

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE "DISTRICT") HELD AUGUST 22, 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 22nd day of August, 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
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

Kim Fiore; 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.

**ADMINISTRATIVE
MATTERS**

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's Regular meeting.

RECORD OF PROCEEDINGS

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 July 25, 2018 Regular Meeting.

Following review and discussion, upon motion duly made by Director Kubly, seconded by Director Lyng, and upon vote unanimously carried, the Board approved the Minutes of the July 25, 2018 Regular Meeting.

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 ("MOU"), 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 advised the Board that pursuant to a request from counsel for KB Home Colorado, Inc. and counsel for Richmond American Homes of Colorado, Inc. to memorialize the agreements contained in the MOU in a different format, the MOU would not be necessary.

Receipt of confirmation from HEI Civil regarding payment of Pay Application No. 1 through No. 4 under the HEI Contract: The Board acknowledged the receipt of confirmation from HEI Civil regarding payment of Pay Application No. 1 through No. 4 under the HEI Contract.

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 is in the process of revising the Clubhouse Agreement with comments received from Mr. Sanders.

RECORD OF PROCEEDINGS

Disclosure to Purchasers: Attorney Cortese presented to the Board the Special District Discloser Document - Disclosure to Purchasers (“Disclosure to Purchasers”) for Board review. Following discussion the Board determined to record the Disclosure to Purchasers and requested that an annual discussion regarding updating the Disclosure to Purchaser be considered in conjunction with the District’s Budget hearing. The Board also requested that a Plat map be included as an Exhibit.

Procedures for Pay Application Process under the HEI Contract: Attorney Cortese presented to the Board a draft Procedures for Pay Application Process under the HEI Contract. The Board deferred action on this item to the September 26, 2018 meeting.

FINANCIAL MATTERS

Claims: Ms. Pangindian presented the claims for the period ending August 22, 2018 in the amount of \$30,714.82.

Following review and discussion, upon motion duly made by Director Barbera, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending August 22, 2018 in the amount of \$30,714.82 subject to funding.

Cash Position: Ms. Pangindian presented the unaudited financial statements for the period ending June 30, 2018 and schedule of cash position for the period ending June 30, 2018 updated as of August 22, 2018.

Following 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 August 22, 2018.

2019 Budget Preparation: The Board discussed the preparation of the 2019 Budget.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Williams and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2019 Budget. The Board determined to hold the public hearing to consider adoption of the 2019 Budget on Wednesday, October 24, 2018 at 11:00 a.m. at the regular meeting location.

EXPENDITURE VERIFICATION/

Expenditure Verification Report No. 3 prepared by IDES (District Eligible Expenditures) in the amount of \$1,036,577.97, (Pay Application No. 4 under

RECORD OF PROCEEDINGS

COST CERTIFICATION

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

Requisition No. 4 from the District's General Obligation Limited Tax Bonds, Series 2018A (the "2018A Bonds") and Requisition No. 2 from the District's Subordinate General Obligation Limited Tax Bonds, Series 2018B (the "2018B Bonds"), in the total amount of \$1,036,577.97 (Expenditure Verification Report No. 3).: Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Kubly, and upon vote unanimously carried, the Board ratified approval of Requisition No. 4 from the District's 2018A Bonds and Requisition No. 2 from the District's Subordinate General Obligation Limited Tax Bonds, Series 2018B (the "2018B Bonds"), in the total amount of \$1,036,577.97 (Expenditure Verification Report No. 3).

Cost Certification Report No. 4 prepared by IDES: Ms. Fiore presented to the Board Cost Certification Report No. 4 prepared by IDES. Attorney Cortese and Ms. Pangindian need to verify certain financial information and Ms. Fiore is waiting on verification of payment of some invoices prior to finalization of this Report.

Pay Application No. 5 under the HEI Contract in the amount of \$1,485,147.35: The Board discussed Pay Application No. 5 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. 5 under the HEI Contract in the amount of \$1,485,147.35.

Expenditure Verification Report No. 4 (Pay Application No. 5 under the HEI Contract): The Board discussed Expenditure Verification Report No. 4 (Pay Application No. 5 under the HEI Contract).

Following discussion, upon motion duly made by Director Williams, seconded by Director Klymkow and, upon vote, unanimously carried, the Board approved Expenditure Verification Report No. 4 (Pay Application No. 5 under the HEI Contract).

RECORD OF PROCEEDINGS

CAPITAL IMPROVEMENTS

Project Status Report: Ms. Fiore distributed and reviewed with the Board the Project Status Report dated August 22, 2018. A copy of the report is attached hereto and incorporated herein by this reference.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Reserve Study: Mr. Sanders is soliciting proposals for a reserve study.

Community Management Services: The Board discussed community management services to include covenant control, fee billing, website creation and maintenance and design review. Following discussion, the Board determined for reasons of cost efficiency to terminate any outstanding agreement it may have in place with MSI, LLC for management services and to amend the scope of the District's Agreement with SDMS to provide any services that MSI had been engaged to provide.

OTHER BUSINESS

There was no other business at this time.

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,

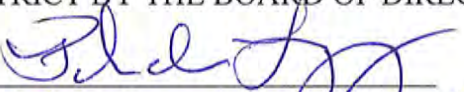
By _____




Secretary for the Meeting

RECORD OF PROCEEDINGS


THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 22, 2018,
REGULAR MEETING MINUTES OF THE STONE CREEK METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:




Patrick J. Lyng



Peter J. Klymkow



Shawnee Williams



Eric Kubly



Maurizio Barbera

STONE CREEK METROPOLITAN DISTRICT

Board Meeting Project Status

August 22, 2018



Construction Status

Hudick Excavating, Inc. (HEI)

- Continuing storm sewer and bridge work in Scott Road.
- Final grading for Scott Road continuing from the Bridge west.
- Additional seeding done in Village A.
- Continuing sanitary sewer and storm sewer in Village A.
- Continuing over excavation and grading in north portion of Village B.
- Grading continuing in Village C.
- Connection to Village C pond from Interlocken progressing.
- Grading continuing in Village D.
- Storm sewer installation continuing in Village D.
- Portions of Village D where grading is complete have been seeded.
- Water and Storm Sewer installation continuing in Interlocken.
- Portions of Interlocken where grading is complete have been seeded.
- 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 #4 – Pay Application 5 - Consider approval

Cost Certification – Choke Cherry Investors Expenditures

- Cost Certification Report #4 – Consider approval

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.

