

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD MAY 26, 2021

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the District was convened on Wednesday, the 26th day of May, 2021, at 1:00 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting was open to the public via Zoom.

Directors In Attendance Were:

Patrick L. Lyng
Peter J. Klymkow
Eric Kubly
Mauricio Barbera

Also In Attendance Were:

Peggy Ripko and Ryan Williams; Special District Management Services, Inc. (“SDMS”)

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

Gigi Pangindian; CliftonLarsonAllen LLP (“CLA”)

Michael Sanders and Shawnee Williams (for a portion of the meeting); Choke Cherry Investors, LLC

Merle Cordova; Mayberry Builders, LLC

Ashley Racich and Pamala; Residents

**ADMINISTRATIVE
MATTERS**

Introduction: The Board and consultants introduced themselves to the members of the public in attendance.

Disclosures of Potential Conflicts of Interest: Attorney Cortese discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. 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

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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.

Agenda: Ms. Ripko 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.

Quorum/Confirmation of Meeting Location/Posting of Notice: Ms. Ripko confirmed the presence of a quorum.

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, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote unanimously carried, the Board determined that due to concerns regarding the spread of COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by Zoom without any individuals (neither District representatives, nor the general public) attending in person. The Board further noted that notice providing the date, time and means of hosting the meeting was duly posted and that they have not received any objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the District's boundaries.

Public Comment: Ms. Racich expressed interest in filling the vacant seat on the Board and inquired regarding means of notification of the Board meeting schedule.

Minutes: The Board reviewed the Minutes of the February 24, 2021 Special 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 24, 2021 Special Meeting.

2021 SDA Conference: Ms. Ripko discussed the 2021 SDA Conference with the Board, and noted that details regarding the conference will be emailed to the Board once the information is available. Board members were directed to advise Ms. Ripko if they are interested in attending the conference.

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FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims released and held for the periods as follows:

| Fund | Claims Released January 1, 2021 – May 1, 2021 | Claims Held March 31, 2021 – April 30, 2021 |
|--------------|---|---|
| Total | \$ 34,339.34 | \$ 13,442.48 |

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly, upon vote, unanimously carried, the Board approved the payment of claims released and claims held, as presented.

The Board then considered approval of the payment of claims for the period ending May 20, 2021, in the amount of \$8,788.35.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending May 20, 2021.

Unaudited Financial Statements: Ms. Pangindian presented the unaudited financial statements for the period ending March 31, 2021, schedule of cash position for the period ending March 31, 2021, updated May 19, 2021, and Property Taxes Reconciliation.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending March 31, 2021, schedule of cash position for the period ending March 31, 2021, updated May 19, 2021, and Property Taxes Reconciliation.

2020 Audit: Ms. Pangindian discussed with the Board the status of the 2020 Audit.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board authorized Ms. Pangindian to file a Request for Extension of Time to File Audit for Year-End December 31, 2020, with the State Auditor's office.

2022 Budget Public Hearing: The Board entered into discussion regarding setting the date for a Public Hearing to adopt the 2022 Budget.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board determined to hold the public hearing to consider adoption of the 2022 Budget on October 18, 2021, at 6:00 p.m., at the Stone Creek Ranch Offices ("The Barn"), 5989 Interlocken Street, Parker, Colorado 80134, or virtually depending on COVID-19 restrictions.

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CAPITAL IMPROVEMENTS

Project Status Report: Mr. Cordova reported on the status of completion of the clubhouse and pool, noting that they are working towards a July 4th weekend opening. Mr. Cordova requested that District Management send an email blast to the community letting them know that the pool is an active construction site and to please stick to the surrounding trails. Mr. Cordova further noted that streetlights were not scheduled to be installed until the completion of the clubhouse, however, if safety issues arise that timeline can be accelerated.

Scope Change to Task Order No. 02 to Master Service Agreement by and between the District and Independent District Engineering Services, LLC (“IDES”) for Additional Services 1.0 – 4.0: The Board reviewed a Scope Change to Task Order No. 02 to Master Service Agreement by and between the District and IDES for Additional Services 1.0 – 4.0 (“Task Order No. 02”). The Board noted that it had previously approved Task Order No. 01 to Master Service Agreement by and between the District and IDES (“Task Order No. 01”), with an amount not to exceed \$50,000 (the “Original Amount”); that the amount unbilled under Task Order No. 01 was \$36,659.89 (the “Unbilled Amount”); and that Task Order No. 02 was a change only to the scope of services to be provided, and not an increase to the Original Amount previously approved under Task Order No. 01. The Board further noted that the estimated cost of services under Task Order No. 02 was \$26,500, which is less than the Unbilled Amount from Task Order No. 01.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved Task Order No. 02, in a total amount not to exceed the Unbilled Amount from Task Order No. 01.

Task Order No. 03 to Master Service Agreement for Stormwater Management Services by and between the District and Storm Water Asset Protection LLC (“SWAP”) for State and Local Permit Compliance Inspections and Documentation through May 31, 2021: The Board reviewed Task Order No. 03 to Master Service Agreement for Stormwater Management Services by and between the District and SWAP for State and Local Permit Compliance Inspections and Documentation through May 31, 2021 in an amount not to exceed \$3,160 per month.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Kubly and, upon vote, unanimously carried, the Board ratified approval to extend the Task Order No. 03 to the Master Service Agreement for Stormwater Services by and between the District and SWAP for State and Local Permit Compliance Inspections and Documentation through June 30, 2021, in the amount not to exceed \$3,160 for the period June 1, 2021 through June 30, 2021.

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Stormwater Management and Anticipated Schedule Regarding Termination of Stormwater Permit: The Board entered into discussion regarding the status of stormwater management and the anticipated schedule regarding termination of the Stormwater Permit.

Colorado Department of Public Health & Environment's ("CDPHE") Stabilization Requirement for Permit Closure: The Board entered into discussion regarding the CDPHE stabilization requirement for permit closure. No action was taken by the Board.

Proposal from CMS Environmental Solutions regarding State and Local Permit Compliance Inspections: The Board entered into discussion regarding a Proposal from CMS Environmental Solutions ("CMS") regarding State and Local Permit Compliance Inspections (the "CMS Proposal").

Following discussion, and given the timeliness considerations regarding stormwater compliance inspections, the Board created a committee consisting of Director Klymkow and Director Barbera (the "Stormwater Committee"), and authorized the Stormwater Committee to coordinate with the District's general counsel in obtaining additional information from CMS regarding the CMS Proposal, and to negotiate the terms of the CMS Proposal.

Service Agreement/Task Order regarding State and Local Permit Compliance and Inspections: The Board entered into discussion regarding a Service Agreement/Task Order with CMS regarding State and Local Permit Compliance and Inspections.

Following discussion, the Board authorized the Stormwater Committee to work with the District's general counsel to negotiate and approve a Service Agreement/Task Order with CMS once the CMS Proposal was acceptable to the Stormwater Committee and general counsel.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Expenditure Verification Report No. 11 Certifying District Eligible Improvements: The Board deferred discussion of Expenditure Verification Report No. 11.

Pay Application Nos. 23 through 28 under the Hudick Excavating, Inc. ("HEI") Contract: The Board deferred approval of Pay Application Nos. 23 through 28 under the HEI Contract and directed Ms. Ripko to follow-up on the status of the Pay Applications.

LEGAL MATTERS

Perpetual Reciprocal Easement and Public Access Agreement by and between the District and Choke Cherry Investors, LLC: The Board reviewed a Perpetual Reciprocal Easement and Public Access Agreement by and between the District and Choke Cherry Investors, LLC.

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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 the Perpetual Reciprocal Easement and Public Access Agreement by and between the District and Choke Cherry Investors, LLC.

Quit Claim Deed from Choke Cherry Investors, LLC to the District (Tracts A through L, inclusive; Tracts N through S, inclusive; and Tracts V through Y, inclusive): Attorney Cortese presented to the Board a Quit Claim Deed from Choke Cherry Investors, LLC to the District (Tracts A through L, inclusive; Tracts N through S, inclusive; and Tracts V through Y, inclusive).

Following discussion, the Board acknowledged the Quit Claim Deed from Choke Cherry Investors, LLC to the District (Tracts A through L, inclusive; Tracts N through S, inclusive; and Tracts V through Y, inclusive).

Executive Session Pursuant to Sections 24-6-402(4)(a) and (b), C.R.S.: The Board determined it was not necessary to adjourn to Executive Session.

First Amended and Restated Clubhouse Funding, Construction and Operations Agreement by and among the District, Choke Cherry Investors, LLC, Cielo Metropolitan District, and Toll Southwest LLC. Attorney Cortese updated the Board on the status of the First Amended and Restated Clubhouse Funding, Construction and Operations Agreement by and among the District, Choke Cherry Investors, LLC, Cielo Metropolitan District, and Toll Southwest LLC, and noted that discussions with the related parties and their respective counsel is ongoing.

Executive Session Pursuant to Sections 24-6-402(4)(e)(I), C.R.S.: The Board determined it was not necessary to adjourn to Executive Session.

First Amendment to Resolution No. 2015-02-12 Regarding Colorado Open Records Act Requests: The Board entered into discussion regarding a First Amendment to Resolution No. 2015-02-12 Regarding Colorado Open Records Act Requests.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board adopted the First Amendment to Resolution No. 2015-02-12 Regarding Colorado Open Records Act Requests.

Easement Deed and Agreement (Cielo Flow Meter Easement – Tract C, Stone Creek Ranch Filing No. 1) between the District and Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District: Attorney Cortese and Mr. Sanders presented the Easement Deed and Agreement (Cielo Flow Meter Easement – Tract C, Stone Creek Ranch Filing No. 1) between the District and Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and

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Wastewater District to the Board. Mr. Sanders will work to provide additional information requested by the Board. The Board deferred action on this matter and directed staff to present to the Board for an email vote prior to the next Board meeting.

OPERATIONS AND MAINTENANCE

Pool Completion and Opening for 2021 Season: The Board discussed this matter during the presentation of the Project Status Report.

Lifeguard Staffing: The Board entered into discussion regarding the lifeguard staffing. No action was taken by the Board.

Proposal from Alliance Funding Group, Inc. for the Lease of Fitness Equipment: The Board reviewed a proposal from Alliance Funding Group, Inc. for the lease of fitness equipment.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board ratified approval of the proposal from Alliance Funding Group, Inc. for the lease of fitness equipment.

Government Obligation Contract between the District and Alliance Funding Group, Inc. Regarding Fitness Equipment Lease: The Board entered into discussion regarding a Government Obligation Contract between the District and Alliance Funding Group, Inc. regarding the fitness equipment lease.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved the Government Obligation Contract between the District and Alliance Funding Group, Inc. regarding the fitness equipment lease.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Community Management: Mr. Williams presented an update to the Board regarding Community Management matters.

OTHER BUSINESS


Process to Appoint Board Members: The Board discussed the process to appoint candidates to the vacant seat on the Board and directed Ms. Ripko to post information relative to submitting letters of interest to fill the Board vacancy on the District's website. The Board will consider appointment of a qualified candidate to fill the vacant seat at the next Board meeting.

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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