

## 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  
SEPTEMBER 26, 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, September 26, 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:

Willie Jackson, Secretary  
Charles Collins, Treasurer  
Michael J. Bart, Assistant Secretary  
Diane C. Black, Assistant Secretary

The absence of Director Vincellette was excused.

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 Moreland and Douglas Stimple; Classic Homes  
Jim Morley and Peggy Libbey; Morley Construction  
Michael Black; Member of the Public

### ADMINISTRATIVE MATTERS

**Call to Order and Agenda:** Upon a motion duly made by Director Bart, seconded by Director Black, the Board called the meeting to order at 11:12 a.m.

Following review, upon a motion duly made by Director Collins, 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 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

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Board to act.

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

**Public Comment:** None.

**Developer Update:** Mr. Moreland provided a general development update, noting the curb and gutter, grading and detention pond work along Sterling Ranch Road are all complete. He further noted the delays due to rain and the resulting higher groundwater. Mr. Moreland reported the Sterling Ranch Road paving is delayed but is expected to be complete by the end of October.

Mr. Moreland reported the landscape installation along Marksheffel at Volmer is almost complete, Copper Chase is complete and Marksheffel to Sterling Ranch Road grading is also complete pending the permit from the gas providers with lines in the easement. EPCO and COS have approved the work, and a meeting will be scheduled with the group to finalize details and discuss finishing the work over the winter with paving started by the spring.

Mr. Moreland noted the Sterling Ranch Road culverts crossing over Sand Creek is in progress. The utilities to Briargate connection is almost complete.

The Sunflower/All-American – Mr. Moreland reported landscape work at the south entrance is complete and is now working on the detention pond at the north entrance.

Vollmer north addition – Mr. Moreland noted issues with the paving not Briargate, grading and utility lines, noted this will be a winter project with paving in the spring.

Mr. Moreland reported the filing of the Vantage model in Homestead North is complete. The Black Hills gas connections are complete, with the Filing 2 work for drainage and curb/gutter to be complete this week and paving complete this year. The utilities are being installed in Filing 3 and is connecting with the Retreat at Timber Ridge.

Vollmer/Briargate/Wheatland landscaping – Mr. Moreland reported the curb/gutter and slot wall are installed. The irrigation and hardscape are to be completed in the winter with plantings in May/June.

Discussion ensued regarding a development quarterly update, noting there was no update for the second quarter with a third quarter update planned for October/November. Additional discussion ensued regarding other ways to provide updates for the community.

Mr. Moreland reported the Volmer to Wheatland paving is complete, the Wheatland to Briargate paving is in progress to hopefully be complete this

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week.

Cut Bank/Niarada space – Discussion ensued regarding turning this area into a tot lot/playground for very young children. The playground equipment has not yet been ordered.

Discussion ensued regarding landscape and installation items, including tree replacements along Wheatland, Dines and discussion of warrantied items, and the Thistles in open spaces and around the detention ponds.

**Minutes from the August 22, 2023 Regular Board Meeting:** Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board approved the August 22, 2023 regular Board meeting minutes, as amended to include Board request for circulation of the draft agenda to the Board for review in the future.

### FINANCIAL MATTERS

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

**2022 Draft Audit:** Ms. Hansen reviewed the 2022 Draft Audit with the Board. Following discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board approved the 2022 Draft Audit and authorized execution of the Representation Letter.

**Resolution Regarding Acceptance of District Eligible Costs (Cost Certification No. 29) for Ratification of Bond Series 2022 Project Fund Requisition No. 29 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. 29, with the Board. Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board adopted the Resolution Regarding Acceptance of District Eligible Costs (Cost Certification No. 29) for Ratification of Bond Series 2022 Project Fund Requisition No. 29, as presented.

**Bond Series 2022 Project Fund Requisition No. 30 (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 Bond Series 2022 Project Fund Requisition No. 30, with the Board. Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board accepted the

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Bond Series 2022 Project Fund Requisition No. 30, 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. 31 (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. 31, with the Board. Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board approved the Bond Series 2022 Project Fund Requisition No. 31, as presented and adopted the Resolution Accepting District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs.

**Other:** Director Bart asked about the budget preparation timeline, Director input, etc. The deadline for the Board to receive the draft budget is October 15<sup>th</sup>.

LEGAL MATTERS

None.

MANAGER  
MATTERS

None.

OTHER BUSINESS

**No Action Annual Meeting:** Mr. Heim discussed options for the annual meeting location. Discussion ensued. The Board directed management to confirm availability for the evenings of November 7<sup>th</sup> and November 9<sup>th</sup>.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Black, seconded by Director Bart, the Board adjourned the meeting at 12:20 p.m.

Respectfully submitted,

By   
Secretary for the Board