

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”)
HELD
FEBRUARY 22, 2018**

A special meeting of the Board of Directors of the Stone Creek Metropolitan District (referred to hereafter as the “Board”) was convened on Thursday, the 22nd day of February, 2018, at 10:00 a.m., at the Stone Creek Ranch Offices (Barn), 6700 E. Scott Avenue, Parker, Colorado. The meeting was open to the public.

Directors In Attendance Were:

Patrick L. Lyng
Peter J. Klymkow

Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the absence of Michael “Dane” Sanders was excused.

Also In Attendance Was:

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

Elisabeth A. Cortese, Esq.; McGeady Becher P.C.

Gigi Pangindian; CliftonLarsonAllen LLP

Mike Sanders; Choke Cherry Investors, LLC

Eric Kubly; Richmond American Homes – Board Candidate

Blake Jordan and Tiffany Leichman; Sherman & Howard (via speakerphone)

Brooke Hutchens; D. A. Davidson and Co. (via speakerphone)

**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 special 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 special meeting was approved as amended.

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 the meeting location was in accordance with statute, as it was conducted at a location within the boundaries of the District. 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 taxpaying electors within its boundaries.

Minutes: The Board reviewed the Minutes of the January 18, 2018 Regular Meeting.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng, and upon vote unanimously carried, the Board approved the Minutes of the January 18, 2018 Regular Meeting.

**FINANCIAL
MATTERS**

2018 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng, and upon vote unanimously carried, the Board approved the Resolution No. 2018-02-01 to Amend the 2018 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

December 31, 2017 Unaudited Financial Statements: The Board deferred action at this time.

2017 Application for Exemption from Audit: The Board reviewed the 2017 Application for Exemption from Audit.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board approved execution and filing of the 2017 Application for Exemption from Audit, subject to final review by the District Accountant.

**LEGAL
MATTERS**

Bonding Report and Cost Certification No. 1: The Board reviewed the Bonding Report and Cost Certification No. 1 prepared by Independent District Engineering Services (“IDES”) in the amount of \$861,328.37 for reimbursable expenses and \$1,825,366.50 of expenses to be paid directly from the proceeds of the Series 2018 Bonds (defined below).

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board accepted Bonding Report and Cost Certification No. 1 in the amount of \$861,328.37 for reimbursable expenses and \$1,825,366.50 of expenses to be paid directly from the proceeds of the Series 2018 Bonds (defined below).

Resolution Authorizing the Issuance of the District’s General Obligation Limited Tax Bonds Series 2018A, and its Subordinate General Obligation Limited Tax Bonds, Series 2018B, in the approximate aggregate principal amount of \$11,500,000 and Authorize the Execution of Indentures of Trust, a Bond Purchase Agreement, and All Other Agreements, Documents, Instruments, Certificates, and Actions Necessary or Appropriate in Connection with the Issuance of the Two Series of Bonds: Attorney Jordan presented the Resolution Authorizing the Issuance of the District’s General Obligation Limited Tax Bonds Series 2018A, and its Subordinate General Obligation Limited Tax Bonds, Series 2018B, in the approximate aggregate principal amount of \$11,500,000 (collectively, the “Series 2018 Bonds”).

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board adopted the Resolution Authorizing the Issuance of the District’s General Obligation Limited Tax Bonds Series 2018A, and its Subordinate General Obligation Limited Tax Bonds, Series 2018B, in the approximate aggregate principal amount of \$11,500,000 and authorized the execution of Indentures of Trust, a Bond Purchase Agreement, and All Other Agreements, Documents, Instruments, Certificates, and actions necessary or appropriate in connection with the issuance of the two series of bonds.

**CAPITAL
IMPROVEMENTS**

Ratify Execution of and Acknowledge Recordation of Stone Creek Ranch Filing No. 1 Final Plat @ Rec. #2017081539: Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board ratified the execution of and acknowledged recordation of Stone Creek Ranch Filing No. 1 Final Plat @ Rec. #2017081539.

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

Conditional Non-Exclusive Assignment of Plans and Contracts by and among the District, Choke Cherry Investors, LLC, KB Home Colorado, Inc., Taylor Morrison of Colorado, Inc. and Richmond American Homes of 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 Conditional Non-Exclusive Assignment of Plans and Contracts by and

among the District, Choke Cherry Investors, LLC, KB Home Colorado, Inc., Taylor Morrison of Colorado, Inc. and Richmond American Homes of Colorado, Inc., subject to review by Legal Counsel.

Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services: The Board deferred action on this matter.

Notice of Award and Approval of Stipulated Sum Price Agreement Between the District, Hudick Excavating, Inc. d/b/a HEI CIVIL, and Choke Cherry Investors, LLC: Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved a Stipulated Sum Price Agreement and Notice of Award to Hudick Excavating, Inc. d/b/a HEI CIVIL subject to receipt of funding.

Easements between the District and Pinery Water and Wastewater District: Director Lyng reported the easements were included in the final plat.

Covenant Enforcement: There was nothing new to report.

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

Resolution No. 2017-11-05; Resolution Regarding the Imposition of District Fees: The Board directed recordation of the Resolution Regarding the Imposition of District Fees in conjunction with the closing on the sale of certain property located within the boundaries of the District to KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc. and Taylor Morrison of Colorado, Inc., said closing anticipated to occur on March 6, 2018.

Clubhouse Funding, Construction, and Operations Agreement by and among the District, Choke Cherry Investors, LLC, Cielo Metropolitan District and Forestar (USA) Real Estate Group, Inc.: Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Clubhouse Funding, Construction, and Operations Agreement by and among the District, Choke Cherry Investors, LLC, Cielo Metropolitan District and Forestar (USA) Real Estate Group, Inc., subject to final Legal review.

OTHER BUSINESS

Appointment of Director: Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng, and upon vote unanimously carried, the Board appointed Eric Kubly to the term ending in 2018 and Mauricio Barbera to the term ending in 2020. Ms. Johnson administered the oath of office to Mr. Kubly. It was noted that a Notice of Vacancy was published on December 28,

2017.

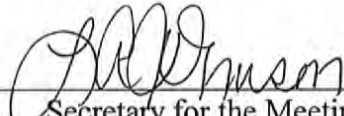
Appointment of Officers: Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Patrick Lyng
Treasurer/Secretary	Peter J. Klymkow
Assistant Secretary	Michael "Dane" Sanders
Assistant Secretary	Eric Kubly
Assistant Secretary	Mauricio Barbera

CONTINUANCE

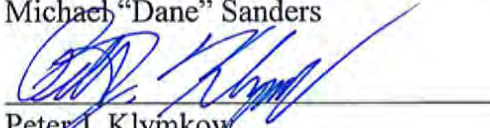
There being no further business to come before the Board at this time, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the meeting was continued to February 27, 2018 at 9:00 a.m..

Respectfully submitted,

By 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 22, 2018 SPECIAL MEETING MINUTES OF THE STONE CREEK METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Patrick L. Lyng

Michael "Dane" Sanders

Peter J. Klymkow


Eric Kubly

Mauricio Barbera

RESOLUTION TO AMEND 2018 BUDGET
STONE CREEK METROPOLITAN DISTRICT

WHEREAS, the Board of Directors of the Stone Creek Metropolitan District budgeted and appropriated funds for the fiscal year 2018 as follows:

General Fund	\$	350,000
Debt Service Fund	\$	376,042
Capital Projects Fund	\$	9,322,000

WHEREAS, the necessity has arisen for additional expenditures in the Debt Service Fund and Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2018; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Debt Service Fund from transfer from Capital Projects Fund; and

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from Bond Proceeds.


NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Stone Creek Metropolitan District shall and hereby does amend the adopted Budget for the fiscal year 2018 and adopts a supplemental budget and appropriation for the Debt Service Fund and Capital Projects fund for the fiscal year 2018, as follows:

Debt Service Fund	\$	388,015
Capital Projects Fund	\$	9,346,000

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 22nd day of February, 2018.

STONE CREEK METROPOLITAN DISTRICT

By:  _____
Secretary