

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT
NO. 3 (THE "DISTRICT")
HELD
NOVEMBER 28, 2023

A special meeting of the Board of Directors of the Sterling Ranch Metropolitan District No. 3 (referred to hereafter as the "Board") was convened on November 28, 2023, at 11:45 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:

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

Also, In Attendance Were:

Korben Heim and Seef LeRoux; CliftonLarsonAllen LLP ("CLA")
Sean Allen, Esq.; White Bear Ankele Tanaka & Waldron
Sarah Steph; Classic Homes

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Stimple called the meeting to order at 1:58 p.m. Following review, upon a motion duly made by Director Libbey, seconded by Director Collins and, upon vote, unanimously carried, the Board approved the agenda, as amended.

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.

Public comment: None.

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Minutes from the June 20, 2023 Regular Board Meeting: Following review, upon a motion duly made by Director Moreland, seconded by Director Libbey and, upon vote, unanimously carried, the Board approved the minutes from the June 20, 2023 regular meeting, as presented.

Resolution Regarding 2024 Annual Administrative Matters: Following review, upon a motion duly made by Director Collins, seconded by Director Libbey and, upon vote, unanimously carried, the Board adopted the Resolution Regarding 2024 Annual Administrative Matters, as presented.

2024 Insurance Renewal and Special District Association Membership: Following review, upon a motion duly made by Director Moreland, seconded by Director Libbey and, upon vote, unanimously carried, the Board approved the 2024 insurance renewal and authorized renewing the Special District Association membership for 2024.

FINANCIAL MATTERS

September 30, 2023 Unaudited Financial Statements: Mr. LeRoux reviewed the financial statements with the Board. Following review, upon a motion duly made by Director Moreland, seconded by Director Libbey and, upon vote, unanimously carried, the Board accepted the September 30, 2023 Unaudited Financial Statements, as amended.

Cash Position and Property Tax Statements: Following review, upon a motion duly made by Director Libbey, seconded by Director Collins and, upon vote, unanimously carried, the Board accepted Cash Position and Property Tax Statements, as presented.

Public Hearing on Amendment to 2023 Budget and Resolution to Amend the 2023 Budget: Director Stimple opened the public hearing to consider the amendment to 2023 Budget at 2:04 p.m. It was noted that publication of Notice stating that the Board would consider the amendment to 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the Districts. No written objections were received prior to the public hearing.

Mr. LeRoux proposed the 2023 Budget amendments to the Board.

No public comments were received and the public hearing was closed at 2:07 p.m.

The Board discussed developer advances listed in the 2023 Budget and the best way to clarify information.

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Following review and discussion, upon a motion duly made by Director Collins, seconded by Director Moreland and, upon vote, unanimously carried, the Board approved the Amendment to the 2023 Budget and adopted the Resolution to Amend the 2023 Budget, as presented.

Public Hearing on the Proposed 2024 Budget and Resolution to Adopt the 2024 Budget and Appropriate Sums of Money and to Set Mill Levies

Director Stimple opened the public hearing to consider the adoption of the 2024 Budget at 2:08 p.m. It was noted that publication of Notice stating that the Board would consider the 2024 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

Mr. LeRoux reviewed the 2024 proposed Budget with the Board.

No public comments were received and the public hearing was closed at 2:13 p.m.

Following review and discussion, upon a motion duly made by Director Moreland, seconded by Director Libbey and, upon vote, unanimously carried, the Board approved the 2024 Budget and adopted the Resolution to Adopt 2024 Budget and Appropriate Sums of Money and Set Mill Levies, as presented.

2022 Audit: Following review and discussion, upon a motion duly made by Director Libbey, seconded by Director Moreland and, upon vote, unanimously carried, the Board ratified the approval of the 2022 Audit.

Engagement Letter with BiggsKofford to prepare the 2023 Audit:

Following review and discussion, upon a motion duly made by Director Moreland, seconded by Director Libbey and, upon vote, unanimously carried, the Board approved the engagement letter with BiggsKofford to prepare the 2023 Audit.

LEGAL MATTERS

2024 Snow Removal Contract and Maintenance Agreement Between the District and Sunflower Landscaping: This item was tabled to the January meeting.

MANAGER MATTERS

CliftonLarsonAllen LLP Master Services Agreement and Statement(s) of Work for 2024: Following review, upon a motion duly made by Director Libbey, seconded by Director Collins and, upon vote unanimously carried, the Board approved the CliftonLarsonAllen LLP Master Services Agreement and Statement(s) of Work for 2024, as presented.

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OTHER BUSINESS

The Board discussed fee schedule for channel improvement fees. Further discussion regarding the fee and imposition resolution expected at the next meeting.

The Board discussed and determined to adjust the regular meeting start time to 10:30 a.m.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Stimple adjourned the meeting at 2:25 p.m.

Respectfully submitted,

DocuSigned by:

Loren Moreland

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Secretary for the Meeting