

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD NOVEMBER 18, 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 18th day of November, 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 by conference call and Zoom without any individuals (neither District representative nor the general public) attending in person. The meeting was open to the public via conference call and Zoom.

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

Gigi Pangindian; CliftonLarsonAllen LLP (“CLA”)

Michael 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.

**ADMINISTRATIVE
MATTERS**

Agenda: Ms. Ripko distributed for the Board’s review and approval a proposed Agenda for the District's Special Meeting.

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Following discussion, upon motion duly made by Director Lyng, seconded by Director Kubly and, upon vote, unanimously carried, the Agenda for the District's Special Meeting was approved, as presented.

Confirmation of Meeting Location and Posting of Notice: 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 Lyng, seconded by Director Kubly 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 conference call 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.

Public Comment: There was no public comment.

Minutes: The Board reviewed the Minutes of the August 26, 2020 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 August 26, 2020 Special Meeting.

Resolution No. 2020-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Ms. Ripko discussed with the Board Resolution No. 2020-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 11:00 a.m. on February 24, 2021, May 26, 2021, August 25, 2021 and November 17, 2021 at the Stone Creek Ranch Office (Barn), 5989 Interlocken Street, Parker, CO 80134.

Following discussion, upon motion duly made by Director Kubly, seconded by Director Lyng and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for 24-Hour Notices.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2021: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2021.

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Following discussion, the Board directed staff to post the required transparency notice information on the Special District Association's website and the District's website.

FINANCIAL MATTERS

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

Fund	Period Ending September 2020	Period Ending October 2020
General	\$ 23,999.53	\$ 11,141.21
Fee Revenue	\$ 7,096.70	\$ 12,471.53
Debt	\$ -0-	\$ -0-
Capital	\$ 2,573.06	\$ 3,073.77
Total	\$ 33,669.29	\$ 26,686.51

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

Unaudited Financial Statements: Ms. Pangindian presented the unaudited financial statements for the period ending September 30, 2020, schedule of cash position for the period ending September 30, 2020, updated on November 3, 2020 and developer advances dated September 30, 2020, updated November 18, 2020.

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 September 30, 2020, schedule of cash position for the period ending September 30, 2020, updated on November 3, 2020 and developer advances dated September 30, 2020, updated November 18, 2020.

2020 Audit: The Board reviewed the proposal from Wipfli LLP to perform the 2020 Audit.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2020 Audit, for an amount not to exceed \$4,250.

2020 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

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Following review and discussion, the Board determined that an Amendment to the 2020 Budget was not necessary.

Sixth Amendment to the Operation Funding Agreement (“OFA”) by and between the District and Choke Cherry Investors, LLC: Attorney Cortese reviewed with the Sixth Amendment to the OFA by and between the District and Choke Cherry Investors, LLC.

Following review, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board approved the Sixth Amendment to the OFA by and between the District and Choke Cherry Investors, LLC.

2021 Budget Hearing: The Board opened the public hearing to consider the District’s proposed 2021 Budget and discuss related issues.

It was noted that publication of a Notice stating that the Board would consider adoption of the 2021 Budget, and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. There was no public comment. The public hearing was closed.

Ms. Pangindian reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-02 to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-11-03 to Set Mill Levies (for the General Fund at 11.132 mills and the Debt Service Fund at 55.664 mills, for a total mill levy of 66.796 mills). Execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. Ms. Ripko was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County, not later than December 15, 2020. Ms. Ripko was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the Resolutions are attached hereto and incorporated herein by this reference.

Resolution No. 2020-11-04; Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2020-11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Barbera and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-

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11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification Form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification Form for certification to the Board of County Commissioners and other interested parties.

2022 Budget Preparation: The Board discussed the preparation of the 2022 Budget.

Following discussion, upon motion duly made by Director Klymkow, seconded by Director Lyng and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget, and directed that the form of the 2022 budget be the same as the 2021 budget, unless a Board Member provides input to otherwise adjust those assumptions.

CAPITAL IMPROVEMENTS

Project Status Report: Mr. Sanders provided an update for the Board, noting that the clubhouse is anticipated to be ready to open by Memorial Day 2021 dependent upon and subject to any then applicable COVID-19 restrictions, parks and landscaping are scheduled to be complete by the end of 2020 and traffic signals should be complete in the next few months.

EXPENDITURE VERIFICATION/ COST CERTIFICATION

Expenditure Verification Report No. 11 Certifying District Eligible Expenditures: The Board deferred discussion of Expenditure Verification Report No. 11.

Pay Application Nos. 23 - 26 under the Hudick Excavating Inc. (“HEI”) Contract: The Board reviewed Pay Application Nos. 23 - 26 under the HEI Contract.

Following discussion, upon motion duly made by Director Kubly, seconded by Director Klymkow and, upon vote, unanimously carried, the Board ratified approval of Pay Application Nos. 23 - 26 under the HEI Contract.

Pay Application No. 27 under the HEI Contract: The Board deferred discussion of Pay Application No. 27 under the HEI Contract.

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LEGAL MATTERS

Perpetual Reciprocal Easement and Public Access Agreement by and between the District and Choke Cherry Investors, LLC: Attorney Cortese advised the Board that Developer Real Estate Counsel is reviewing the Perpetual Reciprocal Easement and Public Access Agreement by and between the District and Choke Cherry Investors, LLC. No action was taken by the Board.

Quit Claim Deed from Choke Cherry Investors, LLC to the District (Tracts A through L, inclusive; Tracts N through S, inclusive; and Tracts V through Y, inclusive): Attorney Cortese advised the Board that Developer Real Estate Counsel is reviewing the Quit Claim Deed from Choke Cherry Investors, LLC to the District (Tracts A through L, inclusive; Tracts N through S, inclusive; and Tracts V through Y, inclusive).

Disclosure to Purchasers: Attorney Cortese presented the current recorded Disclosure to Purchasers to the Board. The Board determined that no revisions were necessary to the Disclosure to Purchasers at this time.

OPERATIONS AND MAINTENANCE

Release of Retainage to HEI: Questions related to release of retainage to HEI were discussed.

Resident E-Mail Blast: Director Barbera requested that an e-mail blast be sent to the sales offices and residents of the District providing the District's regular meeting schedule.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Community Management: Ms. Ripko presented an update to the Board. No action was taken by the Board.

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 *Peggy Ripko*
Secretary for the Meeting