

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 2
(THE "DISTRICT")
HELD
MAY 16, 2023

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, May 16, 2023, 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:

Diane C. Black, Director
Willie Jackson, Director
Deborah Vincellette, Director
Charles Collins, Director
Michael J. Bart, 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, Jack Stimple, Loren Moreland and Douglas Stimple; Classic Homes
Jim Morley, Peter Morley and Peggy Libbey; Morley Construction
Michael Black; Member of the Public

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Upon a motion duly made by Director Vincellette, seconded by Director Jackson and, upon vote, unanimously carried, the Board called the meeting to order at 11:02 a.m.

Following review, upon a motion duly made by Director Collins, seconded by Director Vincellette and, upon vote, unanimously carried, the Board approved the agenda, as amended.

Disclosures of Potential Conflicts of Interest: The Directors present that have financial and employment interests in entities active in developing property within the boundaries of the District, noted for the record that such interests may be affected from time to time by actions of the District's 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 or confirmation of no conflict disclosures as applicable on the record of this meeting. The Board determined that the participation of the

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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 on the District website and posted as required.

Public Comment: None.

Minutes from the April 18, 2023 Regular Board Meeting: Following review, upon a motion duly made by Director Collins, seconded by Director Jackson and, upon vote, unanimously carried, the Board approved the minutes from the April 18, 2023 regular Board meeting, as presented.

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 Bart and Black were elected by acclamation for four-year terms.

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

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

President: Deborah Vincellette
Secretary: Willie Jackson
Treasurer: Charles Collins
Assistant Secretary: Diane Black
Assistant Secretary: Michael Bart

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 Collins, seconded by Director Bart and, upon vote, unanimously carried, the Board accepted the March 31, 2023 Unaudited Financial Statements, as presented.

Resolution for Ratification of Bond Series 2022 Project Fund Requisition No. 19 Regarding Public Improvement Soft Cost Reimbursement – Previously Approved in Claims Payable: Ms. Hansen reviewed the Resolution for Ratification of Bond Series 2022 Project Fund Requisition No. 19, with the Board. Following review and discussion, upon a motion duly made by Director Vincellette, seconded by Director Bart and, upon vote, unanimously

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carried, the Board adopted the Resolution for Ratification of Bond Series 2022 Project Fund Requisition No. 19, as presented.

Bond Series 2022 Project Fund Requisition No. 20 (Lethbridge Certified): 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 for Certified Costs: Ms. Hansen reviewed Requisition No. 20 and Resolution for Ratification of Bond Series 2022 Project Fund Requisition No. 20 with the Board. Following review and discussion, upon a motion duly made by Director Vincellette, seconded by Director Bart and, upon vote, unanimously carried, the Board approved Requisition No. 20 and adopted the Resolution for Ratification of Bond Series 2022 Project Fund Requisition No. 20, as presented.

New Signers on Bill.com for District Bills: Ms. Hansen reviewed the need to have new signers on Bill.com for District bills with the Board. Following review and discussion, upon a motion duly made by Director Bart, seconded by Director Black and, upon vote, unanimously carried, the Board determined to keep Director Collins as a signer and replaced previous Director Loren with Director Vincellette.

LEGAL MATTERS

Elite Properties of America, Inc., Advance and Reimbursement Agreement: The Board, Attorney Allen, and Mr. Stimple discussed. No action was taken.

Elite Properties of America, Inc., Infrastructure Acquisition, Advance and Reimbursement Agreement: The Board, Attorney Allen, and Mr. Stimple discussed. No action was taken.

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 Black, seconded by Director Vincellette and, upon vote, unanimously carried, the Board acknowledged the Sterling Ranch Metropolitan District No. 3's undertaking of coordination of non-construction, soft capital costs on behalf of and for the benefit of Sterling Ranch Metro District Nos. 1, 2 and 3. Board discussed additional items coordinated by District No. 3 as the coordinating district pursuant to the coordination IGA between all three districts. Mr. Miller noted that through CLA as manager of the Districts, District Nos. 1 and 2 are afforded oversight of District No. 3's performance as the coordinating district.

MANAGER MATTERS

Mr. Miller provided an update to the Board.

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OTHER BUSINESS

Director Bart asked a question regarding Sterling Ranch Metro District No. 2 oversight on Sterling Ranch Metro District No. 3. The Board and Classic Homes discussed the relationship of the Districts' and their cooperation as parts of the community.

Director Black posed a question regarding District/Board member insurance. Mr. Miller and Attorney Allen addressed her question.

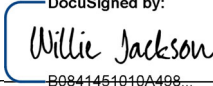
The Board, Mr. Stimple, and Mr. Moreland discussed developmental items, association items, and parks/areas for children in the community.

The Board discussed director compensation. It was determined this will be an item for the budget meeting.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Vincellelte adjourned the Board meeting at 12:49 p.m.

Respectfully submitted,

By  Secretary for the Board
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Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/26/2023 10:04:45 AM
Certified Delivered	Security Checked	7/26/2023 11:06:50 AM
Signing Complete	Security Checked	7/26/2023 11:07:19 AM
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