

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 2
(THE "DISTRICT")
HELD
NOVEMBER 15, 2022

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, November 15, 2022, 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:

Loren Moreland, President
Deborah Vincelle, Treasurer
Willie Jackson, Secretary
Michele Goldbar-Jeffers, Assistant Secretary
Charles Collins*, Assistant Secretary

Also, In Attendance Were:

Krista Baptist, Korben Heim, Carrie Bartow, and Seef Le Roux;
CliftonLarsonAllen, LLP ("CLA")
Sean Allen, Esq.; White Bear Ankele Tanaka & Waldron
Sarah Steph, Nate Lenz, Jack Stimple, and Doug Stimple; Classic Homes
Peggy Libbey, Jim Morley, and Peter Morley; Morley Construction
Diane Black, Mike Black, and Wayne Berger; Members of the Public

*Indicates virtual attendance.

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Morley called the meeting to order at 11:04 a.m. Director Vincelle questioned if the regular meeting time could change. It was noted that the regular meeting start time would be addressed as part of the 2023 Administration Resolution discussion.

Following discussion, upon a motion duly made by Director Moreland, seconded by Director Goldbar-Jeffers 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

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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.

Public Comment: Ms. Diane Black, a member of the public, voiced her appreciation for the landscaping and cleanup work.

Mr. Wayne Berger, a member of the public, commented on several issues with landscaping and contractor debris in the community.

Director Vincellette addressed the undeveloped area fencing on behalf of a resident who was not present at the Board meeting.

Minutes from the October 18, 2022 Regular Board Meeting: Following review and discussion, upon a motion duly made by Director Vincellette, seconded by Director Jackson and, upon vote, unanimously carried, the Board approved the minutes from the October 18, 2022 regular Board meeting.

Resolution Regarding 2023 Annual Administrative Matters: Ms. Bartow reviewed the Resolution Regarding 2023 Annual Administration with the Board. Discussion ensued regarding regular meeting times and schedule. The Developer's plan is to prepare regular community updates. Following review, upon a motion duly made by Director Moreland, seconded by Director Vincellette and, upon vote, unanimously carried, the Board adopted the Resolution Regarding the 2023 Annual Administrative Matters, as presented.

2023 Insurance Renewal and Documents Needed to Obtain or Maintain Insurance Coverage through the Colorado Special Districts Property and Liability Pool and T. Charles Wilson Risk Management and Authorize Membership in the Special District Association: Ms. Bartow reviewed the insurance documents for 2023 renewal with the Board. Following discussion and review, upon a motion duly made by Director Moreland, seconded by Director Goldbar-Jeffers and, upon vote, unanimously carried, the Board approved the 2023 insurance renewal and authorized CLA to renew the District's membership with the Special District Association.

Resolution Calling a Regular Election for Directors on May 2, 2023, DEO and DEO to Perform all Tasks Required for the Conduct of a Mail Ballot Election: Attorney Allen reviewed the Resolution Calling a Regular Election for Directors with the Board. Following discussion and review, upon a motion duly made by Director Moreland, seconded by Director Jackson and, upon vote,

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unanimously carried, the Board adopted the Resolution Calling a Regular Election for Directors on May 2, 2023.

FINANCIAL MATTERS

Cash Position and Property Tax Statements: Mr. Le Roux reviewed the Cash Position and Property Tax Statements with the Board. Following review, upon a motion duly made by Director Vincellette, seconded by Director Goldbar-Jeffers and, upon vote, unanimously carried, the Board accepted the Cash Position and Property Tax Statements.

Public Hearing to Consider Amendment of the 2022 Budget. Resolution to Amend the 2022 Budget: Mr. Le Roux reviewed the Resolution to Amend the 2022 Budget with the Board. It was determined that an amendment to the Debt Service Funds would be required due to the bond refinancing that occurred in 2022.

The Board opened the public hearing to consider an amendment of the 2022 Budget at 11:35 a.m.

It was noted that Notice stating that the Board would consider amendment of the 2022 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the Board closed the public hearing at 11:36 a.m.

Following discussion, upon a motion duly made by Director Moreland, seconded by Director Jackson and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2022 Budget.

Public Hearing on Proposed 2023 Budget and Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and to Set Mill Levies: Mr. Le Roux reviewed the proposed 2023 budget with the Board.

The Board opened the public hearing to consider the proposed 2023 Budget at 11:39 a.m.

It was noted that Notice stating that the Board would consider the proposed 2023 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

Mr. Berger inquired about the upcoming 2023 projects.

Following public comment, the public hearing was closed at 11:41 a.m.

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Following discussion, upon a motion duly made by Director Vincelletto, seconded by Director Jackson and, upon vote, unanimously carried, the Board adopted the Resolution to Adopt the 2023 Budget, Appropriate Sums of Money and to Set Mill Levy, subject to final assessed valuation and legal review.

Board Member to Sign the DLG-70 Certification of Tax Levies: Following discussion, upon a motion duly made by Director Moreland, seconded by Director Goldbar-Jeffers and, upon vote, unanimously carried, the Board appointed Ms. Carrie Bartow of CLA to sign the DLG-70 Certification of Tax Levies.

Engagement Letters with BiggsKofford to Prepare the 2022 Audit: Ms. Bartow reviewed the Engagement Letter with BiggsKofford with the Board. Following discussion and review, upon a motion duly made by Director Moreland, seconded by Director Goldbar-Jeffers and, upon vote, unanimously carried, the Board engaged BiggsKofford to prepare the 2022 Audit.

Bond Series 2022 Project Fund Requisition SR Land No. 1: 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 SR Land No. 1 for Certified Costs: No update was provided.

Status update regarding: Bond Series 2022 Project Fund Requisition CSRJ No. 1: 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 CSRJ No. 1 for Certified Costs: No update was provided.

MANAGER MATTERS

CliftonLarsonAllen LLP Master Service Agreement and Related Statements of Work: Ms. Bartow reviewed the CLA Master Service Agreement and related Statements of Work between CLA and the District with the Board. Following discussion and review, upon a motion duly made by Director Moreland, seconded by Director Vincelletto and, upon vote, unanimously carried, the Board approved the CLA Master Service Agreement and related Statements of Work for 2023.

OTHER BUSINESS

Other: Director Vincelletto discussed Budget assumptions on the decreased Property Tax. No actions were taken.

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ADJOURNMENT

There being no further business to come before the Board at this time, Director Moreland adjourned the meeting at 11:47 a.m.

Respectfully submitted,

DocuSigned by:
Loren Moreland
By _____
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Secretary for the Board