

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STONE CREEK METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
SEPTEMBER 26, 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 26th day of September, 2018, at 11:00 a.m., at the Stone Creek Ranch Offices (Barn); 6700 E. Scott Avenue, Parker, CO. 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 and Peggy Ripko; Special District Management Services, Inc.

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

Jane Bajar; CliftonLarsonAllen, LLP

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

Mike Sanders; Choke Cherry Investors, LLC

**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. 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 presented.

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 August 22, 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 August 22, 2018 Regular Meeting.

LEGAL MATTERS

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 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. ("Forestar") is currently under review by Forestar.

Revised Scope to Management Agreement by and between the District and Special District Management Services, Inc.: The Board reviewed and discussed the revised scope to the Management Agreement by and between the District and Special District Management Services, Inc.

Following review and discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng, and upon vote unanimously carried, the Board approved the revised scope to the Management Agreement by and between the District and Special District Management Services, Inc.

RECORD OF PROCEEDINGS

Eligible Governmental Entity Agreement between the Statewide Internet Portal Authority of the State of Colorado and the District: The Board entered into discussion regarding the Eligible Governmental Entity Agreement between the Statewide Internet Portal Authority of the State of Colorado and the District.

Following review and discussion, upon motion duly made by Director Kubly, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Eligible Governmental Entity Agreement between the Statewide Internet Portal Authority of the State of Colorado and the District.

Preparation of Clubhouse Rules and Regulations related to District Facilities: The Board deferred discussion at this time.

Special District Disclosure Document- Disclosure to Purchasers: Attorney Cortese discussed with the Board the Special District Disclosure Document - Disclosure to Purchasers ("Disclosure to Purchasers").

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng, and upon vote unanimously carried, the Board approved the Special District Disclosure Document - Disclosure to Purchasers, subject to confirmation of the fee structure.

Procedure for Pay Application Process under the Stipulated Sum Price Agreement between the District, Hudick Excavating, Inc. d/b/a HEI Civil, and Choke Cherry Investors, LLC: Attorney Cortese presented to the Board the Procedure for Pay Application Process under the Stipulated Sum Price Agreement between the District, Hudick Excavating, Inc. d/b/a HEI Civil, and Choke Cherry Investors, LLC.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Williams, and upon vote unanimously carried, the Board ratified approval of the Procedure for Pay Application Process under the Stipulated Sum Price Agreement between the District, Hudick Excavating, Inc. d/b/a HEI Civil, and Choke Cherry Investors, LLC.

Receipt of Confirmation from HEI Civil Regarding Payment of Pay Application No. 4 under the HEI Contract: Director Williams presented to the Board a receipt of confirmation from HEI Civil regarding payment of Pay Application No. 4 under the HEI Contract.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Kubly, seconded by Director Klymkow, and upon vote unanimously carried, the Board ratified approval of the acknowledgement of receipt of confirmation from HEI Civil regarding payment of Pay Application No. 4 under the HEI Contract.

Receipt of Confirmation from HEI Civil Regarding Payment of Pay Application No. 5 under the HEI Contract: Director Williams presented to the Board a receipt of confirmation from HEI Civil regarding payment of Pay Application No. 5 under the HEI Contract.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board acknowledged the receipt of confirmation from HEI Civil regarding payment of Pay Application No. 5 under the HEI Contract.

First Amendment to Offsite Improvements Agreement (Stone Creek Ranch Filing No. 1) by and among the District, KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., Choke Cherry Investors, LLC, and First American Title Insurance Company: The Board discussed the status of First Amendment to Offsite Improvements Agreement (Stone Creek Ranch Filing No. 1) by and among the District, KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., Choke Cherry Investors, LLC, and First American Title Insurance Company ("First Amendment"), noting that the First Amendment had been executed and ratification of approval of the First Amendment would be included on the next Agenda.

Following discussion, the Board deferred action on this agenda item.

FINANCIAL MATTERS

Claims: Ms. Bajar presented the claims for the period ending September 26, 2018 in the amount of \$29,385.79.

Following review and discussion, upon motion duly made by Director Barbera, seconded by Director Williams and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending September 26, 2018 in the amount of \$29,385.79 subject to funding.

Cash Position: Ms. Bajar presented schedule of cash position for the period ending June 30, 2018 updated as of September 24, 2018.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Klymkow seconded by Director Barbera, and upon vote unanimously carried, the Board accepted the schedule of cash position for the period ending June 30, 2018, updated as of September 24, 2018.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Expenditure Verification Report No. 4 prepared by IDES (District Eligible Expenditures) in the amount of \$1,009,013.24, (Pay Application No. 5 under the HEI Contract): 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 Expenditure Verification Report No. 4 prepared by IDES (District Eligible Expenditures), in the amount of \$1,009,013.24, (Pay Application No. 5 under the HEI Contract).

Pay Application No. 6 under the HEI Contract: The Board discussed Pay Application No. 6 under the HEI Contract.

Following discussion, upon motion duly made by Director Kubly, seconded by Director Klymkow and, upon vote, unanimously carried, the Board approved Pay Application No. 6 under the HEI Contract.

Expenditure Verification Report No. 5 Prepared by IDES Certifying District Eligible Improvements in the amount of \$1,739,726.06 (Pay Application No. 6 under the HEI Contract): Ms. Fiore presented the Expenditure Verification Report No. 5 prepared by IDES certifying District Eligible Improvements (Pay Application No. 6 under the HEI Contract) in the amount of \$1,739,726.06.

Following discussion, upon motion duly made by Director Barbera, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved Expenditure Verification Report No. 5 prepared by IDES certifying District Eligible Improvements (Pay Application No. 6 under the HEI Contract) in the amount of \$1,739,726.06.

Cost Certification Report No. 4 prepared by IDES: Ms. Fiore presented to the Board Cost Certification Report No. 4 prepared by IDES in the amount of \$16,668.04.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved Cost Certification Report No. 4 prepared by IDES in the amount of \$16,668.04.

RECORD OF PROCEEDINGS

Requisition No. 5 from the District's General Obligation Limited Tax Bonds, Series 2018A (the "2018A Bonds") and Requisition No. 3 from the District's Subordinate General Obligation Limited Tax Bonds, Series 2018B (the "2018B Bonds") (Expenditure Verification Report No. 5/Cost Certification Report No. 4). 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 Requisition No. 5 from the District's 2018A Bonds and Requisition No. 3 from the District's 2018B Bonds (the "2018B Bonds") (Expenditure Verification Report No. 5/Cost Certification Report No. 4).

CAPITAL IMPROVEMENTS

Project Status Report: Ms. Fiore distributed and reviewed with the Board the Project Status Report dated September 26, 2018. A copy of the report is attached hereto and incorporated herein by this reference.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Community Management Services: The Board approved the termination of the Management Agreement between the District and MSI, LLC, pending legal review.

The Board discussed community management services to include covenant control, fee billing, website creation and maintenance and design review. The Board requested Ms. Ripko prepare a cost estimate related to Community Management Services prior to the closing of the first home to a resident and to present the estimate of costs to the Board at the October Meeting.

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.

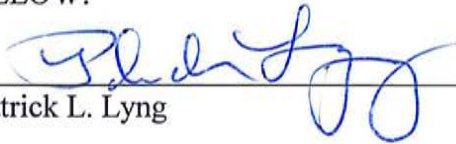
Respectfully submitted,

By


Secretary for the Meeting

RECORD OF PROCEEDINGS

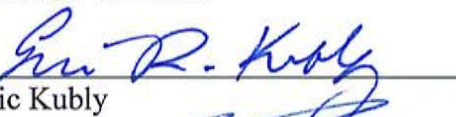
THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 26, 2018, REGULAR MEETING MINUTES OF THE STONE CREEK METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Patrick L. Lyng

Peter J. Klymkow

Shawnee Williams



Eric Kubly



Mauricio Barbera

STONE CREEK METROPOLITAN DISTRICT

Board Meeting Project Status

September 26, 2018



Construction Status

Hudick Excavating, Inc. (HEI)

- Continuing storm sewer, pedestrian underpass and bridge work in Scott Road.
- Continuing water, sanitary sewer and storm sewer in Village A.
- Continuing over excavation and grading in north portion of Village B.
- Began export of material from Village B to Village D
- Grading continuing in Village C.
- Connection to Village C pond from Interlocken has been completed.
- Grading continuing in Village D.
- Storm sewer and sanitary 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 5 has been completed and reviewed by the four-party cost share group.

Reports

Expenditure Verification – HEI Pay Applications

- Expenditure Verification Report #5 – Pay Application 6 - 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.

