LAFFERTY CANYON METROPOLITAN DISTRICT

2025 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Lafferty Canyon Metropolitan District (the "**District**"), the District are required to provide an annual report to the Town of Erie with regard to the following matters:

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

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

The District did not undertake any boundary changes during the reporting period.

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

The District did not enter into or terminate any intergovernmental agreements during the reporting period.

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

Copies of Rules and Regulations can be obtained by contacting the District Manager at McKenna.Lewis@claconnect.com.

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

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

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

The District did not engage in construction of public improvements during the reporting period. All public improvements are constructed by the developer or builder within the District.

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

The District did not construct any public improvements that were conveyed or dedicated to the Town during the reporting period. All public improvements are constructed by the developer or builder within the District and will be responsible for dedication to the Town.

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

The District's 2025 assessed valuation is $6,713,766.

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 process and will be provided in a supplemental report once available.

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

To our actual knowledge there are no uncured defaults existing more than ninety days under any debt instrument of the District.

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

To our actual knowledge there is no inability of the District to pay its obligations at they came due under any obligations which continue beyond a ninety-day period.

Service Plan Requirements

Pursuant to section VII of the Service Plan for Lafferty Canyon Metropolitan District (the "District"), the District shall be responsible for submitting an annual report to the Town no later than July 1st of each year following the year in which the Order and Decree creating the District has been issued (the "report year"). The District makes the following report for the year ending December 31, 2025:

1. **Narrative summary of the progress of the District in implementing its Service Plan and a summary of the development in the Project.**

The District did not undertake any development in 2025.

2. **Except when an exemption from audit has been granted for the fiscal year under the 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; 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 process and will be provided in a supplemental report once available.

3. **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 District's 2025 assessed valuation is $6,713,766.

4. **The District's budgets for the calendar year in which the annual report is submitted.**

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

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

   The District did not engage in any residential development in 2025. All public improvements are constructed by the developer or builder within the District and will be responsible for dedication to the Town.

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

   The District did not impose any taxes, fees, charges or assessments as of December 31, 2025.

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

   Board of Directors
   Richard Dean, President
   c/o WBA, PC
   2154 E. Commons Avenue, Suite 2000
   Centennial, CO 80122
   Phone: 303-858-1800

Roger Hollard, Secretary
c/o WBA, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

Christian Dean, Treasurer
c/o WBA, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

General Counsel and Contract for the District
Zachary P. White, Esq.
WBA, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

2026 Meeting Dates:
The Board determines to hold regular meetings on the third Wednesday of March, June, September and November at 11:30 a.m. by telephone, electronic, of other means not requiring physical presence.

The Board determines to hold an annual meeting on November 19, 2026, at 11:30 a.m.

EXHIBIT A

2026 Budget

LAFFERTY CANYON METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2026

LAFFERTY CANYON METROPOLITAN DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ (6,202)	$ 268	$ 1,932,294
REVENUES			
Property Taxes	-	20,916	346,759
Specific Ownership Taxes	-	837	13,871
Common Area Fee	-	-	34,560
Villas Alley Load Fee	-	-	7,200
Interest Income	-	67,892	31,000
Developer Advance	35,928	11,502,977	148,510
Bond Issuance Proceeds	-	13,555,500	-
Total revenues	35,928	25,148,122	581,900
TRANSFERS IN	-	2,319,063	-
Total funds available	29,726	27,467,453	2,514,194
EXPENDITURES			
General Fund	29,458	84,733	100,000
Debt Service Fund	-	454,973	680,186
Capital Projects Fund	-	22,676,390	45,252
Special Revenue Fund	-	-	71,642
Total expenditures	29,458	23,216,096	897,080
TRANSFERS OUT	-	2,319,063	-
Total expenditures and transfers out requiring appropriation	29,458	25,535,159	897,080
ENDING FUND BALANCES	$ 268	$ 1,932,294	$ 1,617,114
EMERGENCY RESERVE	$ -	$ 700	$ 700
AVAILABLE FOR OPERATIONS	268	13,188	28,083
TOTAL RESERVE	$ 268	$ 13,888	$ 28,783

See summary of significant assumptions.

LAFFERTY CANYON METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ 54,338	$ 50,653	$ 71,118
Agricultural	16,522	16,521	-
State assessed	-	2,329	-
Vacant land	1,254,297	1,254,313	6,642,648
Personal property	-	7,126	-
Oil and gas	102,003	383	-
Certified Assessed Value	$ 1,427,160	$ 1,331,325	$ 6,713,766
MILL LEVY			
General	0.000	15.711	3.279
Debt Service	0.000	0.000	48.370
Total mill levy	0.000	15.711	51.649
PROPERTY TAXES			
General	$ -	$ 20,916	$ 22,014
Debt Service	-	-	324,745
Budgeted property taxes	$ -	$ 20,916	$ 346,759
BUDGETED PROPERTY TAXES			
General	**$ -**	**$ 20,916**	**$ 22,014**
Debt Service	**-**	**-**	**324,745**
	$ -	**$ 20,916**	**$ 346,759**

See summary of significant assumptions.

LAFFERTY CANYON METROPOLITAN DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ (6,202)	$ 268	$ 13,888
REVENUES			
Property Taxes	-	20,916	22,014
Specific Ownership Taxes	-	837	881
Developer Advance	35,928	76,600	92,000
Total revenues	35,928	98,353	114,895
Total funds available	29,726	98,621	128,783
EXPENDITURES			
General and administrative			
Accounting	3,192	34,962	35,000
County Treasurer's Fees	-	314	330
Auditing	-	-	7,500
Dues and Membership	150	293	400
Insurance	2,517	3,200	3,800
District management	391	14,588	21,000
Legal	22,608	27,926	26,250
Miscellaneous	-	-	525
Election	-	1,750	-
Website	600	1,700	1,500
Contingency	-	-	3,695
Total expenditures	29,458	84,733	100,000
Total expenditures and transfers out requiring appropriation	29,458	84,733	100,000
ENDING FUND BALANCES	$ 268	$ 13,888	28,783
EMERGENCY RESERVE	$ -	$ 700	700
AVAILABLE FOR OPERATIONS	268	13,188	28,083
TOTAL RESERVE	$ 268	$ 13,888	28,783

See summary of significant assumptions.

LAFFERTY CANYON METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Common Area Fee	-	-	34,560
Villas Alley Load Fee	-	-	7,200
Developer advance	-	-	34,384
Total revenues	-	-	76,144
Total funds available	-	-	76,144
EXPENDITURES			
Landscaping	-	-	11,707
Community Management	-	-	2,222
Billing	-	-	2,400
Snow removal	-	-	17,000
Utilities	-	-	16,000
Irrigation Repairs	-	-	12,000
Play Ground Maintenance	-	-	2,500
Trash collection	-	-	6,480
Tree Replacement	-	-	1,333
Total expenditures	-	-	71,642
Total expenditures and transfers out requiring appropriation	-	-	71,642
ENDING FUND BALANCES	$ -	$ -	$ 4,502

See summary of significant assumptions.

LAFFERTY CANYON METROPOLITAN DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ 1,896,280
REVENUES			
Property Taxes	-	-	324,745
Specific Ownership Taxes	-	-	12,990
Interest Income	-	32,190	30,000
Total revenues	-	32,190	367,735
TRANSFERS IN			
Transfers from other funds	-	2,319,063	-
Total funds available	-	2,351,253	2,264,015
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	-	4,871
Contingency	-	-	6,784
Debt Service			
Bond interest	-	454,973	668,531
Total expenditures	-	454,973	680,186
Total expenditures and transfers out requiring appropriation	-	454,973	680,186
ENDING FUND BALANCES	$ -	$ 1,896,280	$ 1,583,829

See summary of significant assumptions.

LAFFERTY CANYON METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ 22,126
REVENUES			
Interest Income	-	35,702	1,000
Developer Advance	-	11,426,377	22,126
Bond Issuance Proceeds	-	13,555,500	-
Total revenues	-	25,017,579	23,126
Total funds available	-	25,017,579	45,252
EXPENDITURES			
Capital Projects			
Bond issue costs	-	601,485	-
Repay developer advance	-	10,648,528	23,126
Capital outlay	-	11,426,377	22,126
Total expenditures	-	22,676,390	45,252
TRANSFERS OUT			
Transfers to other fund	-	2,319,063	-
Total expenditures and transfers out requiring appropriation	-	24,995,453	45,252
ENDING FUND BALANCES	$ -	$ 22,126	$ -

See summary of significant assumptions.

LAFFERTY CANYON METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Boulder County on March 14, 2023, and 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 entirely within the Town of Erie, Boulder County, Colorado.

The District was established to provide for the planning, design, acquisition, construction, installation, financing, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District, primarily for single family residential development within the District.

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 the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative costs for 2026 are to be funded primarily by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

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.

Revenues (continued)

Property Taxes (Continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates and actual value reductions 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%

Specific Ownership Taxes

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

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt and Leases

The District issued Senior and Subordinate Bonds on March 26, 2025, in the amounts of $11,885,000 and $1,670,000, respectively.

Debt and Leases (continued)

Proceeds of the Bonds
The Senior Bonds were issued for the purpose of: (i) financing a portion of the public improvements necessary to support the Development; (ii) funding a Minimum Surplus Amount to the Senior Surplus Fund, (iii) funding capitalized interest for the Senior Bonds; and (iv) paying other costs in connection with the Bonds.

The Subordinate Bonds were issued for the purpose of: (i) financing a portion of the public improvements necessary to support the Development; and (ii) paying other costs in connection with the Bonds.

Details of the Senior Bonds
The Senior Bonds will bear interest at the rate of 5.625%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (the "Interest Payment Date"), beginning on June 1, 2025. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2030. The Senior Bonds mature on December 1, 2055.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 1, 2065 (the "Senior Termination Date"). To the extent interest on any Senior Bond is not paid when due, such interest shall compound semi-annually on each June 1 and December 1 at the rate then borne by the Senior Bond. The District shall not be obligated to pay more than the amount permitted by law in repayment of the Senior Bonds.

If any amount of principal of or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2065, the Senior Bonds will be deemed discharged.

Subordinate Bonds Details
The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Rather, principal on the Subordinate Bonds is payable annually on each December 15, commencing December 15, 2025, from, and to the extent of available Subordinate Pledged Revenue (defined below). The Subordinate Bonds mature on December 15, 2055.

The Subordinate Bonds will bear interest at the rate of 8.00% per annum payable annually on December 15, but only from and to the extent of available Subordinate Pledged Revenue, beginning on December 15, 2025.

To the extent principal of any Subordinate Bonds is not paid when due, such principal shall remain outstanding until the earlier of its payment or December 15, 2065 (the "Subordinate Termination Date").

Debt and Leases (continued)

In the event interest on any Subordinate Bonds is not paid when due, such interest is to compound annually on each December 15, at the rate then borne by the Subordinate Bonds.

If any amount of principal of or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2065, the Subordinate Bonds will be deemed discharged.

Optional Redemption
The Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2030, 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
March 1, 2030, to February 28, 2031	3.00%
March 1, 2031, to February 29, 2032	2.00
March 1, 2032, to February 28, 2033	1.00
March 1, 2033, and thereafter	0.00

Senior Pledged Revenue
The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue which is defined generally in the Senior Indenture as:

(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.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for 2026, as defined under TABOR.

This information is an integral part of the accompanying budget.

LAFFERTY CANYON METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Year Ended December 31,	$11,885,000 General Obligation Bonds Series 2025A Interest 5.625% Dated March 26, 2025 Interest Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2026	$ -	$ 668,531	$ 668,531
2027	-	668,531	668,531
2028	-	668,531	668,531
2029	-	668,531	668,531
2030	115,000	668,531	783,531
2031	125,000	662,063	787,063
2032	150,000	655,031	805,031
2033	155,000	646,594	801,594
2034	180,000	637,875	817,875
2035	190,000	627,750	817,750
2036	220,000	617,063	837,063
2037	230,000	604,688	834,688
2038	260,000	591,750	851,750
2039	275,000	577,125	852,125
2040	310,000	561,656	871,656
2041	325,000	544,219	869,219
2042	360,000	525,938	885,938
2043	380,000	505,688	885,688
2044	420,000	484,313	904,313
2045	445,000	460,688	905,688
2046	490,000	435,656	925,656
2047	515,000	408,094	923,094
2048	565,000	379,125	944,125
2049	595,000	347,344	942,344
2050	650,000	313,875	963,875
2051	685,000	277,313	962,313
2052	740,000	238,781	978,781
2053	785,000	197,155	982,155
2054	845,000	153,000	998,000
2055	1,875,000	105,467	1,980,467
	$ 11,885,000	$ 14,900,906	$ 26,785,906

See summary of significant assumptions.