

**MINUTES OF A CONTINUED MEETING  
OF THE BOARD OF DIRECTORS OF THE  
STERLING RANCH METROPOLITAN DISTRICT NOS. 1, 2, and 3  
HELD FEBRUARY 3, 2016 AT 10:00 A.M.**

Pursuant to posted notice, the continued meetings of the Board of Directors of the Sterling Ranch Metropolitan District Nos. 1, 2, and 3 were held on Wednesday, February 3, 2016 at 10:00 a.m., at 20 Boulder Crescent, 2nd Floor, Colorado Springs, CO.

Attendance     In attendance were Directors:  
James Morley, President  
Charles Collins, Director  
Robin Morley, Director

Also in attendance were:  
K. Sean Allen, Esq., White, Bear &  
Ankele P.C. (by phone)  
Terry Schooler, Schooler & Assoc.  
Kevin Walker, Schooler & Assoc.  
Lori VonFeldt, Schooler & Assoc.  
PJ Anderson  
Eric Howard

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 10:08 a.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. Acceptance by SRMD1 of correction and replacement utility easements from Morley-Bentley Investments, LLC:

Mr. Anderson stated that the engineers have had to correct gaps in certain easements and asked the Board for its approval of said corrections. Director Collins moved to accept the SRMD1 of correction and replacement utility easement from Morley-Bentley Investments, LLC subject to final approval; seconded by Director R. Morley. Motion passed unanimously.

5. Acceptance of the assignment and conveyance of utility easements to Woodmen Hills Metropolitan District for water storage and delivery improvements:

Mr. Anderson said that a resolution was drafted between the Morley Bentley and Woodmen Hills Metro District for the water line easements and Woodmen Hills as authorized the purchase of the easements and would like to have SRMD1 buy them to ensure an ongoing relationship between the districts. Mr. Allen inquired as to the reasoning of the District stepping into the agreement and Mr. Anderson stated that the two districts share the easements with the water tank and would be a mutual ongoing benefit for both parties. Mr. Anderson stated further that all parties involved were good with arrangement. Director Collins moved to accept the assignment of the utility easements to Woodmen Hills Metro District for water storage and delivery improvements on the condition of final review and conveyance and any changes as discussed and described in the agreement; seconded by Director R. Morley. Motion passed unanimously.

6. Discussion regarding Project Requisitions 3 and 4:

Mr. Walker notified the Board that the Bank/Sterling Capital has asked that the District share its project requisitions and asked if the District should be monitoring their distributions as well. The Board concurred.

7. Adjournment/Continuation/Next Meeting:

The meeting was adjourned at 10:23 a.m.

Respectfully Submitted,  
Schooler & Associates, Inc.

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By: Lori VonFeldt for the Recording Secretary