

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 1
(THE "DISTRICT")
HELD
MAY 16, 2023

A regular meeting of the Board of Directors of the Sterling Ranch Metropolitan District No. 1 (referred to hereafter as the "**Board**") was convened on Tuesday, May 16, 2023, at 11:30 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:

James Morley, Director
Charles Collins, Director
Loren Moreland, Director
Peggy Libbey, Director
Douglas Stimple, Director

Also, In Attendance Were:

Josh Miller, Korben Heim and Mallorie Hanson; CliftonLarsonAllen, LLP ("CLA")
Sean Allen, Esq.; White Bear Ankele Tanaka & Waldron
Sarah Steph and Jack Stimple; Classic Homes
Peter Morley; Morley Construction

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Morley called the meeting to order at 12:49 p.m. Upon a motion duly made by Director Moreland, seconded by Director Stimple 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 Meeting Notices: A quorum was confirmed. It was noted that the meeting was noticed within the District boundaries and posted as required.

RECORD OF PROCEEDINGS

Public Comment: None.

Minutes from the November 15, 2022 Regular Board Meeting: Following review and discussion, upon a motion duly made by Director Moreland, seconded by Director Stimple and, upon vote, unanimously carried, the Board approved the minutes from the November 15, 2022 regular Board meeting.

Results of May 2, 2023 Regular Director Election: Attorney Allen informed the Board that the May 2, 2023 Regular Election has been canceled because the District did not receive more self-nominations than seats available. Directors Stimple and Moreland were elected by acclamation for four-year terms. Director Libbey was elected by acclamation for a two-year term.

Filing of Oaths of Directors: Attorney Allen confirmed the newly elected Director Oaths were filed with the County and the Division of Local Government per statute.

Appointment of Officers: Following discussion, upon motion duly made by Director Stimple, seconded by Director Collins and, upon vote, unanimously carried, the following slate of officers were appointed for the District:

President: James Morley
Secretary: Charles Collins
Treasurer/Assistant Secretary: Loren Moreland
Assistant Secretary: Peggy Libbey
Assistant Secretary: Douglas Stimple

FINANCIAL MATTERS

March 31, 2023 Unaudited Financial Statements: Ms. Hansen reviewed the March 31, 2023 Unaudited Financial Statements with the Board. Following review, upon a motion duly made by Director Stimple, seconded by Director Moreland and, upon vote, unanimously carried, the Board accepted the March 31, 2023 Unaudited Financial Statements, as presented.

LEGAL MATTERS

Elite Properties of America, Inc., Advance and Reimbursement Agreement: Following review, upon a motion duly made by Director Stimple, seconded by Director Moreland and, upon vote, unanimously carried, the Board approved the Elite Properties of America, Inc., Advance and Reimbursement Agreement, subject to final review and execution.

Elite Properties of America, Inc., Infrastructure Acquisition, Advance and Reimbursement Agreement: The Board discussed and determined that if Elite was to directly contract for any landscape installation work that Elite and District

RECORD OF PROCEEDINGS

No. 3 would enter into an Infrastructure Acquisition, Advance and Reimbursement Agreement.

Sterling Ranch Metropolitan District No. 3's Coordination of Non-Construction, Soft Capital Costs for Sterling Ranch Metropolitan District Nos. 1, 2, and 3: Following review, upon a motion duly made by Director Stimple, seconded by Director Moreland and, upon vote, unanimously carried, the Board acknowledged the Sterling Ranch Metropolitan District No. 3's coordination of non-construction, soft capital costs for SRMD1, 2 and 3. Board discussed additional items coordinated by District No. 3 for convenience and efficiency between the Districts.

MANAGER
MATTERS

None.

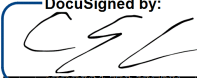
OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Stimple, seconded by Director Moreland and, upon vote, unanimously carried, the Board adjourned the meeting at 1:04 p.m.

Respectfully submitted,

By  _____
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Secretary for the Board