SILVERSTONE METROPOLITAN DISTRICT NOS. 1 AND 2

JOINT 2025 ANNUAL REPORT
TO
THE TOWN OF FREDERICK

Pursuant to 32-1-207(3)(c), C.R.S. and the Consolidated Service Plan for the SilverStone Metropolitan District Nos. 1 and 2 (the "**Districts**"), the Districts are required to provide an annual report to the Town of Frederick with regard to the following matters:

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

§32-1-207(3) Statutory Requirements

1. **Boundary changes made.**

   There were no boundary changes made or proposed in 2025.

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

   The Districts 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 Boards have not adopted any rules and regulations.

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

   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 Districts' public improvements as of December 31, 2025.

5. **The status of the construction of public improvements by the Districts.**

   The Districts did not construct any public improvements in 2025.

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

   There were no District improvements conveyed or dedicated in 2025.

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

   The final assessed valuations as certified by the Weld County Assessor for the Districts are as follows:

District No. 1:	*$10*
District No. 2:	*$9,598,410*

8. **Copies of the current year's budget.**

   Copies of the 2025 Budgets are 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 for District No. 1, 2025 Audit Extension for District No. 2, and 2023 Audit for District No. 2 are attached as ***Exhibit A****.*

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

    There were no uncured events of default that continued beyond a ninety (90) day period, under a Debt instrument.

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

    The Districts did not experience any inability to pay their obligations as they came due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Service Plan Requirements

12. **A narrative summary of the progress of the Districts in implementing the service plan for the report year.**

    Demands for new housing development continue to influence timing of projects. As a result, construction of public infrastructure anticipated to begin in 2025 were delayed. Start of construction in 2026 is questionable at this time. A final plat of 216 single family lots has been approved and the subdivision agreement with the Town has been approved. Construction plans need to be updated and said plans have been submitted to the Town. A Final Plat is being processed for 138 paired homes in the Southwest corner of the property. A preliminary plat of approximately 500 lots is in process in the northern half *of the property and the developer is working with the Town to address additional alternative housing options for the balance of the property within the District located on the Colorado Blvd frontage. Homebuilders have shown significant interest in all of these future lots and show interest in entering into contracts once the interest rates stabilize and the water dedication fees stabilize.*

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

The attached budgets depicts the capital expenditure outlay for 2025, and over the next five (5) years, a majority of the public improvement construction is expected.

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

District No. 1 did not incur any new financial obligations in 2025;

District No. 2 issued its Taxable (Convertible to Tax-Exempt) Subordinate Limited Tax General Obligation Drawdown Bonds, Series 2024B; As of December 31 ,2025 the principal outstanding balance was $8,991,473 with Supplemental "B" Interest Registered Coupon, Series 2024B in the outstanding amount of $3,127,472

District No. 2 has outstanding indebtedness per its Series 2018A Bonds in the amount of $5,500,000.

2025 Assessed Value District No. 1: $10 with 0 debt service mills imposed for 2025, collection 2026.

2025 Assessed Value District No. 2: $9,598,410 with 47.069 debt service mills imposed for 2025, collection 2026.

15. A summary of residential and commercial development in the Districts for the report year.

Residential development is described above.

16. **A summary of all fees, charges, taxes and assessments imposed by the Districts as of January 1 of the report year.**

    No fees, charges or assessments were imposed in 2025.

17. **Certification of the Boards that no action, event or condition enumerated in Section 14.4 (Material Modification) has occurred in the report year.**

    See the Certification of the Boards, attached hereto as ***Exhibit C****.*

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

Board telephone numbers: (303) 442-2299

Jon R. Lee	*President*	*2500 Arapahoe Ave., #220, Boulder, CO*
Michael Strear	*Secretary*	*2500 Arapahoe Ave., #220, Boulder, CO*

Regular meetings for District Nos. 1-2 are scheduled for the 4th Thursday of April and October, 9:00 a.m. at 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado and/or Zoom teleconference.

Administrative Office and General Legal Counsel – WBA, PC, 2154 E. Commons Avenue, Suite 2000, Centennial, CO 80122; 303-858-1800

EXHIBIT A
2025 Budgets

RESOLUTION
ADOPTING BUDGET, AND APPROPRIATING SUMS OF MONEY
AND CERTIFYING MILL LEVIES FOR THE CALENDAR YEAR 2026
*****

The Board of Directors of SilverStone Metropolitan District No. 1 (the "**Board**"), Town of Frederick, Weld County, Colorado (the "**District**"), held a regular meeting, via teleconference on October 23, 2025, at the hour of 9:00 a.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2026 BUDGET

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2026 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2025 BUDGET

The Board of Directors (the "**Board**") of the SILVERSTONE METROPOLITAN DISTRICT NOS. 1-2 (the "**District**"), will hold a public hearing at via teleconference on October 23, 2025, at 9:00 A.M., to consider adoption of the District's proposed 2026 budget (the "**Proposed Budget**"), and, if necessary, adoption of an amendment to the 2025 budget (the "**Amended Budget**"). The public hearing may be joined using the following teleconference information:

Zoom Meeting Link:
https://us06web.zoom.us/j/81346821784?pwd=4dMvInOMJ1iGcPkRFGHYxBq24duRNx.1
Meeting ID: 813 4682 1784
Passcode: 024798
Call In Numbers: 1(719) 359-4580 or 1(720) 707-2699

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 2001 16th St Suite 1700, Denver, CO 80202.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at https://www.silverstonemetrodistricts.org/
or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:

SILVERSTONE METROPOLITAN DISTRICT NOS. 1-2, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WBA, P.C.
Attorneys at Law

Published: Longmont Times-Call October 1, 2025 - 2134996

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Boulder
State of Colorado

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Longmont Times Call.*
2. The *Longmont Times Call* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Longmont Times Call* in Boulder County on the following date(s):

Oct 1, 2025

Melissa Najera
Signature

Subscribed and sworn to me before me this 1st day of October, 2025.

Shayla Najera
Notary Public

(SEAL)

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES JULY 31, 2029

Account:	1051175
Ad Number:	2134996
Fee:	$37.70

1.4

WHEREAS, the Board has appointed its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2026. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2026 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 7. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED OCTOBER 23, 2025.

DISTRICT:

SILVERSTONE METROPOLITAN DISTRICT NO. 1, quasi-municipal corporations and political subdivisions of the State of Colorado

By: Jon R Lee
Jon R Lee (Jan 7, 2026 13:53:25 MST)
Officer of the District

ATTEST:

By: Edward Pluss
Edward Pluss (Jan 7, 2026 13:12:14 MST)

STATE OF COLORADO
COUNTY OF WELD
SILVERSTONE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Thursday, October 23, 2025, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 23rd day of October, 2025.

Edward Pluss
Edward Pluss (Jan 7, 2026 13:12:14 MST)
Signature

[Signature page to Resolution Adopting Budget, and Appropriating Sums of Money and Certifying Mill Levies for the Calendar Year 2026]

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

SILVERSTONE METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

SILVERSTONE METROPOLITAN DISTRICT NO.1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ (22,247)	$ (68,269)	$ 5,782
REVENUES			
Property taxes	1	1	1
Interest Income	36	50	200
Transfers from Silverstone MD No. 2	838,341	3,954,000	6,733,441
Total revenues	838,378	3,954,051	6,733,642
Total funds available	816,131	3,885,782	6,739,424
EXPENDITURES			
General Fund	884,400	3,880,000	110,000
Capital Projects Fund	-	-	6,595,000
Total expenditures	884,400	3,880,000	6,705,000
Total expenditures and transfers out requiring appropriation	884,400	3,880,000	6,705,000
ENDING FUND BALANCES	$ (68,269)	$ 5,782	$ 34,424
EMERGENCY RESERVE	$ 5,600	$ 5,300	$ 4,100
AVAILABLE FOR OPERATIONS	(73,869)	482	30,324
TOTAL RESERVE	$ (68,269)	$ 5,782	$ 34,424

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO.1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Agricultural	$ 10	$ 10	$ 10
Certified Assessed Value	$ 10	$ 10	$ 10
MILL LEVY			
General	59.403	55.100	53.650
Total mill levy	59.403	55.100	53.650
PROPERTY TAXES			
General	$ 1	$ 1	$ 1
Budgeted property taxes	$ 1	$ 1	$ 1
BUDGETED PROPERTY TAXES			
General	**$ 1**	**$ 1**	**$ 1**
	$ 1	**$ 1**	**$ 1**

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO.1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ (22,247)	$ (68,269)	$ 5,782
REVENUES			
Property taxes	1	1	1
Interest Income	36	50	200
Transfers from Silverstone MD No. 2	838,341	3,954,000	138,441
Total revenues	838,378	3,954,051	138,642
Total funds available	816,131	3,885,782	144,424
EXPENDITURES			
General and administrative			
Accounting	67,333	33,000	34,000
Auditing	14,000	14,946	16,500
Dues and memberships	825	3,300	2,000
Insurance	8,040	7,263	9,500
District management	6,077	7,000	8,000
Legal	25,049	29,000	31,000
Miscellaneous	307	-	1,000
Election	-	2,245	-
Website	857	2,000	2,000
Contingency	-	6,496	6,000
Capital projects			
Capital outlay	760,206	3,770,000	-
Engineering	1,706	4,750	-
Total expenditures	884,400	3,880,000	110,000
Total expenditures and transfers out requiring appropriation	884,400	3,880,000	110,000
ENDING FUND BALANCES	$ (68,269)	$ 5,782	$ 34,424
EMERGENCY RESERVE	$ 5,600	$ 5,300	$ 4,100
AVAILABLE FOR OPERATIONS	(73,869)	482	30,324
TOTAL RESERVE	$ (68,269)	$ 5,782	$ 34,424

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO.1
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Transfers from Silverstone MD No. 2	-	-	6,595,000
Total revenues	-	-	6,595,000
Total funds available	-	-	6,595,000
EXPENDITURES			
Capital projects			
Capital outlay	-	-	6,585,000
Engineering	-	-	10,000
Total expenditures	-	-	6,595,000
Total expenditures and transfers out requiring appropriation	-	-	6,595,000
ENDING FUND BALANCES	$ -	$ -	$ -

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Silverstone Metropolitan District No. 1, formerly known as Miner's Village Metropolitan District, (the "District") was formed to finance the necessary public improvements to be constructed on the property known as "Silverstone", located in Frederick, Colorado. Such public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of $50,000,000 for Silverstone Metropolitan District Nos. 1, 2 and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure.

The District has no employees and all operations and 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

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.

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%

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 that the District's share will be equal to approximately 4.00% of the property taxes collected.

Intergovernmental Transfers

The District anticipates transfers from Silverstone Metropolitan District No. 2 to fund general, administrative, and capital outlay costs of the District.

Interest Income

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

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

Expenditures

General and Administrative

General and administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

Debt and Leases

The District has no debt or leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

RESOLUTION
ADOPTING BUDGET, AND APPROPRIATING SUMS OF MONEY
AND CERTIFYING MILL LEVIES FOR THE CALENDAR YEAR 2026
*****

The Board of Directors of SilverStone Metropolitan District No. 2 (the "**Board**"), Town of Frederick, Weld County, Colorado (the "**District**"), held a regular meeting, via teleconference on October 23, 2025, at the hour of 9:00 a.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2026 BUDGET

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2026 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2025 BUDGET

The Board of Directors (the **"Board"**) of the SILVERSTONE METROPOLITAN DISTRICT NOS. 1-2 (the **"District"**), will hold a public hearing at via teleconference on October 23, 2025, at 9:00 A.M., to consider adoption of the District's proposed 2026 budget (the **"Proposed Budget"**), and, if necessary, adoption of an amendment to the 2025 budget (the **"Amended Budget"**). The public hearing may be joined using the following teleconference information:

Zoom Meeting Link:
https://us06web.zoom.us/j/81346821784?pwd=4dMvInOMJ1iGcPkRFGHYxBq24duRNx.1
Meeting ID: 813 4682 1784
Passcode: 024798
Call In Numbers: 1(719) 359-4580 or 1(720) 707-2699

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 2001 16th St Suite 1700, Denver, CO 80202.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at https://www.silverstonemetrodistricts.org/
or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:

SILVERSTONE METROPOLITAN DISTRICT NOS. 1-2, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WBA, P.C.
Attorneys at Law

Published: Longmont Times-Call October 1, 2025 - 2134996

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Boulder
State of Colorado

The undersigned, <u>Agent</u>, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Longmont Times Call.*
2. The *Longmont Times Call* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Longmont Times Call* in Boulder County on the following date(s):

<u>Oct 1, 2025</u>

Melissa Najera

Signature

Subscribed and sworn to me before me this 1st day of October, 2025.

Shayla Najera

Notary Public

(SEAL)

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES JULY 31, 2029

Account:	1051175
Ad Number:	2134996
Fee:	$37.70

1.4

WHEREAS, the Board has appointed its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2026. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2026 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Weld County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 7. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of Page Intentionally Left Blank]

ADOPTED OCTOBER 23, 2025.

DISTRICT:

SILVERSTONE METROPOLITAN DISTRICT NO. 2, quasi-municipal corporations and political subdivisions of the State of Colorado

By: Jon R Lee
Jon R Lee (Jan 7, 2026 13:53:25 MST)
Officer of the District

ATTEST:

By: Edward Pluss
Edward Pluss (Jan 7, 2026 13:12:14 MST)

STATE OF COLORADO
COUNTY OF WELD
SILVERSTONE METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Thursday, October 23, 2025, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 23rd day of October, 2025.

Edward Pluss
Edward Pluss (Jan 7, 2026 13:12:14 MST)
Signature

[Signature page to Resolution Adopting Budget, and Appropriating Sums of Money and Certifying Mill Levies for the Calendar Year 2026]

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

SILVERSTONE METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

SILVERSTONE METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 13,127	$ (53,752)	$ 24,308
REVENUES			
Property taxes	632,252	628,211	641,078
Specific ownership taxes	22,408	27,422	25,643
Interest Income	11,054	8,000	2,500
Developer advance	650,235	3,881,427	6,595,000
Other revenue	-	-	3,471
Bond issuance proceeds	8,991,473	4,557,000	6,595,000
Supplemental interest registered coupon	3,127,472	-	-
Total revenues	13,434,894	9,102,060	13,862,692
TRANSFERS IN	-	-	43,200
Total funds available	13,448,021	9,048,308	13,930,200
EXPENDITURES			
General Fund	13,501,773	9,024,000	180,000
Debt Service Fund	-	-	474,000
Capital Projects Fund	-	-	13,230,000
Total expenditures	13,501,773	9,024,000	13,884,000
TRANSFERS OUT	-	-	43,200
Total expenditures and transfers out requiring appropriation	13,501,773	9,024,000	13,927,200
ENDING FUND BALANCES	$ (53,752)	$ 24,308	$ 3,000

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ 7,736,060	$ 8,730,850	$ 8,963,360
Commercial	33,400	30,910	760
Agricultural	950	-	-
State assessed	128,920	124,820	152,360
Vacant land	941,260	293,760	224,700
Oil and Gas	532,750	273,060	257,230
Certified Assessed Value	$ 9,373,340	$ 9,453,400	$ 9,598,410
MILL LEVY			
General	66.035	16.026	15.941
Contractual	0.000	3.961	3.780
Debt Service	0.000	46.039	47.069
Total mill levy	66.035	66.026	66.790
PROPERTY TAXES			
General	$ 618,969	$ 151,500	$ 153,008
Contractual	-	37,445	36,282
Debt Service	-	435,225	451,788
Levied property taxes	618,969	624,170	641,078
Adjustments to actual/rounding	13,283	4,041	-
Budgeted property taxes	$ 632,252	$ 628,211	$ 641,078
BUDGETED PROPERTY TAXES			
General	**$ 632,252**	**$ 152,481**	**$ 153,008**
Contractual	**-**	**37,687**	**36,282**
Debt Service	**-**	**438,043**	**451,788**
	$ 632,252	**$ 628,211**	**$ 641,078**

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 13,127	$ (53,752)	$ 24,308
REVENUES			
Property taxes	632,252	628,211	153,008
Property taxes - Town	-	-	36,282
Specific ownership taxes	22,408	27,422	6,120
Specific ownership taxes - Town	-	-	1,451
Interest Income	11,054	8,000	500
Other revenue	-	-	1,531
Developer advance	650,235	3,881,427	-
Bond issuance proceeds	8,991,473	4,557,000	-
Supplemental interest registered coupon	3,127,472	-	-
Total revenues	13,434,894	9,102,060	198,892
Total funds available	13,448,021	9,048,308	223,200
EXPENDITURES			
General and administrative			
County Treasurer's fee	9,487	9,433	2,295
County Treasurer's fee - Town	-	-	544
Transfers to Silverstone MD No. 1	838,341	3,954,000	138,441
Transfers to Town	-	112,488	37,189
Repay Developer advance	-	4,557,000	-
Contingency	-	4,579	1,531
Debt service			
Bond interest - Series 2018A	302,500	302,500	-
Note principal - Series 2018B	8,991,473	-	-
Note interest - Series 2018B	3,127,472	-	-
Bond interest - Series 2024B	-	69,000	-
Bond issue costs	232,500	15,000	-
Total expenditures	13,501,773	9,024,000	180,000
TRANSFERS OUT			
Transfers to other fund	-	-	43,200
Total expenditures and transfers out requiring appropriation	13,501,773	9,024,000	223,200
ENDING FUND BALANCES	$ (53,752)	$ 24,308	$ -

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Property taxes	-	-	451,788
Specific ownership taxes	-	-	18,072
Interest income	-	-	2,000
Other revenue	-	-	1,940
Total revenues	-	-	473,800
TRANSFERS IN			
Transfers from other funds	-	-	3,200
Total funds available	-	-	477,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	-	6,777
Contingency	-	-	1,940
Debt service			
Bond interest - Series 2018A	-	-	302,500
Bond interest - Series 2024B	-	-	162,783
Total expenditures	-	-	474,000
Total expenditures and transfers out requiring appropriation	-	-	474,000
ENDING FUND BALANCES	$ -	$ -	$ 3,000

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/5/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Developer advance	-	-	6,595,000
Bond issuance proceeds	-	-	6,595,000
Total revenues	-	-	13,190,000
TRANSFERS IN			
Transfers from other funds	-	-	40,000
Total funds available	-	-	13,230,000
EXPENDITURES			
Capital projects			
Bond issue costs	-	-	40,000
Repay Developer advance	-	-	6,595,000
Transfers to Silverstone MD No. 1	-	-	6,595,000
Total expenditures	-	-	13,230,000
Total expenditures and transfers out requiring appropriation	-	-	13,230,000
ENDING FUND BALANCES	$ -	$ -	$ -

See summary of significant assumptions.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Silverstone Metropolitan District No. 2, formerly known as Miner's Village Metropolitan District, (the "District") was formed to finance the necessary public improvements to be constructed on the property known as "Silverstone", located in Frederick, Colorado. Such public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides a combined new money revenue and general obligation debt limit of $50,000,000 for Silverstone Metropolitan District Nos. 1, 2 and 3, exclusive of surety requirements, but inclusive of organizational costs, financing costs and costs of construction and operation of public infrastructure.

The District has no employees and all operations and 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

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.

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%

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 that the District's share will be equal to approximately 4.00% 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%.

Expenditures

General and Administrative

General and administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

Intergovernmental Transfers

The District anticipates transfers to Silverstone Metropolitan District No. 1 to fund general, administrative, and capital outlay costs of Silverstone Metropolitan District No. 1.

Transfers to Town

Pursuant to the IGA Town/District, the District will transfer net property tax revenue collected from its Contractual Mill Levy in the General Fund to Town of Frederick.

Debt Service

Interest payments in 2025 are provided based on the debt amortization schedule from the 2018A Bonds (discussed under Debt and Leases).

Debt and Leases

In 2019, the Board of Directors for the District authorized the issuance of Limited Tax Revenue Bonds, Series 2018A ("2018A Bonds") in an aggregate principal amount not to exceed $5,500,000 for the purpose of (i) defraying the cost of all or a portion of the capital improvements; (ii) funding capitalized interest on the Bonds for a period of three year; and (iii) paying the costs of issuance of the Bonds. The Bonds are payable solely from ad valorem property tax revenues and specific ownership tax revenues collected by the District.

Debt and Leases – (continued)

Also in 2019, the Board authorized the issuance of the Subordinate Limited Tax Revenue Notes, Series 2018B ("2018B Notes") to Silverstone Development Company (the "Developer") in an aggregate amount equal to the amount expended by the Developer, but not to exceed $11,000,000 for the purpose of repaying Developer advances and/or for funding Capital Improvements in District Nos. 1, 2 and 3.

In 2024, the Board authorized the issuance of the Subordinate Limited Tax General Obligation Drawdown Bond, Series 2024B ("2024B Bonds") in an aggregate principal amount of $44,500,000 for the purpose of refunding the 2018B Notes and funding Capital Improvements in District Nos. 1 and 2.

The District anticipates a draw on the 2024B Bonds in 2026. See below for the anticipated activity on the 2024B Bonds.

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025
Series 2024B Bonds	$ 8,991,473	$ 4,557,000	$ -	$ 13,548,473
Accrued Interest on Series 2024B Bonds	183,576	845,248	69,000	959,824
Total	$ 183,576	$ 845,248	$ 69,000	$ 959,824

	Balance December 31, 2025	Additions	Reductions	Balance December 31, 2026
Series 2024B Bonds	$13,548,473	$ 6,635,000	$ -	$ 20,183,473
Accrued Interest on Series 2024B Bonds	959,824	1,264,948	162,783	2,061,989
Total	$ 959,824	$ 1,264,948	$ 162,783	$ 2,061,989

The District has no leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	$5,500,000 Limited Tax Revenue Bonds Series 2018A Interest Rate of 5.50% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2026	$ -	$ 302,500	$ 302,500
2027	5,500,000	277,292	5,777,292
	$ 5,500,000	$ 579,792	$ 6,079,792

See summary of significant assumptions.

EXHIBIT B

2025 Audits

SILVERSTONE METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

SILVERSTONE METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

Board of Directors
SilverStone Metropolitan District No. 1
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of SilverStone Metropolitan District No. 1 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of SilverStone Metropolitan District No. 1 as of December 31, 2025, and the respective changes in financial position and the respective 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 (GAAP), 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 GAAS 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 GAAS, 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 Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are 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 financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Denver, Colorado

April 24, 2026

BASIC FINANCIAL STATEMENTS

SILVERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	$ 2,243
Due from Silverstone Metro District No. 1	34,518
Prepaid Insurance	445
Property Tax Receivable	1
Capital Assets:	
Capital Assets Not Being Depreciated	7,357,728
Total Assets	7,394,935
LIABILITIES	
Accounts Payable	31,661
Total Liabilities	31,661
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1
Total Deferred Inflows of Resources	1
NET POSITION	
Restricted for:	
Emergency Reserve	5,100
Unrestricted	7,358,173
Total Net Position	$ 7,363,273

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 101,165	$ -	$ 3,893,074	$ -	$ 3,791,909
Total Governmental Activities	$ 101,165	$ -	$ 3,893,074	$ -	3,791,909
GENERAL REVENUES					
Property Taxes					1
Interest Income					31
Total General Revenues					32
CHANGES IN NET POSITION					3,791,941
Net Position - Beginning of Year					3,571,332
NET POSITION - END OF YEAR					$ 7,363,273

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2025

	General	Total Governmental Fund
ASSETS		
Cash and Investments - Restricted	$ 2,243	$ 2,243
Due from Silverstone Metro District No. 2	34,518	34,518
Prepaid Insurance	445	445
Property Tax Receivable	1	1
Total Assets	$ 37,207	$ 37,207
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 31,661	$ 31,661
Total Liabilities	31,661	31,661
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax	1	1
Total Deferred Inflows of Resources	1	1
FUND BALANCE		
Nonspendable:		
Prepaid Expense	445	445
Restricted for:		
Emergency Reserves	5,100	5,100
Total Fund Balance	5,545	5,545
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 37,207	
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		7,357,728
Net Position of Governmental Activities		$ 7,363,273

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

	General	Total Governmental Fund
REVENUES		
Property Taxes	$ 1	$ 1
Interest Income	31	31
Transfers from Silverstone Metro District No. 2	3,893,074	3,893,074
Total Revenues	3,893,106	3,893,106
EXPENDITURES		
General and Administrative:		
Accounting	33,350	33,350
Auditing	14,946	14,946
Directors' Fees	60	60
District Management	7,066	7,066
Dues and Membership	3,300	3,300
Election	2,245	2,245
Insurance	7,263	7,263
Legal	26,682	26,682
Website	1,503	1,503
Capital Projects:		
Capital Outlay	3,718,127	3,718,127
Engineering	4,750	4,750
Total Expenditures	3,819,292	3,819,292
NET CHANGE IN FUND BALANCE	73,814	73,814
Fund Balance (Deficit) - Beginning of Year	(68,269)	(68,269)
FUND BALANCES - END OF YEAR	$ 5,545	$ 5,545

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balance - Total Governmental Fund	$ 73,814
Amounts reported for governmental activities in the statement of activities are different because:	
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 amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Capital Outlay	3,718,127
Changes in Net Position of Governmental Activities	$ 3,791,941

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 1	$ 1	$ 1	$ -
Interest Income	100	50	31	(19)
Transfers from Silverstone Metro District No. 2	3,111,000	3,954,000	3,893,074	(60,926)
Total Revenues	3,111,101	3,954,051	3,893,106	(60,945)
EXPENDITURES				
Accounting	32,000	33,000	33,350	(350)
Auditing	14,100	14,946	14,946	-
Directors' Fees	-	-	60	(60)
District Management	7,000	7,000	7,066	(66)
Dues and Membership	1,000	3,300	3,300	-
Election	5,000	2,245	2,245	-
Website	1,000	2,000	1,503	497
Insurance	10,000	7,263	7,263	-
Legal	26,000	29,000	26,682	2,318
Miscellaneous	5,000	-	-	-
Contingency	5,900	6,496	-	6,496
Capital Projects:				
Capital Outlay	3,000,000	3,770,000	3,718,127	51,873
Engineering	5,000	4,750	4,750	-
Total Expenditures	3,112,000	3,880,000	3,819,292	60,708
NET CHANGE IN FUND BALANCE	(899)	74,051	73,814	(237)
Fund Balance (Deficit) - Beginning of Year	5,854	(68,269)	(68,269)	-
FUND BALANCE - END OF YEAR	$ 4,955	$ 5,782	$ 5,545	$ (237)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Silverstone Metropolitan District No. 1 (the District) is a quasi-municipal corporation and political subdivision of the state of Colorado that was organized by Order and Decree of the District Court in Weld County on June 4, 2008. The District operates under a Consolidated Service Plan with Silverstone Metropolitan District No. 2 (District No. 2) and Silverstone Metropolitan District No. 3 (District No. 3) approved by the Town of Frederick (the Town) on February 5, 2008. Pursuant to the Service Plan, District No. 2 and District No. 3, the financing districts, are intended to provide funding to the District. The District, the operating district, is intended to manage the financial, construction and operation and maintenance of such improvements as well as the day-to-day operations and administrative management of all three of the Districts. The operating district will be economically dependent upon intergovernmental revenue received from the financing districts in future years. On August 8, 2023 the Town approved an Amended and Restated Service Plan for District No. 3, dated July 26, 2023, pursuant to which District No. 3 obtained its own service plan, separated from the 2008 Consolidated Service Plan, and is no longer a financing district.

The District has the power to provide water, sanitation, storm drainage, streets, traffic and safety controls, park and recreation improvements and other related improvements for the benefit of taxpayers and service users within the Districts' boundaries. The Service Plan contemplates that constructed improvements will be conveyed to the Town or appropriate service provider and the District has the authority to own, operate and maintain improvements not otherwise conveyed.

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 organization's 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 organization's 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 is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 2, District No. 3, and the Town.

The District has no employees, and contracts for all of its management and professional services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The statement of net position reports all financial and capital resources of the District. The difference between the assets and the sum of liabilities and deferred inflows 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 government 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, specific ownership taxes, and facility fees. 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 fund:

> The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government.

Beginning in 2026, the District will report a Capital Projects Fund to account for the resources and payments made on capital projects within the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses 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.

The District amended its budget for the year ended December 31, 2025.

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 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 30 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 inflows 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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District'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: nonspendable, 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:

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

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

Committed Fund Balance – The portion of 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of 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 fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice 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.

The District adopted the requirements of the guidance effective January 1, 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 - Restricted	$	2,243
Total Cash and Investments	$	2,243

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

Deposits with Financial Institutions	$	1,504
Investments		739
Total Cash and Investments	$	2,243

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 had a bank and carrying balance of $1,504.

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 noted with an asterisk (*) 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 or 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.

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 securities of 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 repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

* Local government investment pools

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 739
Total		$ 739

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 3,639,601	$ 3,718,127	$ -	$ 7,357,728
Governmental Activities Capital Assets, Net	$ 3,639,601	$ 3,718,127	$ -	$ 7,357,728

It is the policy of the Town to accept the maintenance responsibility for water, sanitation, traffic and safety controls, park and recreation improvements (except for a pool and associated landscaping), mosquito and pest control, transportation and other related improvements within the Town only after a probationary period following completion of construction. When the improvements enter the probationary period, the District removes the cost of construction from its statement of net position.

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of $5,100 as of December 31, 2025 for Emergency Reserves.

NOTE 6 DISTRICT AGREEMENTS

District Coordinating Services Agreement

In order to implement the Service Plan, the District entered into an intergovernmental agreement with Districts No. 2 and No. 3 on April 23, 2020, as amended and restated on October 26, 2023 to remove District No. 3 as a party to this intergovernmental agreement. The agreement shall remain in full force and effect until such time as each of the terms and conditions have been performed in their entirety or until the agreement is terminated by mutual written agreement by the Districts.

The District is to construct the facilities benefiting all of the Districts and transfer them to the Town. District No. 2 will, to the extent that it is to benefit, pay the capital costs and the service costs of operation and maintenance of such facilities.

Districts No. 2 is required to fund, on an annual basis, the amount of actual service costs that it would be capable of funding through property tax revenue plus other fee revenue as determined in the annual budget. If the Districts disagree as to the amount to be paid, then Districts No. 2 must pay the District the amount set forth in the annual budget.

NOTE 6 DISTRICT AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement

On April 24, 2025, the District and District No. 2 entered into a Funding and Reimbursement Agreement (Funding Agreement) with Silverstone Development Company, Inc. (the Developer). Pursuant to the Funding Agreement, the Developer will advance funds to District No. 2 for certain public improvements and facilities. District No. 2 will reimburse the Developer for the advances, together with the interest at the rate of 7.50% per annum.

The parties agree and acknowledge that the Developer has advanced funds prior to the execution of the Funding Agreement in anticipation that the same would be reimbursed pursuant to the terms of the Funding Agreement.

The activity and outstanding balances to the Developer under the Funding Agreement are recorded by District No. 2.

Public Infrastructure Acquisition and Reimbursement Agreement

On April 24, 2025, the District and District No. 2 entered into a Public Infrastructure Acquisition and Reimbursement Agreement (PIARA) with the Developer. Pursuant to the PIARA, the Developer will incur costs related to the financing, construction and installation of public infrastructure within the Districts. Costs presented to the Districts are required to be certified. Upon certification and acceptance of the costs, District No. 2 shall reimburse the Developer for the costs, together with the interest at the rate of 7.00% per annum.

The activity and outstanding balances to the Developer under the PIARA are recorded by District No. 2.

NOTE 7 RISK MANAGEMENT

The District is 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 (the 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 and public officials’ liability 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 8 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known 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.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On May 6, 2008, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all annual District revenue without regard to any limitations under TABOR.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

SILVERSTONE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Total Mills Levied General Operations	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2021	$ 1,200	55.663	$ 67	$ 67	100.00 %
2022	1,250	55.663	70	70	100.00 %
2023	1,270	57.220	73	73	100.00 %
2024	10	59.403	1	1	100.00 %
2025	10	55.100	1	1	100.00 %
Estimated for Year Ending December 31, 2026	$ 10	53.650	$ 1		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor and Treasurer.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

SILVERSTONE METROPOLITAN DISTRICT NO. 2
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

Board of Directors
SilverStone Metropolitan District No. 2
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of SilverStone Metropolitan District No. 2 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of SilverStone Metropolitan District No. 2 as of December 31, 2025, and the respective changes in financial position and the respective 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 (GAAP), 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 GAAS 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 GAAS, 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 Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, 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, accordingly, we do not express an opinion or provide any assurance on them.

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.

Wipfli LLP

Wipfli LLP
Denver, Colorado

May 6, 2026

BASIC FINANCIAL STATEMENTS

SILVERSTONE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 82,141
Cash and Investments - Restricted	186
Property Tax Receivable	641,078
Capital Assets:	
Capital Assets Not Being Depreciated	300,000
Total Assets	1,023,405
LIABILITIES	
Due to Silverstone Metro District No. 1	34,518
Due to Town of Frederick	38,638
Accrued Bond Interest	25,208
Noncurrent Liabilities:	
Due in More Than One Year	22,971,612
Total Liabilities	23,069,976
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	641,078
Total Deferred Inflows of Resources	641,078
NET POSITION	
Unrestricted	(22,687,649)
Total Net Position	$ (22,687,649)

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 4,014,867	$ -	$ -	$ -	$ (4,014,867)
Interest on Long-Term Debt and Related Costs	1,027,672	-	-	-	(1,027,672)
Total Governmental Activities	$ 5,042,539	$ -	$ -	$ -	(5,042,539)
	GENERAL REVENUES				
	Property Taxes				628,211
	Specific Ownership Taxes				25,286
	Interest Income				9,504
	Total General Revenues				663,001
	CHANGES IN NET POSITION				(4,379,538)
	Net Position - Beginning of Year				(18,308,111)
	NET POSITION - END OF YEAR				$ (22,687,649)

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	$ 82,141	$ -	$ 82,141
Cash and Investments - Restricted	186	-	186
Property Tax Receivable	189,290	451,788	641,078
Total Assets	$ 271,617	$ 451,788	$ 723,405
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to Silverstone Metro District No. 1	$ 34,518	$ -	$ 34,518
Due to Town of Frederick	38,638	-	38,638
Total Liabilities	73,156	-	73,156
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	189,290	451,788	641,078
Total Deferred Inflows of Resources	189,290	451,788	641,078
FUND BALANCES			
Restricted for:			
Debt Service	186	-	186
Assigned to:			
Subsequent Year's Expenditures	8,985	-	8,985
Total Fund Balances	9,171	-	9,171
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 271,617	$ 451,788	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	300,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(14,491,473)
Supplemental Interest Registered Coupon Payable	(3,127,472)
Accrued Interest on Senior Bonds	(25,208)
Accrued Interest on Subordinate Bonds	(730,753)
Developer Advances Payable	(4,438,512)
Accrued Interest on Developer Advances	(183,402)
Net Position of Governmental Activities	$ (22,687,649)

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

	General	Total Governmental Fund
REVENUES		
Property Taxes	$ 628,211	$ 628,211
Specific Ownership Taxes	25,286	25,286
Interest Income	9,504	9,504
Total Revenues	663,001	663,001
EXPENDITURES		
General and Administrative:		
County Treasurer's Fee	9,433	9,433
Transfers to Town of Frederick	112,360	112,360
Transfers to Silverstone Metro District No. 1	3,893,074	3,893,074
Debt Service:		
Bond Interest - Series 2018A	302,500	302,500
Bond Interest - Series 2024B	69,988	69,988
Paying Agent Fees	1,000	1,000
Total Expenditures	4,388,355	4,388,355
OTHER FINANCING SOURCES (USES)		
Developer Advance	3,788,277	3,788,277
Total Other Financing Sources	3,788,277	3,788,277
NET CHANGE IN FUND BALANCE	62,923	62,923
Fund Balance (Deficit) - Beginning of Year	(53,752)	(53,752)
FUND BALANCE - END OF YEAR	$ 9,171	$ 9,171

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balance - Total Governmental Fund	$ 62,923
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Developer Advance	(3,788,277)
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.	
Accrued Interest on Bonds Payable - Change in Liability	(487,581)
Accrued Interest on Developer Advances Payable - Change in Liability	(166,603)
Changes in Net Position of Governmental Activities	$ (4,379,538)

See accompanying Notes to Basic Financial Statements.

SILVERSTONE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 624,170	$ 628,211	$ 628,211	$ -
Specific Ownership Taxes	24,967	27,422	25,286	(2,136)
Interest Income	5,000	8,000	9,504	1,504
Total Revenues	654,137	663,633	663,001	(632)
EXPENDITURES				
General and Adminstrative:				
County Treasurer's Fee	9,363	9,433	9,433	-
Contingency	-	4,579	-	4,579
Transfers to Town of Frederick	-	112,488	112,360	128
Transfers to Silverstone Metro District No. 1	3,111,000	3,954,000	3,893,074	60,926
Debt Service:				
Bond Issue Costs	25,000	15,000	-	15,000
Bond Interest - Series 2018A	302,500	302,500	302,500	-
Bond Interest - Series 2024B	187,814	69,000	69,988	(988)
Paying Agent Fees	-	-	1,000	(1,000)
Total Expenditures	3,635,677	4,467,000	4,388,355	78,645
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	3,881,427	3,788,277	(93,150)
Bond Issuance Proceeds	3,000,000	4,557,000	-	(4,557,000)
Repay Developer Advance	-	(4,557,000)	-	4,557,000
Total Other Financing Sources (Uses)	3,000,000	3,881,427	3,788,277	(93,150)
NET CHANGE IN FUND BALANCE	18,460	78,060	62,923	(15,137)
Fund Balance (Deficit) - Beginning of Year	87,818	(53,752)	(53,752)	-
FUND BALANCE - END OF YEAR	$ 106,278	$ 24,308	$ 9,171	$ (15,137)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Silverstone Metropolitan District No. 2 (the District) is a quasi-municipal corporation and political subdivision of the state of Colorado that was organized by Order and Decree of the District Court in Weld County on June 4, 2008. The District operates under a Consolidated Service Plan with Silverstone Metropolitan District No. 1 (District No. 1) and Silverstone Metropolitan District No. 3 (District No. 3) approved by the Town of Frederick (the Town) on February 5, 2008. Pursuant to the Service Plan, the District and District No. 3, the financing districts, are intended to provide funding to District No. 1. District No. 1, the operating district, is intended to manage the financial, construction and operation and maintenance of such improvements as well as the day-to-day operations and administrative management of all three of the Districts. The operating district will be economically dependent upon intergovernmental revenue received from the financing districts in future years. On August 8, 2023, the Town approved an Amended and Restated Service Plan for District No. 3, dated July 26, 2023, pursuant to which District No. 3 obtained its own service plan, separated from the 2008 Consolidated Service Plan, and is no longer a financing district.

District No. 1 has the power to provide water, sanitation, storm drainage, streets, traffic and safety controls, park and recreation improvements and other related improvements for the benefit of taxpayers and service users within the Districts' boundaries. The Service Plan contemplates that constructed improvements will be conveyed to the Town or appropriate service provider and the District has the authority to own, operate and maintain improvements not otherwise conveyed.

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 organization's 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 organization's 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 is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 1, District No. 3, and the Town.

The District has no employees, and contracts for all of its management and professional services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The statement of net position reports all financial and capital resources of the District. The difference between the assets and the sum of liabilities and deferred inflows 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 government 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, specific ownership taxes, and facility fees. 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 fund:

> The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government.

Beginning in 2026, the District will report a Debt Service Fund to account for the resources accumulated and payments made for principal and interest on long-term debt and a Capital Projects Fund to account for the resources and payments made on capital projects within the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses 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.

The District amended its budget for the year ended December 31, 2025.

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 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 30 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 inflows 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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as 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 which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of investment in capital assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District'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: nonspendable, 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:

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

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

Committed Fund Balance – The portion of 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 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Balance (Continued)

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice 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.

The District adopted the requirements of the guidance effective January 1, 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	$	82,141
Cash and Investments - Restricted		186
Total Cash and Investments	$	82,327

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

Investments	$	82,327
Total Cash and Investments	$	82,327

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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 had no deposits with financial institutions.

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 noted with an asterisk (*) 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 or 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.

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 securities of 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 repurchase agreements collateralized by certain authorized securities

* Certain money market funds

- Guaranteed investment contracts

* Local government investment pools

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 82,141
Fidelity Investments Government Portfolio - Class III	Weighted-Average Under 30 Days	186
		$ 82,327

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Fidelity Investments Government Portfolio – Class III

The money that is included in the trust account at Zions Bank is invested in the Fidelity Investments Government Portfolio – Class III. This portfolio is an institutional money market fund which invests in repurchase agreements, U.S. Government Agency debt, and U.S. Treasury debt, with maturities of 30 days or less. The Fidelity Investments Government Portfolio – Class III is rated AAAm by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Construction in Progress	$ 300,000	$ -	$ -	$ 300,000

On December 20, 2019, Silverstone Metropolitan District No. 2 entered into a Relinquishment of Surface Rights Agreement with K.P. Kauffman Company, Inc. (KPK) regarding two specific oil and gas sites operated by KPK. The total consideration to be paid to KPK by the District for KPK's relinquishment, extinguishment or restriction of its Surface Rights in "Section 36", Township 2 North, Range 68 West of the PM, county of Weld, state of Colorado) is $300,000 ($150,000 per well). At the initial closing on January 29, 2020, the District paid $150,000 of the consideration as a partial payment. The remaining balance of $150,000 ($75,000 per well) was paid on July 1, 2020 for the State #17 well and August 17, 2020 for the State #15 well upon completing the process of plugging the wells. The $300,000 paid to KPK for surface rights was recorded as an addition to Construction in Progress and will be reclassified to land upon completion of the real property transfer to the District.

Agreement Regarding Relinquishment of Surface Rights

On January 22, 2020, Silverstone Metropolitan District No. 2 entered into an agreement with Richmond American Homes of Colorado, Inc., regarding payment for costs to plug and abandon State #17 well. Richmond American Homes owns the property surrounding State #17 and the well property. Upon execution of the Agreement, Richmond American Homes paid the District $75,000. Upon commencement of the plug and abandon activities, Richmond American Homes paid an additional $75,000 to the District, a total of $150,000 to plug and abandon the well. Upon completion of the well activities, the District shall convey title to the well property, via special warranty deed, to Richmond American Homes. As of December 31, 2025, the title has not yet been conveyed to Richmond American Homes.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Private Placements:					
Limited Tax Revenue Bonds - Series 2018A	$ 5,500,000	$ -	$ -	$ 5,500,000	$ -
Subordinate Limited Tax General Obligation Drawdown Bonds - Series 2024B	8,991,473	-	-	8,991,473	-
Supplemental "B" Interest Registered Coupon - Series 2024B	3,127,472	-	-	3,127,472	-
Accrued Interest on:					
Subordinate Limited Tax General Obligation Drawdown Bonds - Series 2024B	183,576	617,165	69,988	730,753	-
Supplemental "B" Interest Registered Coupon - Series 2024B	59,596	-	59,596	-	-
Subtotal Private Placements	17,862,117	617,165	129,584	18,349,698	-
Other Debts:					
Developer Advance - Capital	650,235	3,788,277	-	4,438,512	-
Accrued Interest on:					
Developer Advance - Capital	16,799	166,603	-	183,402	-
Subtotal Other Debts	667,034	3,954,880	-	4,621,914	-
Total Long-Term Obligations	$ 18,529,151	$ 4,572,045	$ 129,584	$ 22,971,612	$ -

The details of the District's long-term obligations are as follows:

Series 2018A Limited Tax Revenue Bonds

On January 7, 2019, the District issued $5,500,000 of Limited Tax Revenue Bonds (the Bonds). On April 28, 2022, the District issued the First Amendment to the Series 2018A Resolution for the purpose of extending the maturity date from December 1, 2025 to December 1, 2027, and to terminate the Pledge Agreement. The termination of the Pledge Agreement, which was entered into on January 1, 2019 between the District, District No. 1, and District No. 3, eliminates amounts received from District No. 1 and District No. 3 which was a component of the Pledged Revenues securing the bonds. The Pledge Agreement was terminated on July 25, 2022.

The Bonds bear interest at a rate of 5.50% payable on June 1 and December 1 to the registered owners of the Bonds from their date of delivery to maturity on each interest payment. The Series 2018A Bonds did not involve a public offering, and the bonds were issued for the purpose of funding the projects under the Service Plan, funding capitalized interest on the Bonds for a period of three years, and paying the costs of issuance of the Bonds. The Bonds constitute limited tax revenue bond obligations of the District as provided herein. The Bonds, together with the interest, shall be payable solely from and to the extent of the Pledged Revenues, which was redefined with the First Amendment to the Series 2018A Resolution on April 28, 2022.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2018A Limited Tax Revenue Bonds (Continued)

Pledge Revenues consist of (i) amounts collected by the District from the imposition of the Required Mill Levy, (ii) revenues derived from specific ownership taxes imposed by the District, and (iii) any other legally available amounts designated by the District at its discretion, as may be permitted under the Service Plan. The Bonds shall constitute an irrevocable lien upon the Pledged Revenues. Additionally, a guaranty agreement dated January 1, 2019 was made by Silverstone Development Company, Inc. in favor of the bond holders. The agreement states that the in the case of the failure or inability of the District to pay any guaranteed obligation when due, the Guarantor irrevocably and unconditionally agrees to pay the amounts due.

The 2018A Limited Tax Revenue Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 302,500	$ 302,500
2027	5,500,000	277,292	5,777,292
Total	$ 5,500,000	$ 579,792	$ 6,079,792

Series 2024B Subordinate Limited Tax General Obligation Drawdown Bonds Including Supplemental “B” Interest Registered Coupon

On September 23, 2024, the District issued Subordinate Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Drawdown Bonds, Series 2024B (the 2024B Bonds) in the initial principal amount of $8,991,473, with a total maximum aggregate principal amount of up to $44,500,000 and Supplemental “B” Interest Registered Coupon (the Registered Coupon) in the amount of $3,127,472. Proceeds from the initial principal amount of the 2024B Bonds and Registered Coupon were used to refund, pay, and discharge the Notes.

The 2024B Bonds were issued as draw-down bonds. The 2024B Bonds bear interest at a rate of 7.50% (taxable rate) convertible to 7.00% (tax-exempt rate) payable on December 1 of each year and mature on December 1, 2063. The initial principal amount was issued at the tax-exempt rate. The Registered Coupon is payable on the interest payment date of December 1, 2053. The 2024B Bonds and Registered Coupon are payable from Subordinate Pledged Revenues, as defined in the Authorizing Resolution.

Authorized Debt

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $10,500,000 (Service Plan Debt Issuance Limit). In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on May 6, 2008, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $120,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2025, the District had authorized but unissued indebtedness of $105,508,527.

NOTE 6 NET POSITION

The District has net position consisting of one component – unrestricted.

The District has a deficit in unrestricted net position. The deficit is a result of the District being responsible for the repayment of bonds and notes issued for public improvements owned by or conveyed to other governmental entities.

NOTE 7 DISTRICT AGREEMENTS

District Coordinating Services Agreement

In order to implement the Service Plan, the District entered into intergovernmental agreement with Districts No. 1 and No. 3 on April 23, 2020, as amended and restated on October 26, 2023 to remove District No. 3 as a party to this intergovernmental agreement. The agreement shall remain in full force and effect until such time as each of the terms and conditions have been performed in their entirety or until the agreement is terminated by mutual written agreement by the Districts.

District No. 1 is to construct the facilities benefiting all of the Districts and transfer them to the Town. The District will, to the extent that they are to benefit, pay the capital costs and the service costs of operation and maintenance of such facilities.

The District is required to fund, on an annual basis, the amount of actual service costs that it would be capable of funding through property tax revenue plus other fee revenue as determined in the annual budget. If the Districts disagree as to the amount to be paid, then the District must pay District No. 1 the amount set forth in the annual budget.

NOTE 8 RELATED PARTY

The Developer of the property which constitutes the District is Silverstone Development Company, Inc. (the Developer). The 2024B Bonds and Registered Coupon are held by the Developer.

Funding and Reimbursement Agreement

On April 24, 2025, the District and District No. 1 entered into a Funding and Reimbursement Agreement (Funding Agreement) with the Developer. Pursuant to the Funding Agreement, the Developer will advance funds to the District for certain public improvements and facilities. The District will reimburse the Developer for the advances, together with the interest at the rate of 7.50% per annum.

The parties agree and acknowledge that the Developer has advanced funds prior to the execution of the Funding Agreement in anticipation that the same would be reimbursed pursuant to the terms of the Funding Agreement.

As of December 31, 2025, principal and interest in the amounts of $788,583 and $71,404, respectively, remain outstanding to the Developer under the Funding Agreement.

Public Infrastructure Acquisition and Reimbursement Agreement

On April 24, 2025, the District and District No. 1 entered into a Public Infrastructure Acquisition and Reimbursement Agreement (PIARA) with the Developer. Pursuant to the PIARA, the Developer will incur costs related to the financing, construction and installation of public infrastructure within the Districts. Costs presented to the District are required to be certified. Upon certification and acceptance of the costs, the District shall reimburse the Developer for the costs, together with the interest at the rate of 7.00% per annum.

In 2025, $3,649,929 in costs were accepted under this agreement and as of December 31, 2025, principal and interest in the amounts of $3,649,929 and $111,998, respectively, remain outstanding to the Developer under the PIARA.

NOTE 9 RISK MANAGEMENT

The District is 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 (the 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.

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known 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.

Article X, Section 20 of the Colorado Constitution, commonly known 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.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District transfers its net operating revenue to District No. 1. Therefore, the Emergency Reserves related to the District's revenue are captured in the financial statements of District No. 1.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On May 6, 2008, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all annual District revenue without regard to any limitations under TABOR.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

OTHER INFORMATION

SILVERSTONE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

Bonds and Interest Maturing in the Year Ending December 31,	$5,500,000 Limited Tax Revenue Bonds Series 2018A Interest Rate 5.50% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ -	$ 302,500	$ 302,500
2027	5,500,000	277,292	5,777,292
Total	$ 5,500,000	$ 579,792	$ 6,079,792

SILVERSTONE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

		Total Mills Levied			Total Property Taxes		
Year Ended December 31,	Assessed Valuation	General Operations	Debt Service	Contractual Obligation	Levied	Collected	Percent Collected to Levied
2021	$ 1,224,880	55.663	0.000	0.000	$ 68,180	$ 69,362	101.73 %
2022	2,692,550	55.663	0.000	0.000	149,875	149,879	100.00 %
2023	6,761,830	57.220	0.000	0.000	386,912	382,617	98.89 %
2024	9,373,340	66.035	0.000	0.000	618,969	632,252	102.15 %
2025	9,453,400	16.026	46.039	3.961	624,170	628,211	100.65 %
Estimated for Year Ending December 31, 2026	$ 9,598,410	15.941	47.069	3.780	$ 641,078		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.
Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor and Treasurer.

EXHIBIT C
Certification of the Boards

STATE OF COLORADO
COUNTY OF WELD
SILVERSTONE METROPOLITAN DISTRICTS NOS. 1 AND 2

WBA, PC, acting general counsel and authorized representative for the Boards of Directors of the above Districts for the annual report, hereby certifies, on the Boards' behalf, that during the year 2025, no action, event or condition enumerated in Section 14.4 of the Town of Frederick Code took place within the Districts' boundaries or for which the Districts were made aware, which would have required a service plan amendment.

WBA, PC
Attorneys at Law