

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD AUGUST 25, 2021

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the District was convened on Wednesday, the 25th day of August, 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

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the absence of Mauricio Barbera was excused.

Also In Attendance Were:

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

Elisabeth A. Cortese, Esq. and Suzanne Meintzer, Esq. McGeady Becher P.C.

Gigi Pangindian; CliftonLarsonAllen LLP (“CLA”)

Michael Sanders; Choke Cherry Investors, LLC

Kim Fiore; Independent District Engineering Services, LLC (“IDES”)

Denise Saubers, Ian McKelvey, Tom Costa, Akbar Jaffrin, Jason Mercer, Dana Black, Ashley Racich, Brian McCleary, Ken and Trina, Kelly Davis, Bonnie and Michael Bellairs-Reed; Residents

**ADMINISTRATIVE
MATTERS**

Introduction: The Board and Consultants introduced themselves to 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

RECORD OF PROCEEDINGS

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 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.

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 Klymkow, seconded by Director Lyng 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.

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 Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Agenda for the District's Special Meeting was approved, as amended.

OPERATIONS AND MAINTENANCE

Pool Completion and Opening for 2021 Season: Mr. Sanders summarized the status of development within the District, noting that the final stages of landscaping, parks, drainage, clubhouse, pool and fitness facility are in progress. Mr. Sanders stated that landscaping is anticipated to be completed by the end of October, and the clubhouse by the end of September, but approval for both is subject to County inspections. Mr. Sanders noted that an electrical inspection of the clubhouse is scheduled for the week of August 23, 2021, and if that passed, that drywall could begin to go up and work should progress fairly quickly from there. Mr. Sanders further noted that the area around the offices and barn is muddy/messy, and asked for folks to understand that it is still an

RECORD OF PROCEEDINGS

active construction zone. Mr. Sanders also stated that an application was submitted to the Colorado Department of Transportation (“CDOT”) for installation of a street light at Scott and Parker Road.

ADMINISTRATIVE MATTERS CONTINUED **Public Comment:**

Jason Mercer and Tom Costa: Mr. Mercer and Mr. Costa inquired about various landscaping, weedy areas and drainage issues. Mr. Sanders and Director Lyng asked that the residents contact them with issues and invited all to do a walk so that everyone was on the same page regarding what work needs to be done. Mr. Costa requested that trees be planted in open space. Director Lyng explained that the open space was not intended to have anything other than natural grass and that the intent was to maintain the “ranch” feel in open spaces; additionally, there are no irrigation lines in the open space to water trees. Director Lyng will look into what Mr. Costa is requesting when they walk the community together.

Michael Bellairs-Reed: Mr. Bellairs-Reed had the same landscaping comments; and is particularly concerned about weeds in “landscaped” corner areas on sidewalks.

Trina: Trina inquired about people who do not live in the District using the pool/clubhouse. Attorney Cortese explained that as a public pool, anyone can use, but must pay the out-of-District fee. Also, Cielo Metropolitan District residents may use the pool/clubhouse per various cost sharing agreements with the District.

Jason Mercer: Mr. Mercer inquired about infrastructure acquisition and how to ensure the Developer completes the project so that District does not have to issue more debt to pay for improvements. Attorney Cortese explained the acquisition process with the independent engineer confirming all improvements constrict to correct standards, noting that the District has not yet accepted any improvements.

Vacancy on the Board of Directors: The Board discussed the vacancy on the Board and determined to defer appointment of a qualified candidate to fill the vacant seat until the next Board meeting, to allow other residents the opportunity to submit letters of interest/qualification statements.

Appointment of Officers: The Board deferred discussion of this matter.

Minutes: The Board reviewed the Minutes of the May 26, 2021 Special 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 May 26, 2021 Special Meeting.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

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

Fund	Claims Released May 21, 2021 – August 18, 2021
Total	\$ 77,671.17

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

Unaudited Financial Statements: Ms. Pangindian presented the unaudited financial statements for the period ending June 30, 2021, schedule of cash position for the period ending June 30, 2021, updated August 18, 2021, and Property Taxes Reconciliation.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending June 30, 2021, schedule of cash position for the period ending June 30, 2021, updated August 18, 2021, and Property Taxes Reconciliation.

Aging Report: There was no report at this time.

2020 Audit: Ms. Pangindian reviewed the draft 2020 Audited Financial Statements with the Board.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board approved the 2020 Audited Financial Statements and authorized execution of the Representations Letter, subject to final legal review and issuance of a clean opinion.

CAPITAL IMPROVEMENTS

Project Status Report: Discussed previously during Operations and Maintenance Matters and Public Comments.

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.

RECORD OF PROCEEDINGS

Service Agreement for Stormwater Management Services by and between the District and CMS Environmental Solutions, LLC for Stormwater Management Services: The Board reviewed a Service Agreement for Stormwater Management Services by and between the District and CMS Environmental Solutions, LLC for Stormwater Management Services.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Stormwater Management Services by and between the District and CMS Environmental Solutions, LLC for Stormwater Management Services.

Termination of Master Service Agreement for Stormwater Management Services: The Board entered into discussion regarding Termination of Master Service Agreement for Stormwater Management Services by and between the District and Storm Water Asset Protection, LLC.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the Termination of Master Service Agreement for Stormwater Management Services by and between the District and Storm Water Asset Protection, LLC and authorized District Counsel to transmit same to Storm Water Asset Protection, LLC.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Expenditure Verification Report No. 11 Certifying District Eligible Improvements: Ms. Fiore stated that Expenditure Verification Report No. 11 Certifying District Eligible Improvements is not available at this time and outlined the items and documents necessary for completion of same.

Pay Applications under the Hudick Excavating, Inc. (“HEI”) Contract: No pay applications are available at this time.

LEGAL MATTERS

Clubhouse Construction Agreement by and among the District, Choke Cherry Investors LLC, Cielo Metropolitan District and Toll Southwest LLC: The Board reviewed a Clubhouse Construction Agreement by and among the District, Choke Cherry Investors LLC, Cielo Metropolitan District and Toll Southwest LLC.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the Clubhouse Construction Agreement by and among the District, Choke Cherry Investors LLC, Cielo Metropolitan District and Toll Southwest LLC.

RECORD OF PROCEEDINGS

Clubhouse Joint Use and Operations Cost Sharing Agreement by and between the District and Cielo Metropolitan District: The Board reviewed a Clubhouse Joint Use and Operations Cost Sharing Agreement by and between the District and Cielo Metropolitan District.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the Clubhouse Joint Use and Operations Cost Sharing Agreement by and between the District and Cielo Metropolitan District.

Joint Resolution of the Boards of Directors of the District and Cielo Metropolitan District Concerning the Clubhouse Rules and Regulations: The Board reviewed a Joint Resolution of the Boards of Directors of the District and Cielo Metropolitan District Concerning the Clubhouse Rules and Regulations.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board adopted the Joint Resolution of the Boards of Directors of the District and Cielo Metropolitan District Concerning the Clubhouse Rules and Regulations.

Termination of the 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.: The Board entered into discussion regarding the Termination of the 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.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board approved the Termination of the 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.

Resolution of the Board of the District Concerning Use of the Barn at Cherry Creek Pool and Clubhouse Amenities - 2021 Season: The Board discussed Resolution No. 2021-08-01, of the Board of the District Concerning the Use of the Barn at Cherry Creek Pool and Clubhouse Amenities - 2021 Season.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Kubly and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-08-01, of the Board of the District Concerning the Use of the Barn at Cherry Creek Pool and Clubhouse Amenities - 2021 Season.

RECORD OF PROCEEDINGS

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: The Board deferred discussion.

**COVENANT
ENFORCEMENT/
DESIGN REVIEW**

Community Management: Ms. Ripko noted that Mr. Williams from her office is onsite twice monthly for inspections. Ms. Ripko further noted that she would provide the aging report on past due fees to the Board.

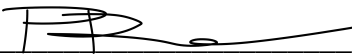
OTHER BUSINESS

No other business was discussed.

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