

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 2 (THE “DISTRICT”)
HELD
DECEMBER 11, 2025

A special meeting of the Board of Directors of the Sterling Ranch Metropolitan District No. 2 (referred to hereafter as the “Board”) was convened on Thursday, December 11, 2025 at 2:30 p.m. at 2138 Flying Horse Club Drive, Colorado Springs, Colorado and virtually via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors in attendance were:

Michael Bart; President

Diane C. Black; Secretary

Willie J. Jackson; Treasurer

Michael J. Black; Assistant Secretary

Loren J. Moreland; Assistant Secretary

Also, in attendance were:

Korben Heim, Seef Le Roux and Dylan Kirk; CliftonLarsonAllen LLP (“CLA”)

Sean Allen, Esq.; WBA, P.C.

Sarah Steph and Douglas Stimple; Classic Homes

James Morley and Peggy Libbey; Morley Co.

ADMINISTRATIVE MATTERS

Call to Order and Agenda:

The meeting was called to order at 2:30 p.m. by Director Bart. The Board reviewed the agenda for the meeting. Following discussion, upon a motion duly made by Director Bart, seconded by Director Moreland and, upon vote unanimously carried, the Board approved the agenda, as presented.

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. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, if any, and no additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notice:

The 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 physical location and virtually 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:

There was no public comment.

Minutes from the October 28, 2025 Regular Meeting and Minutes from the November 6, 2025 Annual Meeting:

The Board reviewed the Minutes of the October 28, 2025 Regular Meeting and the Minutes of the November 6, 2025 Annual Meeting. Following review and discussion, upon a motion duly made by Director J. Black, seconded by Director Bart and, upon vote unanimously carried, the Board approved the Minutes of the October 28, 2025 Regular Meeting and the Minutes of the November 6, 2025 Annual Meeting, as revised.

Resolution Regarding 2026 Annual Administrative Matters:

Following review and discussion, upon a motion duly made by Director D. Black, seconded by Director Bart and, upon vote unanimously carried, the Board adopted the Resolution Regarding 2026 Annual Administrative Matters, as revised, and determined to hold 2026 regular meetings on the fourth Tuesday of each month, as needed, at 11:00 a.m. and the annual meeting on October 28, 2026 at 6:00 p.m.

FINANCIAL MATTERS

September 30, 2025 Schedule of Cash Position, Updated as of December 4, 2025, Property Tax Schedule and PTax Obligation Summary:

Mr. Le Roux reviewed the Schedule of Cash Position, Property Tax Schedule and PTax Obligation Summary with the Board.

Following review, upon a motion duly made by Director D. Black, seconded by Director Jackson and, upon vote unanimously carried, the Board accepted the September 30, 2025 Schedule of Cash Position, Updated as of December 4, 2025, Property Tax Schedule and PTax Obligation Summary, as presented.

Resolution to Adopt the 2026 Budget and Appropriate Sums of Money and to Set Mill Levies:

Mr. Allen noted that the requisite budget hearing was conducted during the October 28,

2025 meeting and the Board's approval of the 2026 budget is needed so that the mill levies can be certified to the county. Mr. Le Roux noted that the 2026 Budget has been updated based on the Board's discussion at the October 28, 2025 meeting. Mr. Le Roux presented the updated 2026 Budget and budget adoption resolution, noting the final AV adjustment primarily due to new construction and the mill levy adjustment due to the correction of the base year calculation. Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Jackson and, upon vote unanimously carried, the Board adopted the Resolution to Adopt the 2026 Budget and Appropriate Sums of Money and to Set Mill Levies, as presented.

DLG-70 Certification of Tax Levies:

Mr. Le Roux discussed the certification with the Board. Following review, the Board appointed the District Accountant to execute the DLG-70 Certification of Tax Levies.

Engagement Letter with BiggsKofford to Prepare the 2025 Audit:

Mr. Le Roux reviewed the engagement letter with the Board, recommending their approval. Following review and discussion, upon a motion duly made by Director M. Black, seconded by Director C. Black and, upon vote unanimously carried, the Board approved the engagement letter with BiggsKofford to prepare the 2025 Audit.

MANAGER MATTERS

CliftonLarsonAllen LLP Statement(s) of Work for 2026:

Following review, upon a motion duly made by Director M. Black, seconded by Director D. Black and, upon vote unanimously carried, the Board approved the CliftonLarsonAllen LLP Statements of Work for 2026 Accounting and Management Services, as presented.

DIRECTOR MATTERS

Development Update:

Director Moreland provided an update to the Board. Discussion ensued regarding the development activity in the Retreat at Timber Ridge.

Cancellation of December Regular Meeting:

Board discussed and, with consensus, directed management to cancel the December regular meeting.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Bart adjourned the meeting at 2:59 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting