

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT
NO. 2 (THE "DISTRICT")
HELD
JANUARY 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 January 23, 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 J. Bart, Assistant Secretary
Diane C. Black, Assistant Secretary

Also, In Attendance Were:

Korben Heim, Seef Le Roux and Josh Miller; CliftonLarsonAllen LLP ("CLA")
K. Sean Allen, Esq.; White Bear Ankele Tanaka and Waldron
Sarah Steph, Loren Moreland and Douglas Stimple, Classic Homes
Peggy Libbey; Morley Construction
Mike Black; Member of the Public

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Vincelle called the meeting to order at 11:03 a.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, the location of the meeting and the posting of the meeting notice.

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Public comment: Mr. Black asked about viewing public records. Mr. Miller gave an overview of the Colorado Open Records Act, noting that any records presented to the Board are available either on the District website or by request.

Minutes from the November 9, 2023 Joint Annual Meeting, November 28, 2023 Regular Meeting and January 9, 2024 Continued Regular Meeting: Following review, upon a motion duly made by Director Vincellette, seconded by Director Bart and, upon vote, unanimously carried, the Board approved the minutes from the November 9, 2023 Joint Annual Meeting, November 28, 2023 Regular Meeting and January 9, 2024 continued Regular Meeting.

Developer Update: Mr. Moreland provided an update for the Board, noting that the Vollmer South grading is complete, the detention pond is being wrapped up and the transitions are being cleaned up. Director Bart expressed interest in attending a meeting/inspection with the EPCO inspector, to discuss industrial area roadway improvements as EPCO needs to expand the ROW.

Mr. Moreland reported the boring work under Marksheffel gas easement is getting ready to start. Materials are planned to be in by mid-April.

Sterling Ranch Road crossing has wrapped up for now. A detention pond is starting at the future park site. Briargate connection, paving, and excavation work will be starting followed by curb and gutter install.

Briargate crossing is staging for construction. A pre-construction meeting with EPCO and engineering was held last week. The February concrete start date was moved from the 5th to the 15th. EPCO is to consider changing a 500-year drainage/water analysis, to a 100-year design.

Mr. Moreland reported Vollmer North is delayed due to frozen ground and transition issues to the new extension and tie-ins.

There is a meeting scheduled with the Army Corps of Engineers regarding the Sand Creek Channel.

Discussion ensued regarding ECM and the roadwork material study for requirement changes.

The vinyl fence changes along Briargate to slot wall material is starting in two weeks.

Director Bart discussed the fiber install work by Mountain View Electric, noting to make sure it is not in the same space as well as his skepticism on the timeline to get fiber connected to the community.

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

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Board. Following review, upon a motion duly made by Director Bart, seconded by Director Vincellette and, upon vote, unanimously carried, the Board accepted the Schedule of Cash Position and Property Tax Schedule, as presented.

Bond Series 2022 Project Fund Requisition No. 37 (Schedio certified): Developer's Public Improvement Construction Cost Reimbursement Application; Engineer & Accountant Cost Certification Report; Resolution Regarding Acceptance of District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs: Mr. Le Roux reviewed the Requisition with the Board. Director Bart asked who determines if an improvement is built to the required quality standard. Mr. Stimple stated that the County engineer determines if the improvement meets the quality standard while the District engineer reports on the quantity, reasonable cost and the improvements being constructed per the approved design plans.

Mr. Moreland, Mr. Stimple and Director Collins discussed the bond and warranty parts of the County acceptance process.

Discussion ensued regarding the certification process, differences from public costs and EPCO acceptance certifications.

Director Black questioned dust permits for public health entities and is it part of tracking for construction dust complaints.

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. 37 (Schedio certified): Developer's Public Improvement Construction Cost Reimbursement Application; Engineer & Accountant Cost Certification Report; and adopted the Resolution Regarding Acceptance of District Eligible Public Improvement Costs and Project Fund Requisition for Certified Costs.

LEGAL MATTERS

Mr. Stimple noted that the developer donated laptop computers for Director use when performing director and district business. Mr. Miller noted that a director email system is in place for Director use. Attorney Allen discussed the need to create a device/email policy, and will present a draft to the Board at the next meeting.

Discussion ensued regarding the SDA learning items and online/in-person conferences, whether this is an appropriate expense and a matter of what is in the budget.

Director Bart asked legal about Director compensation. Attorney Allen noted that statute allows for Directors to be paid for attending Board meetings, and that the compensation is treated as taxable income. Discussion ensued on what

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is the minimal information a Director is required to give to the District accountant in order to be paid the Director compensation and if any Directors want to opt-out of the compensation. Discussion on Workers Comp insurance classifying directors as employees for Workers Comp purposes only and Directors are not actual employees of the District otherwise.

Discussion regarding conducting work sessions for the Board to review packet materials prior to Board meetings. The Board requested scheduling these on the third Thursday each month at 3:00 p.m.

The Board noted that the packet is to be received by the Board no later than 5:00 p.m. the day prior to the Special Meetings/Work Sessions.

MANAGER MATTERS

None.

DIRECTOR MATTERS

Website and District Contacts: The Board discussed the website materials, maps, updates on development planning, noting website improvements are ongoing and involved additional resources. Director Bart questioned community in-person updates, scheduling and advertising the annual meeting. Mr. Stimple suggested a Classic-sponsored social event in Sterling Ranch to get interaction, build community interconnectedness, etc. Discussion ensued.

ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board adjourned the meeting at 12:24 p.m.

Respectfully submitted,

DocuSigned by:

Willie Jackson

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Secretary for the Meeting