

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE "DISTRICT") HELD JULY 25, 2018

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 25th day of July, 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.

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**Directors In Attendance Were:**

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

**Also In Attendance Was:**

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

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

Gigi Pangindian; CliftonLarsonAllen LLP

Michael Sanders; Choke Cherry Investors, LLC

Greg Toler and Kim Fiore; Independent District Engineering Services, LLC ("IDES")

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**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.

**Minutes:** The Board reviewed the Minutes of the June 27, 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 June 27, 2018 Regular Meeting.

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### LEGAL MATTERS

**Memorandum of Understanding by and among the District, KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., and Choke Cherry Investors, LLC ("Memorandum of Understanding"), regarding reimbursement of District Eligible Expenditures 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"):** Attorney Cortese presented to the Board the Memorandum of Understanding. Attorney Cortese noted that the Memorandum of Understanding will be transmitted to legal counsel for all parties for review. The Board deferred action pending review by the respective legal counsel for each party.

**Receipt of confirmation from HEI Civil regarding payment of Pay Application No. 1 and Pay Application No. 2 under the HEI Contract:** The Board deferred action at this time.

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**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 to the Board that she has received requested revisions from Choke Cherry Investors, LLC, will revise accordingly and circulate for additional review.

**Disclosure to Purchasers**: The Board discussed the Disclosure to Purchasers and asked that language be added to advise that the clubhouse will be a community clubhouse open to the public and that there will be a cost-sharing agreement between Stone Creek Metropolitan District and Cielo Metropolitan District for costs associated with funding, construction and operations and maintenance of the clubhouse.

**Procedures for Pay Application Process under the HEI Contract**: Attorney Cortese presented to the Board the Procedures for Pay Application Process under the HEI Contract.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote unanimously carried, the Board approved the Procedures for Pay Application Process under the HEI Contract as presented.

### **FINANCIAL MATTERS**

**Claims**: Ms. Pangindian presented the claims for the period ending July 25, 2018 in the amount of \$17,328.13.

Following review and discussion, upon motion duly made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending July 25, 2018 in the amount of \$17,328.13.

**Cash Position**: Ms. Pangindian presented the schedule of cash position for the period ending June 30, 2018 updated as of July 25, 2018.

Following review and discussion, upon motion duly made by Director Klymkow seconded by Director Lyng, and upon vote unanimously carried, the Board accepted the schedule of cash position for the period ending June 30, 2018, updated as of July 25, 2018.

### **EXPENDITURE VERIFICATION/ COST**

**Expenditure Verification Report No. 1 prepared by IDES (District Eligible Expenditures in the amount of \$772,367.42, Pay Application Nos. 1 and 2 under the HEI Contract)**: Following review and discussion, upon motion duly

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### CERTIFICATION

made by Director Klymkow, seconded by Director Kubly, and upon vote unanimously carried, the Board ratified approval of Expenditure Verification Report No. 1 prepared by IDES (District Eligible Expenditures, in the amount of \$772,367.42, Pay Application Nos. 1 and 2 under the HEI Contract).

**Cost Certification Report No. 3 prepared by IDES (District Eligible Expenditures in the amount of \$111,155.65)**: Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly, and upon vote unanimously carried, the Board ratified approval of Cost Certification

Report No. 3 prepared by IDES (District Eligible Expenditures in the amount of \$111,155.65).

**Requisition No. 2 from the District's General Obligation Limited Tax Bonds, 2018A (the "2018A Bonds") in the amount of \$883,523.07 (reflecting District Eligible Expenditures from Expenditure Verification Report No. 1 and Cost Verification Report No. 3)**: Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly, and upon vote unanimously carried, the Board ratified approval of Requisition No. 2 from the District's 2018A Bonds in the amount of \$883,523.07 (reflecting District Eligible Expenditures from Expenditure Verification Report No. 1 and Cost Verification Report No. 3).

**Expenditure Verification Report No. 2 prepared by IDES, recommending District Eligible Expenditures in the amount of \$868,282.75 (Pay Application No. 3 under the HEI Contract)**: Ms. Fiore presented the Expenditure Verification Report No. 2.

Following review and discussion, upon motion duly made by Director Lyng seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Expenditure Verification Report No. 2 prepared by IDES, recommending District Eligible Expenditures in the amount of \$868,282.75 (Pay Application No. 3 under the HEI Contract).

**Expenditure Verification Report No. 3 prepared by IDES, recommending District Eligible Expenditures in the amount of \$1,036,577.97 (Pay Application No. 4 under the HEI Contract)**: Ms. Fiore presented the Expenditure Verification Report No. 3.

Following review and discussion, upon motion duly made by Director Barbera seconded by Director Lyng, and upon vote unanimously carried, the Board approved the Expenditure Verification Report No. 3 prepared by IDES, recommending District Eligible Expenditures in the amount of \$1,036,577.97 (Pay

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Application No. 4 under the HEI Contract).

**Requisition No. 3 from the 2018A Bonds to reimburse outstanding principal and interest due to Choke Cherry Investors, LLC under Cost Verification Report Nos. 1-3, and District Eligible Expenditures under Expenditure Verification Report No. 2:** Following review and discussion, upon motion duly made by Director Klymkow seconded by Director Kubly, and upon vote unanimously carried, the Board approved Requisition No. 3 from the 2018A Bonds to reimburse outstanding principal and interest due to Choke Cherry Investors,

LLC under Cost Verification Report Nos. 1-3, and District Eligible Expenditures under Expenditure Verification Report No. 2. in the amount of \$939,742.72.

**Cost Certification Report No. 4 to be prepared by IDES:** Ms. Fiore reported that no report has been drafted to date, pending submittal of receipts.

**Requisition No. 4 from District's General Obligation Limited Tax Bonds, Series 2018A:** Following review and discussion, upon motion duly made by Director Williams, seconded by Director Lyng, and upon vote unanimously carried, the Board approved Requisition No. 4 from District's General Obligation Limited Tax Bonds, Series 2018A, in the amount of \$847,828.92.

**Requisition No. 2 from District's Subordinate General Obligation Limited Tax Bonds, Series 2018B:** Following review and discussion, upon motion duly made by Director Williams, seconded by Director Lyng, and upon vote unanimously carried, the Board approved Requisition No. 2 from District's General Obligation Limited Tax Bonds, Series 2018B, in the amount of \$188,749.05.

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### **CAPITAL IMPROVEMENTS**

**Project Status Report:** Ms. Fiore distributed and reviewed with the Board the Project Status Report dated June 27, 2018. A copy of the report is attached hereto and incorporated herein by this reference.

**Pay Application No. 4 under the HEI Contract:** The Board discussed Pay Application No. 4 under the HEI Contract.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved Pay Application No. 4 under the HEI Contract.

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**COVENANT  
ENFORCEMENT/  
DESIGN REVIEW**

**Reserve Study:**

The Board discussed the reserve study process to date. Mr. Sanders will provide the information prepared to date by MSI, LLC to the Board and consultants.

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**OTHER BUSINESS**

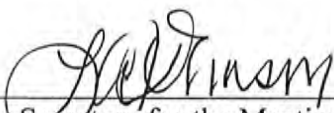
There was no other business at this time.

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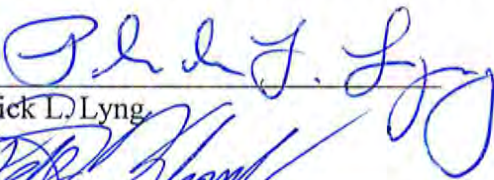
**ADJOURNMENT**

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

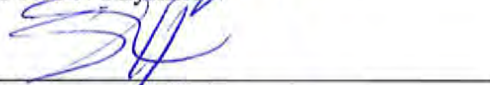
Respectfully submitted,

By   
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 25, 2018, 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

### July 25, 2018



#### **Construction Status**

##### **Hudick Excavating, Inc. (HEI)**

- Continuing storm sewer and bridge work in Scott Road
- Village A grading and over-excavation complete; Lot and rough grade certifications complete.
- Continuing sanitary sewer and storm sewer in Village A.
- Village B temporary pond complete and grading continuing.
- Grading and over-excavation continuing in Village D.
- Water and storm sewer continuing in Village D.
- HEI Pay App 4 has been completed and reviewed by the four-party cost share group.

#### **Construction Contract Documents**

##### **Contractor Contracts**

None

##### **Contractor Change Orders**

None

#### **Consultant Contract Documents**

##### **Consultant Contracts**

None

##### **Consultant Task Orders**

None

## Reports

### **Expenditure Verification – HEI Pay Applications**

- Expenditure Verification Report #1 – Pay Applications 1 and 2 - \$772,367.42 – Requisition #2 – Ratify approval
- Expenditure Verification Report #2 – Pay Application 3 - \$868,282.75 – Requisition #3 - Consider approval
- Expenditure Verification Report #3 – Pay Application 4 - \$1,036,577.97 – Consider approval

### **Cost Certification – Choke Cherry Investors Expenditures**

- Cost Certification Report #1 - \$861,328.37 – Previously Approved
- Cost Certification Report #2 - \$199,610.99 – Previously Approved
- Cost Certification Report #3 - \$111,155.65 – Requisition #2 – Ratify approval
- Cost Certification Report #4 – Will be completed after expenditures are received – Will include invoices from previous reports that were categorized as Non-District eligible due to proof of payment that had not been received for review.

## Other Matters

### **Storm Water Management Documentation**

- SWAP continuing with management of Stormwater Management Documents
- Maintained on site in compliance with CDPHE
- Appropriate Routine and Post Storm observations and reports have been completed to date

### **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.

