

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”)
HELD
MAY 17, 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 17th day of May, 2018, at 11:00 a.m., at the Stone Creek Ranch Offices (Barn); 6700 E. Scott Avenue, Parker. The meeting was open to the public.

Directors In Attendance Were:

Patrick L. Lyng
Peter J. Klymkow
Mauricio Barbera

Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the absence of Eric Kubly 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

Guy Ford; Independent Engineering Services, Inc.

Michael 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.

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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 Lyng, seconded by Director Klymkow and, upon vote unanimously carried, the Agenda for the District's Regular 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.

May 8, 2018 Election: Ms. Johnson noted for the Board that the May 8, 2018 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. Directors Lyng and Kubly were deemed elected to 4-year terms ending in May, 2022. Director Barbera was deemed elected to a 2-year term ending in May, 2020.

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

President	Patrick L. Lyng
Treasurer/Secretary	Peter J. Klymkow
Assistant Secretary	Eric Kubly
Assistant Secretary	Mauricio Barbera

Vacancy on the Board of Directors: The Board discussed the vacancy on the Board of Directors. The Board directed staff to publish a Notice of Vacancy.

Minutes: The Board reviewed the Minutes of the April 19, 2018 Special 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 April 19, 2018 Special Meeting.

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LEGAL MATTERS

Cost Certification Report No. 3: Mr. Ford reported to the Board that he will produce Cost Certification No. 3 when invoices are received to review.

Status of 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. ("Clubhouse Agreement"): Attorney Cortese reported that negotiations continue on the Clubhouse Agreement.

FINANCIAL MATTERS

Funding of Requisitions Associated with the Issuance of the District's General Obligation Limited Tax Bonds, Series 2018A:

Requisition No. 2 from District's General Obligation Limited Tax Bonds, Series 2018A: Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved Requisition No. 2 from District's General Obligation Limited Tax Bonds, Series 2018A.

Requisition No. 2 from District's Subordinate General Obligation Limited Tax Bonds, Series 2018B: Nothing was presented at this time.

Unaudited Financial Statements: Ms. Pangindian presented the schedule of cash position for the period ending April 30, 2018.

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 April 30, 2018.

Claims: Ms. Pangindian presented the claims for the period ending May 31, 2018 in the amount of \$55,243.54.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng, and upon vote unanimously carried, the Board approved the payment of claims for the period ending May 31, 2018 in the amount of \$55,243.54, subject to receipt of funding and final review by Director Lyng.

CAPITAL IMPROVEMENTS

Project Status Report: Mr. Ford distributed and reviewed with the Board the Project Status Report dated May 17, 2018. A copy of the report is attached hereto and incorporated herein by this reference.

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Policies and Procedures Regarding Payment Process under District Construction Contracts and Verification of Same: Mr. Ford distributed and reviewed with the Board the policies and procedures regarding the payment process and verification of payment under District construction contracts.

District Expenditures Verification Report prepared by Independent District Engineering Services, LLC (“IDES”): Mr. Ford reviewed IDES’ report entitled “Expenditure Verification Report #1,” which summarizes IDES’ review and verification of the expenditures of the District through May 17, 2018 related to certain District construction and consultant contracts. Expenditure Verification Report #1 identified \$813,018.74 of District Eligible Expenses for the period March and April 2018.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the Board determined to accept Expenditure Verification Report #1, as discussed and revised in the amount of \$813,018.73.

Pay Application No. 1 under the Stipulated Sum Price Agreement between the District, Hudick Excavating, Inc. d/b/a HEI Civil, and Choke Cherry Investors, LLC (the “HEI Contract”): The Board discussed Pay Application No. 1 under the HEI Contract.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved Pay Application No. 1 under the HEI Contract.

Pay Application No. 2 under the HEI Contract: The Board discussed Pay Application No. 2 under the Stipulated Sum Price Agreement between the District, Hudick Excavating, Inc. d/b/a HEI Civil, and Choke Cherry Investors, LLC

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved Pay Application No. 2 under the HEI Contract.

COVENANT
ENFORCEMENT/
DESIGN REVIEW
OTHER BUSINESS

There was nothing to report at this time.

Resolution No. 2018-05-01; Changing Regular Meeting Dates: The Board considered Resolution No. 2018-05-01; Changing Regular Meeting Dates. Following discussion, and upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board adopted

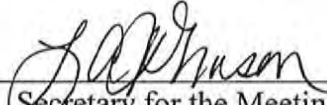
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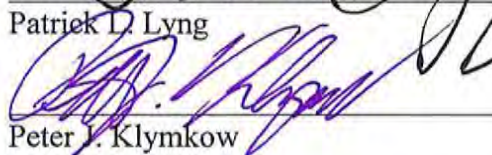
ADJOURNMENT

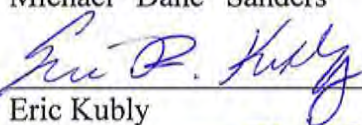
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 17, 2018
SPECIAL MEETING MINUTES OF THE STONE CREEK METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Patrick L. Lyng

Peter J. Klymkow

Michael "Dane" Sanders

Eric Kubly



Mauricio Barbera

STONE CREEK METROPOLITAN DISTRICT

Board Meeting Project Status

May 17, 2018



Construction Status

Hudick Excavating, Inc. (HEI) – Overhead electric lines at Scott Ave have been cut and generators put online 5/15/18. IREA scheduled to start 6/1/18. Village A grading and over-excavation complete, lot and rough grade certs done. Beginning sanitary work. Preparing to begin Scott Bridge pylon drilling pending safety meeting. Dirt haul from Village A to Village D anticipated completion 2.5 weeks. Village A seeding scheduled for the end of the week pending weather. Current disturbance, 50 Acres. Seed mix change in the UDFCD areas which will result in cost increase that will be paid by UDFCD. The construction of a temporary road for local traffic to accommodate work in Interlocken Road began 5/11/18. HEI Pay Apps 1 and 2 have been completed and reviewed by the four-party cost share group.

Construction Contract Documents

Contractor Contract

HEI– Contract executed on 2/24/2017 for \$24,822,662.72

Contractor Change Orders or Work Orders

None at this time

Consultant Contract Documents

None at this time

Consultant Task Orders and Work Orders

None at this time

Bonding Reports and Cost Verifications (BR CV)

Bonding Report and Cost Verification #2 – Completed on 3/2/2018.

Expenditure Verification Report (EV)

Expenditure Verification #1 – Will include verified District eligible reimbursable costs from the General Contractor (Hudick Civil) Pay Apps #1 and #2.

Cost Certification Report (CC)

Cost Certification #1 – Will be prepared for all District expenditures other than District contracts when Invoices and proof of payments are received.

Other Matters

Status of Permitting –HEI has submitted the notice to proceed for the CDOT ROW Access Permit. Douglas County ROW Access Permits for Metro District, Village A and Village B were acquired on 4/5/2018.

Storm Water Management Documentation – SWAP will continue with management of Stormwater management Documents to be maintained on site in compliance with CDPHE. Appropriate Routine and Post Storm observations and reports have been completed to date.

Contract Administration – Project cost codes have been established and implemented into pay apps. Payment Process and Procedures provided for review by Board. RFI, Submittals, Change Order Requests, Pay Applications, etc. will 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.