

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
STERLING RANCH METROPOLITAN DISTRICT NOS. 1, 2, and 3
HELD APRIL 3, 2017 AT 12:00 P.M.**

Pursuant to posted notice, the special meetings of the Board of Directors of the Sterling Ranch Metropolitan District Nos. 1, 2, and 3 were held on Monday, April 3, 2017 at 12:00 p.m., at 20 Boulder Crescent, 2nd Floor, Colorado Springs, CO.

<u>Attendance</u>	<u>In attendance were Directors:</u> James Morley, President (by phone) Charles Collins, Director Robin Morley, Director (by phone)	<u>Also in attendance were:</u> K. Sean Allen, Esq., White, Bear & Ankele P.C. (by phone) Kevin Walker, Schooler & Assoc. Lori VonFeldt, Schooler & Assoc. Eric Howard
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Combined Meeting:

The Boards of Directors of the Districts have determined to hold a joint meeting of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

1. Call to Order:

Director J. Morley called the meeting to order at 12:03 p.m.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters:

Director J. Morley indicated that a quorum of the Boards was present, and stated that each Director has been qualified as an eligible elector of the Districts pursuant to Colorado law. The Directors confirmed their qualification. Ms. VonFeldt noted that the Directors' disclosures of their potential conflicts of interest were filed pursuant to state law for the meeting, and were made part of the official minutes of the meeting by reference. The Boards determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

3. Approval of

the Agenda: The agenda was approved.

4. Executive Session: Executive Session for conference with legal counsel on specific legal questions related to District entering into a security agreement related to project costs - 24-6-402(4)(a), (b),(c),(e), (f),(g), C.R.S.:

Pursuant to Section 24-6-402(4)(b) and (e), C.R.S., at 12:04 p.m. Director Collins motioned, and being supported by at an affirmative vote of at least two-thirds of the quorum in attendance, that the Boards convene in an executive session for the sole purpose of receiving specific legal advice regarding the Security Agreement related to project costs. Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of

the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-401(4)(b), C.R.S. The Board did not engage in discussion of any matter not enumerated in Section 24-6-402(4)(b) or (e). The Board did not adopt any proposed policy, position, resolution, rule, regulation, or formal action. The executive session meeting adjourned at 12:10 p.m.

5. Approval of a resolution to enter into a Security Agreement between SR Land and Sterling Ranch Metro District No. 2 agreement authorizing the District Manager to implement this agreement:

Mr. Allen asked how the LOC replacement funding coming from the Bond Project Fund for grading and erosion control security required by El Paso County helps with development. Director J. Morley explained that it will move construction along without having to stop while a letter is being transferred to meet schedules and creates taxable value to the District. It was noted by Director Morley that the funds from the Project Fund are intended to be used to obtain short-term financing of the LOCs required by the County to guaranty the construction and completion grading and erosion control work, and once the work is completed then the County will release the LOC to the District who is being given a security interest in the LOC funding account. Director Collins moved to approve the Security Agreement between SR Land and Sterling Ranch Metro District No. 2 and to have the District Manager implement it seconded by Director R. Morley. Motion passed unanimously.

6. Adjournment/Continuation/Next Meeting:

The meeting was adjourned at 12:13 p.m.

Respectfully Submitted,
Schooler & Associates, Inc.

By: Lori VonFeldt for the Recording Secretary