

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT
NO. 2 (THE "DISTRICT")
HELD
APRIL 23, 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 Vincellette, President
Willie Jackson, Secretary
Charles Collins, Treasurer
Michael Bart, Assistant Secretary
Diane Black, Assistant Secretary

Also, In Attendance Were:

Josh Miller, 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
Michael Black; member of the public

ADMINISTRATIVE MATTERS

Call to order and Agenda: Director Vincellette called the meeting to order at 11:06 a.m. Following review, upon a motion duly made by Director Black, seconded by Director Bart 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, the location of the meeting and the posting of the meeting

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notice.

Public comment: Director Vincelette commented on behalf of a resident: Request the section of road between Dines Boulevard and Wheatland Drive not to be used for truck traffic now that Briargate Parkway entrance is open. Director Collins noted this should be able to happen forward as Briargate paving is completed today.

Minutes from the February 22, 2024 Special Meeting/Work Session and February 27, 2024 Regular Board meeting: Following review, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board approved the minutes from February 22, 2024 Special Meeting/Work Session and February 27, 2024 Regular Board meeting.

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

Newsletter: The newsletter went out on Friday.

Marksheffel Extension: Mr. Moreland noted the stormwater boring is to start next week and estimated to last for six weeks.

Sterling Ranch Road Crossing: Mr. Moreland noted the handrails/guardrails are installed and mostly wrapped up. The extension to Briargate curb and gutters are wrapped up. He is waiting on the gas line by CSU and the road base prep will follow.

Vollmer Improvements: Mr. Moreland reported the County inspection of the improvements were done three weeks ago. The improvements for stormwater and detention along Vollmer South is continuing. He is waiting on gas line boring. The stormwater pipe connection is not open due to the lack of a final spot for water runoff until the pond is completed.

Landscaping: Mr. Moreland noted the landscaping along Sterling Ranch Filing 2 and Vollmer South are being installed.

Detention Pond: Mr. Moreland reported the detention pond northeast of Sterling Ranch Road crossing is starting grade work.

Vollmer North: Mr. Moreland reported the stormwater inlet and utility are too close and is planning on moving those that are too close to the stormwater and the north end of Miracle Mile Trail. There are landscaping improvements at W9 pond and new landscaping along the Vollmer entry sign. Vollmer North of Briargate curb and gutter is mostly complete, with some utility work ongoing. There is a plan for a partial closure of Vollmer just north of Sam Bass to Briargate. Director Black asked to have the high

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spot in Vollmer Road shaved down. Mr. Morland reported that Schmidt will inspect this during other ongoing work on Vollmer. The County inspection concern is primarily for the transition at Vollmer and Pioneer.

Fencing: Mr. Morland reported the fence panels were removed along Briargate and are being stored at the water tank. They will be used for replacing damaged panels along Miracle Mile and Branding Iron Filing 1.

FINANCIAL MATTERS

Schedule of Cash Position and Property Tax Schedule: Mr. Le Roux reviewed the Schedule of Cash Position and Property Tax Schedule with the Board. Director Bart asked about the remittance of the General Funds to Sterling Ranch Metropolitan District No. 3. Mr. Stimple discussed the needs and expenses of the whole community paid through District No. 3 and developer advances. Attorney Allen discussed budgetary functions to transfer funds. Mr. Le Roux will prepare a budget and financials set up to present in the future. Further discussion ensued. Mr. Stimple described the Master Plan viewpoint and importance of each financing district contributing to the whole community maintenance. Further discussion noted that the general mill levy could be revisited as revenues increase from additional homes in District Nos. 1, 2, 4 and 5. Following discussion, upon a motion duly made by Director Vincelette, seconded by Director Bart and, upon vote, unanimously carried, the Board accepted the Schedule of Cash Position and Property Tax Schedule.

Summary of Capital Funds and Superstructure Tracking: Ms. Steph reviewed the Summary of Capital Funds and Superstructure Tracking with the Board, noting future metro district bonded debt is expected to be issued by the new Sterling Ranch Metropolitan District Nos. 4 and 5 to pay for future capital improvements, with about \$26M estimated. Director Black asked about home sales. Mr. Moreland reported things are keeping up fairly well and doing better than originally forecasted.

Bond Series 2022 Project Fund Requisition No. 40 (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 Requisition No. 40 and Resolution with the Board. Following discussion, upon a motion duly made by Director Vincelette, seconded by Director Black and, upon vote, unanimously carried, the Board approved the Bond Series 2022 Project Fund Requisition No. 40 (Schedio certified), Developer’s Public Improvement Construction Cost Reimbursement Application, Engineer & Accountant Cost Certification Report and adopted the of Resolution Regarding Acceptance of District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs.

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LEGAL MATTERS

None.

MANAGER
MATTERS

Proposal for Landscape Maintenance from Sunflower Landscape (District No. 3): Discussion ensued regarding the map showing maintained areas and irrigation start-up. The Board did not provide suggestions for finalization as part of Sterling Ranch Metropolitan District No. 3's final review regarding scope of service, frequency, or other details.

DIRECTOR
MATTERS

None.

ADJOURNMENT

There being no further business, upon a motion duly made and seconded by, Director Vincellette, the Board adjourned the meeting at 12:00 p.m.

Respectfully submitted,

DocuSigned by:
Willie Jackson
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Secretary for the Meeting