

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
STERLING RANCH METROPOLITAN DISTRICT  
NO. 2 (THE "DISTRICT")  
HELD  
FEBRUARY 27, 2024

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 February 27, 2024, at 11:00 a.m. at 2138 Flying Horse Club Dr., Colorado Springs, CO 80921 and via Microsoft Teams. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Deborah Vincelle, President  
Willie Jackson, Secretary  
Charles Collins, Treasurer  
Michael Bart, Assistant Secretary  
Diane Black, Assistant Secretary

#### Also, In Attendance Were:

Korben Heim and Seef LeRoux; CliftonLarsonAllen LLP ("CLA")  
Sarah Steph; Classic Homes  
Sean Allen, Esq.; White Bear Ankele Tanaka & Waldron  
Jim Morley, Loren Moreland, Doug Stimple and Peggy Libbey; Sterling Ranch Metropolitan District Nos. 1 and 3

### ADMINISTRATIVE MATTERS

**Call to order and Agenda:** Director Vincelle called the meeting to order at 11:09 a.m. Following review, upon a motion duly made by Director Vincelle, seconded by Director Bart and, upon vote, unanimously carried, the Board approved the agenda, as amended, to authorize Directors' fees.

**Disclosures of Potential Conflicts of Interest:** The Directors present noted for the record that they have financial interests in entities active in developing property within the boundaries of the District, or are employed by such entities, and that such interests may be affected from time to time by actions of the Districts' 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 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 Board to act.

**Quorum, Location of Meeting and Posting of Meeting Notice:** The Board confirmed a quorum, the location of the meeting and the posting of the meeting notice.

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**Public comment:** None.

**Minutes from the January 23, 2024 Regular Board meeting:** Following review, upon a motion duly made by Director Bart, seconded by Director Vincellette and, upon vote, unanimously carried, the Board approved the minutes from January 23, 2024 Regular Board meeting, as amended to include packet materials be provided to the Board no later than 5:00 p.m. the day prior to the Special Meetings/Work Sessions.

**Developer Update:** Mr. Moreland provided an update as follows:

**Vollmer South:** The paving is to be inspected for preliminary acceptance by El Paso County.

**Marksheffel Extension:** Mr. Moreland noted he is meeting with the County inspectors in May/June to discuss the detention ponds by Vollmer South, gas easements and road boring, and the timeline to pave by the end of summer.

**McDonald Paving:** Director Bart questioned the withheld funds on the requisition. Mr. Moreland discussed the acceptance process and funds to be used for transition milling, potholes and other adjustments.

**Sterling Ranch Road Crossing:** Mr. Moreland noted the handrails/guardrails will be installed in the next couple of weeks with the curb/gutter install to follow.

**Community Park:** Mr. Moreland noted the dig out and grading of the adjacent filing and the detention pond is to start.

**Homestead North:** Mr. Moreland noted the model homes are open and construction is ongoing.

**Vollmer North:** Mr. Moreland noted the work is ongoing, with the curb/gutter continuing northward and then on to paving.

**Briargate North:** Mr. Moreland noted the utilities are being installed. Briargate Crossing is to be paved by the end of June with the hopes of all paving to be complete by the end of June.

Director Bart asked about the Briargate fencing. Mr. Moreland noted the transitions in fencing had to happen and end somewhere. Materials were made known from the start in Branding Iron 2 and Homestead 2.

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**Directors' Fees:** Following discussion, upon a motion duly made by Director Bart, seconded by Director Vincelle and, upon vote, unanimously carried, the Board authorized the payment of Directors' fees.

### FINANCIAL MATTERS

**December 31, 2023 Unaudited Financial Statements:** Mr. Le Roux reviewed the unaudited financial statements with the Board, noting the audit needs and timeline. Following review, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board accepted the December 31, 2023 Unaudited Financial Statements, as presented.

**Resolution Regarding Acceptance of District Eligible Costs for Ratification of Bond Series 2022 Project Fund Requisition No. 38 Regarding Public Improvement Soft Cost Reimbursement – Previously Approved in Claims Payable:** Mr. Le Roux reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director Vincelle, seconded by Director Black and, upon vote, unanimously carried, the Board adopted the Resolution Regarding Acceptance of District Eligible Costs for Ratification of Bond Series 2022 Project Fund Requisition No. 38 Regarding Public Improvement Soft Cost Reimbursement – Previously Approved in Claims Payable.

**Bond Series 2022 Project Fund Requisition No. 39 (Schedio certified): Developer's Public Improvement Construction Cost Reimbursement Application; Engineer & Accountant Cost Certification Report; Adoption of Resolution Regarding Acceptance of District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs:** Mr. Le Roux reviewed the 2022 Project Fund Requisition No. 39 (Schedio certified), Developer's Public Improvement Construction Cost Reimbursement Application; Engineer & Accountant Cost Certification Report, and Resolution Regarding Acceptance of District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs with the Board. Discussion ensued regarding the District's completion of capital improvement cost funding as its capital project fund has been requisitioned to a zero balance, ongoing funding of capital improvement costs through capital project funds from District Nos. 1, 4 and 5, Debt Service funds, the General Funds being transferred to District No. 3 for operations and maintenance and planning for fees/mill levies for District Nos. 4 and 5. Following 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. 39 (Schedio certified, the Developer's Public Improvement Construction Cost Reimbursement Application, the Engineer & Accountant Cost Certification Report and adopted the Resolution Regarding Acceptance of District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs.

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### LEGAL MATTERS

**Joint Resolution Regarding Email Communication System and Electronic Devices; Acknowledgement Receipt for Equipment:** Attorney Allen reviewed the Joint Resolution with the Board. Discussion ensued regarding the monitoring section, ownership of the devises/emails and the device inventory form. Following discussion, upon a motion duly made by Director Vincellette, seconded by Director Bart and, upon vote, unanimously carried, the Board adopted the Joint Resolution Regarding Email Communication System and Electronic Devices and acknowledged Receipt for Equipment.

### MANAGER MATTERS

Mr. Heim provided an update.

### DIRECTOR MATTERS

**Study Session Schedule; Quarterly Regular Meeting Schedule:** The Board consensus was to keep the schedules as is.

Director Bart asked for an update on the FAWWA rate study and conservation messaging before the irrigation session begins. Discussion ensued.

Mr. Moreland noted he is preparing a March newsletter to update on the development activities.

### ADJOURNMENT

There being no further business, upon a motion duly made and seconded by, Director Vincellette, the Board adjourned the meeting at 12:01 p.m.

Respectfully submitted,

DocuSigned by:

*Willie Jackson*

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Secretary for the Meeting