

MINUTES OF A REGULAR/SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 2 (THE “DISTRICT”)
HELD
August 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 Tuesday, August 27, 2024 at 11:00 a.m., at 2138 Flying Horse Club Drive, Colorado Springs, Colorado 80921. This District Board meeting was held at the physical location and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in attendance were:

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

Also, In Attendance Were:

Josh Miller, Korben Heim and Seef Le Roux; CliftonLarsonAllen LLP (“CLA”)
Sean K. Allen, Esq.; White Bear Ankele Tanaka & Waldron
Sarah Steph, Loren Moreland, Douglas Stimple and Kim Shockley; Classic Homes
Peggy Libbey and James Morley; Morley Companies
Stefan Escanes; member of the public

ADMINISTRATIVE MATTERS

Call to Order and Agenda:

The meeting was called to order at 11:25 a.m. by Director Vincelle. The Board reviewed the agenda for the meeting. Following discussion, upon a motion duly made by Director Bart, seconded by Director Vincelle and, upon vote, unanimously carried, the Board approved the agenda, as amended to add Director matters.

Disclosures of Potential Conflicts of Interest:

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. It was noted that disclosures of potential conflicts of interest were filed for Director Collins with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notice:

A presence of a quorum was confirmed.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board determined to conduct the meeting at the above-stated date, time and location, which is within 20 miles of the District. The Board further determined to also conduct the meeting via Microsoft Teams. It was further noted that notice of the time, date, location and video link information was duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.

Public Comment:

Stefan Escanes asked for an update on the topsoil pile on a developer's parcel located within District No. 3 at Wheatland/Dines, when it will be removed, what developer involvement/permit is it under for EDART, etc. Discussion ensued. Mr. Morley and Director Collins reported the topsoil is stored there as part of other development plans and does not require a separate permit. They are working on removal and have already started wetting the soil to minimize dust blowing into the neighborhood.

Mr. Escanes asked about public comment incorporation into the minutes and for an opportunity for the public to review and comment on draft minutes in advance of the meeting at which the minutes are considered by the Board. Discussion ensued regarding the minutes process and potential opportunities to involve the public earlier. No action taken to change the current process of how the Board processes draft minutes and approval of the minutes.

Minutes from the June 20, 2024 Special Meeting/Work Session and June 25, 2024 Regular Board meeting:

The Board reviewed the Minutes of the June 20, 2024 Special Meeting/Work Session and June 25, 2024 Regular Meeting. Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Vincellette and, upon vote, unanimously carried, the Board approved the June 20, 2024 Special Meeting/Work Session as amended and approved the June 25, 2024 Regular Meeting minutes, as presented.

FINANCIAL MATTERS

June 30, 2024 Unaudited Financial Statements, Schedule of Cash Position and Property Tax Schedule:

Mr. Le Roux reviewed the Unaudited Financial Statements, Schedule of Cash Position and Property Tax Schedule for the period ending June 30, 2024 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 June 30, 2024 Unaudited Financial Statements, Schedule of Cash Position and Property Tax Schedule, as presented.

Mr. Le Roux reviewed the Operations and Maintenance revenue shortfall and Mr. Stimple noted that operational revenues from District No. 1 and the District are currently less than budgeted operational expenses and that District No. 3 requests developer advances to help fund operation costs.

Request for Extension to file 2023 Audit:

Mr. Le Roux reviewed the Request for Extension with the Board. Following discussion, upon a motion duly made by Director Vincelle, seconded by Director Bart and, upon vote, unanimously carried, the Board ratified approval of the Request for Extension to file the 2023 Audit.

Summary of Capital Fund and Superstructure Tracking:

Mr. Le Roux reviewed the Summary of Capital Funds and Superstructure Tracking included in the meeting packet. It was noted that the District no longer participates in the costs of ongoing public improvement construction since it previously issued bonds and spent all of the bond proceeds on public improvement construction costs.

LEGAL MATTERS

There were no legal matters.

MANAGER MATTERS

Discuss statutorily required documents posted on website and consider remediation services:

Mr. Heim discussed the legislative changes to website compliance and costs of remediation of older documents. Following discussion, upon a motion duly made by Director Stimple, seconded by Director Libbey and, upon vote, unanimously carried, the Board directed CLA to obtain a proposal for remediation of the minimum required website documents.

DIRECTOR MATTERS

Annual Meeting Scheduling:

Following discussion, the consensus of the Board was to conduct the Annual Meeting either the second or third week of November. Mr. Heim is to contact venues to host.

Further discussion ensued regarding rescheduling of the November Regular meeting to the 19th and Work Session to the 14th.

Schedule Sterling Ranch Site Tour:

The Board discussed the site tour with Mr. Moreland. The consensus was to conduct the site tour on October 4th at 1:00 p.m.

Developer Update:

Marksheffel Extension: Mr. Moreland reported the work with the gas line companies is ongoing, boring is completed, vegetation around the extension has been cleared and paving is to be conducted between September 30th and October 15th.

Vollmer South: Mr. Moreland reported the equipment is on site for the detention ponds structures and it is expected to be completed in approximately 45 days. He noted discussion with El Paso County is ongoing regarding the hump in the road and who is responsible for payment for the repairs.

105 Improvements: Mr. Moreland reported discussion is ongoing with the County on impact fees use.

Vollmer Middle Expansion: Mr. Moreland reported the County is to work with the adjacent property owners. The current ROW is not wide enough to carry four lanes and the assumption is to address it sometime later.

Sterling Ranch East: Mr. Moreland reported Copper Chase has sold 130 lots, 14 permits so far and is ready to pave.

Sterling Ranch Filing 4: Mr. Moreland reported grading is to start in the next 60 days, with utilities and curb/gutter installation to follow.

Former School Site – Now Sterling Ranch Filing 5: Mr. Moreland reported there are 72 lots. Storm drainage infrastructure is going in, with curb/gutter and paving to follow. He noted the hope is to start building in October.

Sterling Ranch Crossing: Mr. Moreland reported this is completed to Briargate. The landscaping by ALH model homes is improved and the detention pond east of the crossing is seeded.

Briargate Crossing: Mr. Moreland reported the grading is complete, three of the four wing walls are complete and back fill on the completed side is starting, with the hopes to connect by late fall.

Voller North: Mr. Moreland reported the proof roll passed today and paving is ready next, with striping and opening by next week. The area at the north end of Miracle Mile has completed the gas utility install, with landscaping to start next. Director Bart asked about the wide shoulder on the southbound side. Mr. Moreland and Director Collins noted it is meant to be a right turn lane for Jayne's Property.

Landscaping is being installed along Vollmer.

The detention ponds in Homestead North are being completed.

First Filing East of Sand Creek: Mr. Moreland noted there are 153 lots and grading work is ongoing.

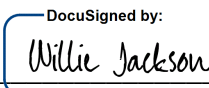
Copper chase Landscaping: Mr. Moreland reported that SR Land and Challenger Homes are working on the landscaping, including gravel trails and native grasses. The hope is to have most hardscape installed this year.

Tress have been replaced along Dines.

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 Meeting
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