

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE "DISTRICT") HELD MARCH 27, 2019

A Regular Meeting of the Board of Directors of the Stone Creek Metropolitan District (referred to hereafter as the "Board") was convened on Wednesday, the 27th day of March, 2019, at 11:00 a.m., at the Stone Creek Ranch Offices (Barn); 6700 E. Scott Avenue, Parker, CO. The meeting was open to the public.

Directors In Attendance Were:

Patrick Lyng
Peter J. Klymkow
Mauricio Barbera
Eric Kubly

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the absence of Shawnee Williams was excused.

Also In Attendance Was:

Lisa A. Johnson and Judy Leyshon; Special District Management Services, Inc. ("SDMS")

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

Gigi Pangindian; CliftonLarsonAllen LLP

Kim Fiore (for a portion of the meeting) and Tanna Boisvert; Independent District Engineering Services, LLC ("IDES")

**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.

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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 Klymkow, seconded by Director Lyng and, upon vote unanimously carried, the Agenda for the District's Regular meeting was approved, as amended.

Minutes: The Board reviewed the Minutes of the February 27, 2019 Regular Meeting.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote unanimously carried, the Board approved the Minutes of the February 27, 2019 Regular Meeting.

Resignation and Appointment of Secretary to the Board: The Board considered the resignation of Peter J. Klymkow as Secretary to the Board and the appointment of Lisa A. Johnson as Secretary to the Board.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Kubly and, upon vote, unanimously carried, the Board accepted the resignation of Peter J. Klymkow as Secretary to the Board and appointed Lisa A. Johnson as Secretary to the Board.

LEGAL MATTERS

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. ("Forestar") ("Clubhouse Agreement"): Attorney Cortese updated the Board on the status of the Clubhouse Agreement. She noted that she is still awaiting comments from Forestar.

Clubhouse Rules and Regulations related to District Facilities: The Board discussed the Clubhouse Rules and Regulations related to District Facilities. It was noted that the Rules and Regulations are being drafted by Ms. Ripko at SDMS.

Acknowledgement of Confirmation from HEI Civil Regarding Payment of Pay Application No. 11 and No. 12 under the HEI Contract: The Board acknowledged the receipt of confirmation from HEI Civil regarding Pay Application No. 11 and No. 12 under the HEI Contract.

Resolution No. 2019-03-01; Resolution Concerning Use of District Recreational Facilities by Non-Residents and Non-Property Owners: Ms. Cortese presented to the Board for discussion Resolution No. 2019-03-01; Resolution Concerning Use of District Recreational Facilities by Non-Residents and Non-Property Owners. No action was taken at this time.

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Stormwater Permit Regulation Changes: Ms. Fiore and Ms. Boisvert presented to the Board the recent stormwater permit regulation changes. The Board reviewed the regulation changes.

FINANCIAL MATTERS

Claims: Ms. Pangindian presented the claims for the period ending March 27, 2019, in the amount of \$18,761.76.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Kubly and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending March 27, 2019, in the amount of \$18,761.76, subject to final review by the President.

Schedule of Cash Position: Ms. Pangindian presented the Schedule of Cash Position for the period ending March 27, 2019 and the Developer Advance Schedule.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board accepted the Schedule of Cash Position for the period ending March 27, 2019 and the Developer Advance Schedule. There were no financials presented.

2018 Audit: The Board reviewed a proposal from Stratagem, P.C. to perform the 2018 Audit.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board ratified approval of the engagement of Stratagem P.C to perform the 2018 Audit, for an amount not to exceed \$4,250.

Check Signers: The Board discussed items regarding check signers.

Mike D. Sanders as a Check Signer: The Board discussed removing Mike D. Sanders as a check signer.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved removing Mike D. Sanders as a check signer.

Shawnee Williams as a Check Signer: The Board discussed adding Shawnee Williams as a check signer.

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Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved adding Shawnee Williams as a check signer.

Other Signers: The Board determined that no other Board members be added as check signers at this time.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Pay Application No. 11 and Pay Application No. 12 under the HEI Contract:

The Board discussed Pay Application No. 11 and Pay Application No. 12 under the HEI Contract.

Following discussion, upon motion duly made by Director Kubly, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved Pay Application Nos. 11 and 12 under the HEI Contract.

Expenditure Verification Report No. 8 prepared by IDES (District Eligible Expenditures) (Pay Application No. 9 under the HEI Contract): Ms. Fiore discussed with the Board Expenditure Verification Report No. 8 prepared by IDES (District Eligible Expenditures) (Pay Application No. 9 under the HEI Contract).

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board ratified acceptance of Expenditure Verification Report No. 8 prepared by IDES (District Eligible Expenditures) in the amount of \$2,613,007.89 (Pay Application No. 9 under the HEI Contract).

Expenditure Verification Report No. 9 prepared by IDES (District Eligible Expenditures) (Pay Application No. 10 under the HEI Contract): Ms. Fiore discussed with the Board Expenditure Verification Report No. 9 prepared by IDES (District Eligible Expenditures) (Pay Application No. 10 under the HEI Contract).

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board accepted Expenditure Verification Report No. 9 prepared by IDES (District Eligible Expenditures) in the amount of \$488,022.36 (Pay Application No. 10 under the HEI Contract).

Cost Certification Report No. 5 prepared by IDES: Ms. Fiore reported that the Cost Certification Report No. 5 prepared by IDES continues to be a work in progress. No action was taken.

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CAPITAL IMPROVEMENTS

Project Status Report: Ms. Fiore distributed and reviewed with the Board the Project Status Report dated February 27, 2019. A copy of the report is attached hereto and incorporated herein by this reference.

Task Order No. 2 to Master Service Agreement with Independent District Engineering Services, LLC ("IDES"): The Board discussed Task Order No. 2 to IDES Master Service Agreement for District and Construction Oversight Services.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board approved Task Order No. 2 to IDES Master Service Agreement for District and Construction Oversight Services in the amount of \$50,000 for services through 2019.

Task Order No. 2 to Service Agreement with Stormwater Asset Protection, LLC ("SWAP, LLC") for Escalated Permit Compliance: The Board discussed Task Order No. 2 to Service Agreement with SWAP, LLC for Escalated Permit Compliance.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved Task Order No. 2 to SWAP, LLC for Escalated Permit Compliance, subject to final review and approval by Lender, in the amount of \$37,800.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Community Management Services: Ms. Johnson presented to the Board the Community Management Report for review.

OTHER BUSINESS

Rescheduling May 22, 2019 Board Meeting: The Board discussed rescheduling the May 22, 2019 Board Meeting.

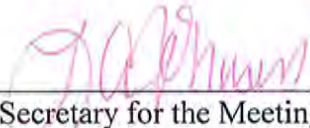
Following discussion, the Board rescheduled the May 22, 2019 Board Meeting for May 29, 2019 at 11:00 a.m.

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


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THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 27, 2019,
REGULAR MEETING MINUTES OF THE STONE CREEK METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Patrick L. Lyng



Peter J. Klymkow



Shawnee Williams



Eric Kubly



Mauricio Barbera

STONE CREEK METROPOLITAN DISTRICT

Board Meeting Project Status

March 27, 2019



Construction Status

Hudick Excavating, Inc. (HEI)

- Weather has delayed paving.
- Continuing utility installation in Village A, Village B, Village C and Village D.
- Underdrain installation along Interlocken.
- Parker Road improvements at Scott Road including grading and concrete are complete. Stabilization still needed.
- Road preparation and concrete curb and gutter are progressing in Villages A, C and D.
- Concrete sidewalk/trail construction progressing along the creek adjacent to Villages C and D.
- Over excavation and grading progressing in Village B.

Reports

Expenditure Verification – HEI Pay Applications

- Expenditure Verification Report #9 – No information provided

Cost Certification – Choke Cherry Investors Expenditures

- Cost Certification Report #5 – Invoices since July 2018 have not been received.

Other Matters

Storm Water Management Documentation

- SWAP continuing with management of Stormwater Management documents. Currently making changes to comply with new Construction Discharge Permit.
- Maintained on site in compliance with CDPHE. Currently making changes to comply with new Construction Discharge Permit.
- Appropriate Routine and Post Storm observations and reports have been completed to date.
- New CDP effective as of 4/1/2019.

Contract Administration

- RFI, Submittals, Change Order Requests, Pay Applications, etc. continue to be administered by the Developer with oversight by the District Engineer Representative relative to District Eligible Expenditures.
- Construction meetings including Developers, Builders and General Contractor occur every Wednesday of the week at 10:00am at the Stone Creek Site barn.

