

## RECORD OF PROCEEDINGS

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MINUTES OF A SPECIAL MEETING/WORK SESSION OF  
THE BOARD OF DIRECTORS OF THE  
STERLING RANCH METROPOLITAN DISTRICT  
NO. 2 (THE "DISTRICT")  
HELD  
MAY 23, 2024

A special meeting/work session of the Board of Directors of the Sterling Ranch Metropolitan District No. 2 (referred to hereafter as the "Board") was convened on May 23, 2024 at 3:00 p.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  
Michael J. Bart, Assistant Secretary  
Diane C. Black, Assistant Secretary

#### Also, In Attendance Were:

Korben Heim, Seef Le Roux and Dylan Kirk; CliftonLarsonAllen LLP ("CLA")  
K. Sean Allen, Esq.; White Bear Ankele Tanaka and Waldron  
Loren Moreland; Classic Homes

### ADMINISTRATIVE MATTERS

**Call to Order and Agenda:** Upon a motion duly made by Director Bart, seconded by Director Jackson, the Board called the meeting to order at 3:03 p.m. Following review, upon a motion duly made by Director Bart, 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 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. Upon a motion duly made by Director Bart, seconded by Director Jackson and, upon vote, unanimously carried, the Board excused the absence of Director Collins. The Board confirmed the location of the meeting and the posting of the meeting notice.

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**Public comment:** None.

MAY 28, 2024  
MEETING PACKET  
REVIEW

**Review Packet:** The Board reviewed the meeting packet.

**Discussion Items:**

1. Coordinating Services IGA between Districts

Attorney Allen reviewed the background and purpose of the District Coordinating Services IGA, whereby District No. 3, as the designated coordinating district, provides integrated operation, maintenance and administrative services on behalf of all the Districts. Attorney Allen discussed the annual budget review and feedback process that is to occur between the Districts whereby all Districts are to cooperate in good faith in determining the annual budgets. Director Bart asked about any defined difference in the Operation and Maintenance and the Capital Fund. Attorney Allen discussed the differences with the Board. Attorney Allen and Director Bart discussed the statutory date for the draft budget to be presented to the Board, the opportunity for review and comments/feedback within two weeks. It was noted that the working session/budget hearing may need to be adjusted to allow for additional review and feedback. Attorney Allen reviewed the long-term coordination and process of termination of the IGA. Director Bart asked about the coordination for District rejection of financing a District requested project. Attorney Allen discussed the process, the reasoning for requests/rejections, and the reasonableness clause of the agreement. Discussion ensued regarding the balance between the Districts under the IGA, as well as the Districts' funds and revenues.

2. Prairie Ridge Metro District

Mr. Heim discussed that a new district, Prairie Ridge Metro District, is being formed in the vicinity of Sterling Ranch. Attorney Allen noted that the County requires existing metro districts to verify that they will not be funding any public infrastructure in the area of the new district. The applicants for the new district submitted the verification letter for the Sterling Ranch Metro Districts Nos. 1, 2 and 3 to execute. The Board approved the letter for execution.

3. Broken Plastic Fence

Questions were raised regarding fence repairs, replacement, etc. Mr. Moreland discussed fencing issues that previously incurred as well as ongoing issues. Questions were also raised on where to direct resident questions and damage concerns. Mr. Moreland asked that any questions or damage reports go to Mr. Heim and CLA will work with the development team to repair. Director Black reported broken fences at Dines and Mosby. Discussion ensued regarding HOA

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funds for fence repairs. It is not an option for the HOA to pay directly and they are not able to transfer the fees incurred.

#### 4. Executive Session Process

Attorney Allen reviewed the rules, applicable subjects and the process for holding an executive session.

#### 4. Other

Director Black asked about the grading at the Sterling Ranch Road entrance. Mr. Moreland informed the Board of topsoil being moved at the commercial section of District No. 1. Director Bart noted concerns for removal of silt fence and mud spreading when large rainstorms come through.

Mr. Moreland provided an update on the channel work that is ongoing.

Mr. Moreland provided an update on the South Vollmer Pond, noting he is waiting for stormwater connections and pipeline easement. The boring is hopefully starting the first week of June. Paving on Vollmer is supposed to start in August and then open. Mr. Morely is working on the re-submittal on Filing 4 in Sterling Ranch.

The Sterling Ranch Road extension to Briargate has completed curb and gutter, and tie-ins, and paving is slated for the third week of June. Mr. Moreland noted the Copper Chase lots hope to be online by the third week of June. The sewer is in the second phase and in progress. Briargate Crossing is getting ready for concrete pouring, with the headwall complete. Mr. Moreland noted the large detention pond storm pipe and concerns in getting installed at the Sand Creek Channel, with topsoil to seed the pond going in over the next two months. The utilities of Sand Creek will start in September, hoping to get the grading started within 30 to 45 days. Homestead North paving is complete, the community park in Filing 1 is complete and approximately 80 homes have been permitted. Vollmer North paving is to begin today up to Poco. Mr. Moreland noted he is waiting on stormwater infrastructure on Dines south, hoping to pave as much as possible. The utility crossing at Sam Bass is starting, with the edge of asphalt marked along the north side. The Arroya Crossing is to begin soon after permitting is complete. The Timber Ridge filings will begin to pave by the end of the year, with 1400 lots preparing to open by September. Dines and Briargate is to connect to the Prairie Ridge development. Director Black asked about Challenger activity in Copper Chase. The Development Team is working to change the school site. The Morely dirt pile is working on an adjustment plan. The goal is to produce Challenger lots this year. Mr. Moreland thinks it is unlikely. There has been no conversations with District 20 in several months, with the only discussion about the elementary school. District 49 only plan on a

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K-8 campus, not a standalone elementary school.

Following discussion, the Board's consensus was that holding the May 28<sup>th</sup> meeting was not needed and directed management to cancel.

### ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Director Black, seconded by Director Vincellette, the Board adjourned the special meeting/work session at 3:54 p.m.

Respectfully submitted,

DocuSigned by:  
  
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Secretary for the Meeting