

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 2
(THE "DISTRICT")
HELD
JULY 18, 2023

A regular meeting of the Board of Directors of the Sterling Ranch Metropolitan District No. 2 (referred to hereafter as the "**Board**") was convened on Tuesday, July 18, 2023, at 11:00 a.m. at 2138 Flying Horse Club Dr., Colorado Springs, CO 80921 and via teleconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Deborah Vincelle, President, attending in person
Willie Jackson, Secretary
Charles Collins, Treasurer, attending in person
Michael J. Bart, Assistant Secretary
Diane C. Black, Assistant Secretary, attending in person

Also, In Attendance Were:

Josh Miller, Korben Heim and Mallorie Hansen; CliftonLarsonAllen, LLP ("CLA")
Sean Allen, Esq.; White Bear Ankele Tanaka & Waldron
Sarah Steph, Loren Morland and Douglas Stimple; Classic Homes
Peggy Libbey; Morley Construction
Michael Black; Member of the Public
Patricia Penrod; Member of the Public

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Vincelle called the meeting to order at 11:00 a.m.

Following review, upon a motion duly made by Director Collins, seconded by Director Vincelle and, upon vote, unanimously carried, the Board approved the agenda, as presented.

Disclosures of Potential Conflicts of Interest: The Directors present that have financial and employment interests in entities active in developing property within the boundaries of the District, noted for the record that such interests may be affected from time to time by actions of the District's Board of Directors. In accordance with state law, Attorney Allen reported the written disclosures describing such potential conflicts of interest were filed with the Secretary of State, and the Directors present verbally reaffirmed such disclosures or confirmation of no conflict disclosures as applicable on the record of this meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the

RECORD OF PROCEEDINGS

Board to act.

Quorum, Location of Meeting and Meeting Notices: A quorum was confirmed. It was noted that the meeting was noticed on the District website and posted as required.

Public Comment: Ms. Penrod addressed the Board about website items, the community park acreage, and roadway and entryways for the District. Mr. Heim and Ms. Moreland responded.

Developer Update: The Board discussed development items. Ms. Steph and Mr. Stimple reported that landscaping along Dines was impacted due to irrigation conversion and reworking that interrupted regular watering. Directors Vincellette and Black inquired about the status of the park benches. Ms. Steph and Mr. Stimple reported that the park benches have been purchased, just not installed yet. Director Black discussed the HOA trash and recycling services, asked for school bus routes and stops in the District, and reported that conversations are ongoing with School District 20 and 38.

Minutes from June 20, 2023 Regular Board Meeting: Following review and discussion, the Board tabled action on the minutes. The Board requested that staff include additional detail in the minutes covering the developer update section of the meeting and continue this with all minutes moving forward.

FINANCIAL MATTERS

Cash Position and Property Tax Schedules: Ms. Hansen reviewed the Cash Position and Property Tax Schedules with the Board. Following review and discussion, upon a motion duly made by Director Collins, seconded by Director Black and, upon vote, unanimously carried, the Board accepted the Cash Position and Property Tax Schedules, as presented.

Resolution Regarding Acceptance of District Eligible Costs (Cost Certification No. 23) for Ratification of Bond Series 2022 Project Fund Requisition No. 23 Regarding Public Improvement Soft Cost Reimbursement – Previously Approved in Claims Payable: Ms. Hansen reviewed the Resolution for Ratification of Bond Series 2022 Project Fund Requisition No. 23, with the Board. Following review and discussion, upon a motion duly made by Director Vincellette, seconded by Director Black and, upon vote, unanimously carried, the Board adopted the Resolution Regarding Acceptance of District Eligible Costs (Cost Certification No. 23) for Ratification of Bond Series 2022 Project Fund Requisition No. 23, as presented.

Bond Series 2022 Project Fund Requisition No. 24 (Lethbridge Certified): Developer's Public Improvement Construction Cost Reimbursement Application; Engineer & Accountant Cost Certification Report; Adoption of Resolution Accepting District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs: Ms. Hansen reviewed the

RECORD OF PROCEEDINGS

Bond Series 2022 Project Fund Requisition No. 24, with the Board. Following review and discussion, upon a motion duly made by Director Vincelle, seconded by Director Black and, upon vote, unanimously carried, the Board accepted the Bond Series 2022 Project Fund Requisition No. 24, as presented and adopted the Resolution Accepting District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs.

Bond Series 2022 Project Fund Requisition No. 25 (Schedio certified): Developer's Public Improvement Construction Cost Reimbursement Application; Engineer & Accountant Cost Certification Report; Approval of Resolution Accepting District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs: Ms. Hansen reviewed the Bond Series 2022 Project Fund Requisition No. 25, with the Board. Following review and discussion, upon a motion duly made by Director Vincelle, seconded by Director Black and, upon vote, unanimously carried, the Board approved the Bond Series 2022 Project Fund Requisition No. 25, as presented and adopted the Resolution Accepting District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs.

Other: Director Bart requested a procedural change to make sure materials for the Requisitions are to the Directors earlier. Ms. Steph and Ms. Hansen discussed the possible need for special or continued meetings. They also discussed the timeline of the Requisition process, certification of improvements, review and payment of vendors. Ms. Steph, Ms. Hansen and Ms. Libbey will review the requisition process and suggest improvements.

LEGAL MATTERS

Termination of 2015 SR Land, LLC Funding and Reimbursement Agreement and 2022 Classic SRJ, LLC Funding and Reimbursement Agreement: Attorney Allen reviewed with the Board. He reported that Sterling Ranch Metropolitan District Nos. 1 and 3 previously approved termination of the 2015 and 2022 joint agreements given that Sterling Ranch Metropolitan No. 3 became the coordinating district and replacement funding agreements have been put in place with District No. 3. Following discussion, upon a motion duly made by Director Vincelle, seconded by Director Black and, upon vote, unanimously carried, the Board approved the termination of the 2015 SR Land, LLC Funding and Reimbursement Agreement and the 2022 Classic SRJ, LLC Funding and Reimbursement Agreement.

MANAGER MATTERS

Mr. Heim provided a review of tasks for management regarding meeting minutes and the District website. The Board discussed the sketch plan of the Sterling Ranch Community currently listed on the website and, through discussion with Classic Homes representatives present, determined it is the most up-to-date version available.

