 1

Year Ended December 31,	Interest Payable June 1 and December 1		
	Principal	Interest	Total
2026	\$ -	\$ 578,869	\$ 578,869
2027	-	578,869	578,869
2028	50,000	578,869	628,869
2029	120,000	576,306	696,306
2030	140,000	570,156	710,156
2031	150,000	562,981	712,981
2032	170,000	555,294	725,294
2033	180,000	546,581	726,581
2034	205,000	537,356	742,356
2035	215,000	526,850	741,850
2036	240,000	515,831	755,831
2037	255,000	503,531	758,531
2038	280,000	490,463	770,463
2039	295,000	476,113	771,113
2040	325,000	460,994	785,994
2041	345,000	444,338	789,338
2042	375,000	426,656	801,656
2043	395,000	407,438	802,438
2044	430,000	387,194	817,194
2045	455,000	365,156	820,156
2046	495,000	341,838	836,838
2047	520,000	316,469	836,469
2048	565,000	289,819	854,819
2049	590,000	260,863	850,863
2050	640,000	230,625	870,625
2051	670,000	197,825	867,825
2052	725,000	163,488	888,488
2053	760,000	126,331	886,331
2054	1,705,000	87,381	1,792,381
	<u>\$ 11,295,000</u>	<u>\$ 12,104,484</u>	<u>\$ 23,399,484</u>

See summary of significant assumptions.