

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD MAY 27, 2020

A Special 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 May, 2020, at 11:00 a.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 and properly noticed to be held by conference call without any individuals (neither District representative nor the general public) attending in person. The meeting was open to the public via conference call.

Directors In Attendance Were:

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

Also In Attendance Was:

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

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

Gigi Pangindian; CliftonLarsonAllen LLP (“CLA”)

Mike Sanders; Choke Cherry Investors, LLC

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

**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.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

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 Barbera, seconded by Director Lyng 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, upon motion duly made by Director Barbera, seconded by Director Lyng and, upon vote unanimously carried, the Board determined that 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 conference call without any individuals (neither District representative nor the general public) attending in person. The Board further noted that notice of this location was duly posted and that they have not received any objections or requests that the means of hosting the meeting be changed by taxpaying electors within its boundaries.

Minutes: The Board reviewed the Minutes of the February 26, 2020 Regular Meeting.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Kubly and, upon vote unanimously carried, the Board approved the Minutes of the February 26, 2020 Regular Meeting.

Results of May 5, 2020 Regular Election: Ms. Ripko discussed with the Board the results of the May 5, 2020 Regular Election for Directors ("Election"). It was noted that the Election was cancelled, as permitted by statute and that Directors Klymkow and Barbera were deemed elected to three-year terms ending in 2023.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

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

| | |
|---------------------|------------------|
| President | Patrick Lyng |
| Treasurer | Peter Klymkow |
| Secretary | Peggy Ripko |
| Assistant Secretary | Eric Kubly |
| Assistant Secretary | Mauricio Barbera |

RECORD OF PROCEEDINGS

2020 SDA Annual Conference: Ms. Ripko advised the Board regarding the 2020 SDA Annual Conference, scheduled on September 23, 24, and 25, 2020, noting the format for the conference is unknown and the first deadline date for registration is currently July 1, 2020.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims from October 24, 2019 through February 19, 2020 in the amount of \$29,690.24.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Lyng and, upon vote, unanimously carried, the Board ratified approval of the payment of claims from October 24, 2019 through February 19, 2020 in the amount of \$29,690.24.

Claims: The Board considered approval of the payment of claims for the period as follows:

| Fund | Period Ending Mar. 31, 2020 | Period Ending Apr. 30, 2020 |
|--------------|--------------------------------|--------------------------------|
| General | \$ 7,906.32 | \$ 6,507.69 |
| Fee Revenue | \$ 752.00 | \$ 179.50 |
| Debt | \$ -0- | \$ 6,000.00 |
| Capital | \$ 5,756.45 | \$ 3,032.93 |
| Total | \$ 14,414.77 | \$ 15,720.12 |

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the payment of claims above. It was noted that claims for the period ending May 27, 2020 are deferred until the next Board meeting.

Unaudited Financial Statements: Ms. Pangindian presented the unaudited financial statements for the period ending March 31, 2020, schedule of cash position for the period ending March 31, 2020, updated on May 27, 2020 and Developer Advances dated March 31, 2020, updated May 27, 2020.

Following review and discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending March 31, 2020, schedule of cash position for the period ending March 31, 2020, updated on May 27, 2020 and Developer Advances dated March 31, 2020, updated May 27, 2020.

Fifth Amendment to the Operation Funding Agreement (“OFA”) by and between the District and Choke Cherry Investors, LLC: The Board reviewed the Fifth Amendment to the OFA by and between the District and Choke Cherry Investors, LLC.

RECORD OF PROCEEDINGS

Following review, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board ratified approval of the Fifth Amendment to the OFA by and between the District and Choke Cherry Investors, LLC

2019 Audit: Ms. Pangindian presented to the Board the 2019 Audit.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Kubly and, upon vote, unanimously carried, the Board approved the 2019 Audit, subject to final legal review.

CAPITAL IMPROVEMENTS

Project Status Report: It was noted that public infrastructure is almost complete.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Expenditure Verification Report No. 11 prepared by Independent District Engineering Services, Inc. (“IDES”) Certifying District Eligible Expenditures: The Board deferred discussion of Expenditure Verification Report No. 11 prepared by IDES Certifying District Eligible Expenditures.

Pay Application No. 20 under the Hudick Excavating, Inc. (“HEI”) Contract: The Board reviewed Pay Application No. 20 under the HEI Contract.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board ratified acceptance of Pay Application No. 20 under the HEI Contract.

Pay Application Nos. 21 - 22 under the HEI Contract: The Board discussed Pay Application Nos. 21 - 22 under the HEI Contract.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board accepted Pay Application Nos. 21 - 22 under the HEI Contract.

Pay Application Nos. 23 - 26 under the HEI Contract: The Board discussed Pay Application Nos. 23 - 26 under the HEI Contract.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board accepted Pay Application Nos. 23 - 26 under the HEI Contract.

LEGAL MATTERS

There were no legal matters for discussion at this time.

RECORD OF PROCEEDINGS

COVENANT ENFORCEMENT/ DESIGN REVIEW

Community Management: Ms. Ripko provided a brief update to the Board. She noted that the Architect Review Committee Members consist of Director Klymkow, Ms. Ripko, and a representative from all builders.

Engagement of Covenant and Design Guideline Enforcement and Fee Collection Legal Services: Attorney Cortese discussed the engagement of counsel for covenant enforcement and fee collection matters. The Board directed Attorney Cortese to proceed with obtaining a formal engagement letter from Altitude Community Law P.C. for review and consideration of approval at the next meeting.

OTHER BUSINESS

There was no other business before the Board at this time.

ADJOURNMENT

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 adjourned.

Respectfully submitted,

By _____

Secretary for the Meeting