

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NO. 1
(THE "DISTRICT")
HELD
NOVEMBER 15, 2022

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, November 15, 2022, 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, President
Charles Collins, Secretary
Loren Moreland, Treasurer/Assistant Secretary

Also, In Attendance Were:

Krista Baptist, Korben Heim, Carrie Bartow, Mallorie Hanson and Seef Le Roux; CliftonLarsonAllen, LLP ("CLA")
Sean Allen, Esq.; White Bear Ankele Tanaka & Waldron
Peggy Libbey, Sarah Steph, Douglas Stimple, Jack Stimple, and Nate Lenz;
Classic Homes
Peter Morley; Morley Construction

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Morley called the meeting to order at 11:52 a.m. Upon a motion duly made by Director Moreland, seconded by Director Collins 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.

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Public Comment: None.

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

Resolution regarding 2023 Annual Administrative Matters: Following review, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board adopted the Resolution regarding the 2023 Annual Administrative Matters.

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: Following discussion and review, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board approved the 2023 insurance renewal and authorized membership in the Special District Association for 2023.

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

Previous and Current Claims: Mr. Le Roux reviewed the previous and current claims with the Board. Following discussion, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board ratified and approved the payment of claims in the amount of \$204,987.40.

Public Hearing to Consider Amendment of the 2022 Budget. Resolution to Amend the 2022 Budget: Mr. Le Roux reviewed the 2022 Budget Amendment with the Board. The Board opened the public hearing to consider amendment of the 2022 Budget at 12:01 p.m.

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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 comment was made, and the Board closed the public hearing at 12:02 p.m.

Following discussion, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board approved the amendment to the 2022 Budget and 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 12:05 p.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.

No public comments were received, and the public hearing was closed at 12:06 p.m.

Following discussion, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board approved the 2023 budget and adopted the Resolution to Adopt the 2023 Budget, Appropriate Sums of Money and 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 Collins 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: Following discussion and review, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board engaged BiggsKofford to prepare the 2022 Audit.

MANAGER
MATTERS

CliftonLarsonAllen LLP Statements of Work: Following discussion and review, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP Statements of Work for 2023.

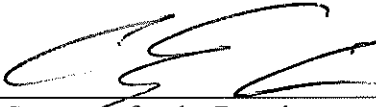
OTHER BUSINESS

Peggy Libbey and Douglas Stimple to the Vacancies on the Board of Directors: Attorney Allen reviewed the appointment of Peggy Libbey and Douglas Stimple to fulfill the vacancies on the Board of Directors. Following a discussion and review, upon a motion duly made by Director Moreland, seconded by Director Collins and, upon vote, unanimously carried, the Board appointed Peggy Libbey and Douglas Stimple to the Board of Directors and directed Attorney Allen to coordinate the oaths of office and filing of documents.

ADJOURNMENT

There being no further business to come before the Board at this time, Director Morley adjourned the meeting at 12:15 p.m.

Respectfully submitted,

By 
Secretary for the Board