

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
STONE CREEK METROPOLITAN DISTRICT (THE "DISTRICT")  
HELD  
JANUARY 18, 2018**

A regular meeting of the Board of Directors of the Stone Creek Metropolitan District (referred to hereafter as the "Board") was convened on Thursday, the 18<sup>th</sup> day of January, 2018, at 11:00 a.m., at the offices of McGeady Becher P.C. The meeting was open to the public.

---

**Directors In Attendance Were:**

Patrick L. Lyng  
Michael "Dane" Sanders (via speakerphone)  
Peter J. Klymkow

**Also In Attendance Was:**

Lisa A. Johnson; Special District Management Services, Inc.

Elisabeth A. Cortese, Esq. and Suzanne Meintzer, Esq.; McGeady Becher P.C.

Gigi Pangindian; CliftonLarsonAllen LLP

Mike Sanders; Property Owner

**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

The Board noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Cortese requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Cortese noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes.

**ADMINISTRATIVE  
MATTERS**

**Agenda:** Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote unanimously carried, the Agenda for the District's regular meeting was approved.

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the

District's Board meeting. Following discussion, and upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries or within the county in which the District is located, or within twenty (20) miles from the District boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxing electors within its boundaries.

**Designation of 24-hour Posting Location:** Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location: On Scott Avenue just east of Szymanski.

**Appointment of Director:** The Board deferred discussion.

**Appointment of Officers:** The Board deferred discussion.

**Minutes:** The Board reviewed the Minutes of the November 30, 2017 Regular Meeting.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Minutes of the November 30, 2017 Regular Meeting.

## **FINANCIAL MATTERS**

**Bond Issuance:** The Board discussed the status of the bond issuance, noting that certain documents and agreements needed to close including certain of the agreements listed below in order for disclosure counsel to prepare the Preliminary Limited Offering Memorandum (PLOM), which in turn needs to be posted pursuant to the updated schedule.

**Special Meeting:** The Board discussed the need for noticing a special meeting for the bond issuance. Attorney Cortese will inform the Board and Consultants when a special meeting is needed.

## **LEGAL MATTERS**

**Infrastructure Acquisition Report:** The Board deferred discussion on this matter.

## **CAPITAL IMPROVEMENTS**

**Offsite Improvements Agreement between KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., the District, Choke Cherry Investors, LLC and First American Title**



**Insurance Company:** Attorney Cortese reviewed with the Board an Offsite Improvements Agreement between KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., the District, Choke Cherry Investors, LLC and First American Title Insurance Company.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Offsite Improvements Agreement between KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., the District, Choke Cherry Investors, LLC and First American Title Insurance Company, subject to final review by Legal Counsel.

**Amenity Center Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.:** Attorney Cortese reviewed with the Board an Amenity Center Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Amenity Center Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc., subject to final review by Legal Counsel.

**Developer Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.:** Attorney Cortese reviewed with the Board a Developer Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Developer Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc., subject to final review by Legal Counsel.

**Easements between the District and Pinery Water and Wastewater District:** Attorney Cortese reported to the Board that work is in progress.

**Bid Process for Amenity Center:** Attorney Cortese explained to the Board the public bid process option for the Amenity Center. No action was taken by the Board.

**Construction Management Agreement by and between the District and Choke Cherry Investors, LLC:** Attorney Meintzer reviewed with the Board a Construction Management Agreement by and between the District and Choke Cherry Investors, LLC.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng, and upon vote unanimously carried, the Board approved the Construction Management Agreement by and between the District and Choke Cherry Investors, LLC, subject to final review by Legal Counsel.

**Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services:** Attorney Meintzer reviewed with the Board a Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services, subject to receipt of final scope of work.

**Covenant Enforcement:** There was nothing new to report.

**Appointment of Individuals to Design Review Committee:** Discussion on this matter was deferred.

\_\_\_\_\_

**OTHER BUSINESS**

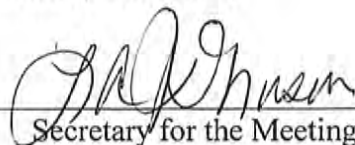
There were no other matters to discuss.

\_\_\_\_\_

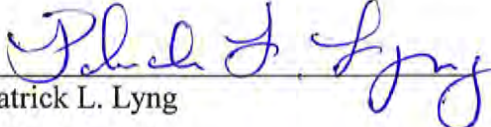
**ADJOURNMENT**

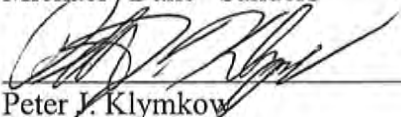
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 18, 2018  
REGULAR MEETING MINUTES OF THE STONE CREEK METROPOLITAN  
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
Patrick L. Lyng

\_\_\_\_\_  
Michael "Dane" Sanders  
  
\_\_\_\_\_  
Peter J. Klymkow



STONE CREEK METROPOLITAN DISTRICT  
GENERAL FUND  
AMENDED 2018 BUDGET SCHEDULE

02/21/18

	ORIGINAL BUDGET 2018	AMENDED BUDGET 2018
BEGINNING FUND BALANCES	\$ 359	\$ 359
REVENUES		
Property taxes	708	708
Specific ownership taxes	60	60
Developer advance	330,000	114,000
Net investment income	100	100
District Fees	20,000	20,000
Total revenue	<u>350,868</u>	<u>134,868</u>
Total funds available	<u>351,227</u>	<u>135,227</u>
EXPENDITURES		
<b>A</b> General and administration		
Accounting	15,000	25,000
Audit	4,000	-
Contingency	5,499	5,053
County Treasurer's fees	10	10
District management	8,500	15,000
Dues and membership	350	350
Election	2,000	2,000
Insurance	2,700	2,700
Legal	25,000	35,000
Miscellaneous	500	500
<b>B</b> Operations and Maintenance		
Administrative expenses	4,145	691
Audit	1,500	-
Common Amenity Maintenance	15,000	2,500
Contingency	1,645	274
Fence Maintenance	10,584	1,764
Fertilization/Weed/Insect Control	1,998	333
Gas/Electricity	3,000	500
Grounds Improvements	2,350	392
Grounds maintenance	23,635	3,939
Grounds Repairs (other)	1,598	266
Grounds Repairs (Sprinkler)	2,174	362
Insurance	7,462	1,244
Legal	7,896	-
Lighting Maintenance	632	105
Management	13,628	2,271
Miscellaneous	1,500	250
Native Area Maintenance	10,206	1,701
Postage	829	138
Prairie Dog Mitigation	3,000	3,000
Shared Amenity Fee	39,480	6,580
Snow Removal	8,390	1,398
Social Activities	6,000	1,000
Taxes	100	-
Trash Removal	42,836	7,139
Water	6,072	1,012
Water - Native Grass	1,521	254
<b>C</b> Clubhouse Facility		
Clubhouse maintenance	15,000	2,500
Fitness Equipment Lease	24,200	4,033
Gas/Electric	4,000	667
Grounds Improvements	500	83
Legal	1,613	-
Lighting Maintenance	81	14
Miscellaneous	403	67
Phone/IT	4,500	750
Pool Chemicals	3,700	617
Pool Maintenance	6,500	1,083
Pool Repairs	3,500	583
Pool Supplies	1,450	242
Snow Removal	1,190	198
Social Activities	2,000	333
Water	623	104
Total expenditures	<u>350,000</u>	<u>134,000</u>
<b>D</b> Total expenditures and transfers out requiring appropriation	<u>350,000</u>	<u>134,000</u>
ENDING FUND BALANCES	<u>\$ 1,227</u>	<u>\$ 1,227</u>

**STONE CREEK METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
AMENDED 2018 BUDGET SCHEDULE**

02/21/18

	ORIGINAL BUDGET 2018	AMENDED BUDGET 2018
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
Bond issuance	9,322,000	9,346,000
Total revenue	<u>9,322,000</u>	<u>9,346,000</u>
Total funds available	<u>9,322,000</u>	<u>9,346,000</u>
EXPENDITURES		
Capital projects		
Capital Outlay	6,865,528	6,847,995
Costs of issuance	348,010	348,680
Legal	-	30,000
Total expenditures	<u>7,213,538</u>	<u>7,226,675</u>
<u>E</u> TRANSFERS OUT		
Debt Service Fund	2,108,462	2,119,325 <u>E</u>
Total transfers out	<u>2,108,462</u>	<u>2,119,325</u>
<u>F</u> Total expenditures and transfers out requiring appropriation	<u>9,322,000</u>	<u>9,346,000</u> <u>F</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>

**STONE CREEK METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
AMENDED 2018 BUDGET SCHEDULE**

02/21/18

	ORIGINAL BUDGET 2018	AMENDED BUDGET 2018
BEGINNING FUND BALANCES	\$ 3,462	\$ 3,462
REVENUES		
Property taxes	3,913	3,913
Specific ownership taxes	313	313
Total revenue	<u>4,226</u>	<u>4,226</u>
<b>E</b> TRANSFERS IN		
CAPITAL PROJECTS FUND	2,108,462	2,119,325
Total transfers in	<u>2,108,462</u>	<u>2,119,325</u>
Total funds available	<u>2,116,150</u>	<u>2,127,013</u>
EXPENDITURES		
Debt Service		
Bond interest	372,982	384,955
County Treasurer's fees	60	60
Paying agent fees	3,000	3,000
Total expenditures	<u>376,042</u>	<u>388,015</u>
Total expenditures and transfers out requiring appropriation	<u>376,042</u>	<u>388,015</u>
ENDING FUND BALANCES	\$ 1,740,108	\$ 1,738,998
Capitalized Interest Fund	\$ 1,035,480	\$ 1,024,370
Debt Service Reserve Fund	350,000	355,000
Surplus Fund	350,000	355,000
Reserve for future debt service	4,628	4,628
TOTAL RESERVE	<u>\$ 1,740,108</u>	<u>\$ 1,738,998</u>

**E**

**G**