

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”) HELD DECEMBER 8, 2022

A Special Meeting of the Board of Directors (referred to hereafter as the “Board”) of the District was convened on Thursday, December 8, 2022, at 3:00 p.m. The District Board meeting was held via Zoom video/telephone conference. The meeting was open to the public.

Directors In Attendance Were:

Ashley Racich
Peter J. Klymkow
Mauricio “Morris” Barbera
Amanda Roper
C.J. Waters

Also In Attendance Were:

Shannon Torgerson and Jennifer Kinhead; CCH Acquisition LLC, d/b/a Cherry Creek HOA Professionals (“CCHP”)

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

Gigi Pangindian and Carrie Beacom; CliftonLarsonAllen LLP (“CLA”)

Justin Reyher, Doug Mehl, Viraja Kanakaveti, Jen, Venkat, Arshad, Brian and Mark (all for a portion of the meeting); Residents and/or Interested Persons

ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: Attorney Cortese discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential 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 Directors Barbera and Klymkow were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Cortese then requested that the Board members 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: Attorney Cortese

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confirmed the presence of a quorum.

The Board entered a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. It was noted that the District Board meeting was held by Zoom video / telephone conference. 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: Attorney Cortese presented for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion made by Director Racich, seconded by Director Roper and, upon vote, unanimously carried, the Agenda for the District's Special Meeting was approved, as amended.

Minutes from the September 6, 2022, September 9, 2022 and November 2, 2022

Special Meetings: Following discussion, upon a motion made by Director Racich, seconded by Director Roper and, upon vote, unanimously carried, the Minutes from the September 6, 2022, September 9, 2022 and November 2, 2022 Special Meetings were approved.

Service Agreement for Executive/District Management Services by and between the

District and CCHP: Following discussion, upon a motion made by Director Racich, seconded by Director Waters and, upon vote, unanimously carried, the Board acknowledged approval of the Service Agreement for Executive/District Management Services by and between the District and CCHP.

Service Agreement for Community Management Services by and between the

District and CCHP: Following discussion, upon a motion made by Director Racich, seconded by Director Waters and, upon vote, unanimously carried, the Board acknowledged approval of the Service Agreement for Community Management Services by and between the District and CCHP.

Termination of Special District Management Services, Inc. for District Management and Community Management Services ("SDMS"):

Following discussion, upon a motion made by Director Waters, seconded by Director Roper and, upon vote, unanimously carried, the Board ratified approval of the termination of SDMS for District Management and Community Management Services, effective as of December 14, 2022.

Transition of District and Community Management Services:

Following discussion, upon a motion made by Director Barbera, seconded by Director Klymkow and, upon vote, unanimously carried, the Board appointed Directors Waters and Racich to work with CCHP and SDMS on the District and Community Management Services transition.

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Upcoming Statutory Compliance Requirements:

1. Map Letter (Due January 1, 2023) – McGeady Becher P.C. to complete.
2. §32-1-809, C.R.S., Transparency Notice Reporting Requirements and Mode of Eligible Elector Notification – to be posted on SDA Website/District Website (Due January 15, 2023) – CCHP to complete.
3. 2023 Budget Filing (Due January 31, 2023) – CCHP to complete.

Resignation of Peggy Ripko as Secretary to the Board of Directors: Following discussion, upon a motion made by Director Racich, seconded by Director Barbera and, upon vote, unanimously carried, the Board acknowledged the resignation of Peggy Ripko as Secretary to the Board of Directors.

Appointment of Secretary to the Board of Directors: Following discussion, upon a motion made by Director Racich, seconded by Director Barbera and, upon vote, unanimously carried, the Board appointed Shannon Torgerson as Secretary to the Board of Directors.

Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Following discussion, upon a motion made by Director Racich, seconded by Director Waters and, upon vote, unanimously carried, the Board adopted the Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices. Regular 2023 meetings were scheduled on February 22nd at 1:00 p.m., May 17th at 4:00 p.m., August 23rd at 1:00 p.m. and November 15th at 4:00 p.m. via Zoom, with the May 17th and November 15th meetings potentially also including a physical meeting location (proposed physical location: the clubhouse).

Renewal of District's Insurance and Special District Association Membership for 2023: The Board authorized CCHP and Director Klymkow to review the District's property schedule and obtain additional quotes for the District's insurance.

OPERATIONS AND Committee Updates: **MAINTENANCE**

1. **Landscaping Committee:** Director Roper summarized the Landscaping Committee updates, informing the Board that she walked the property with Mike Sanders and Patrick Lyng last week. A new landscape provider has not been engaged by the District to to date, but first steps taken will be to flush cut the pines and then the deciduous trees to see what needs to be replaced. The Committee recommended ordering smaller trees which require less water to establish and also increase chances of survival. The Landscaping Committee

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intends to meet monthly (there will be no December meeting due to holidays). Director Roper further noted that the Master Plan does not include park equipment, so if the community wanted to install such equipment, it would be at the District's cost. In addition, Director Roper noted that some landscaping companies for the homeowners have parked trucks on the public side of the fencing, which has damaged the native areas.

2. **Social Committee:** Director Racich reported that the Social Committee and Clubhouse/Pool Committee have been combined into one Committee. The Committee hosted pictures with Santa on 11/20/22; and an adult event is scheduled at the Clubhouse on 12/9/22 at 6-8 p.m. It was noted that a local real estate agent offered to pay the costs for some of these events. Director Racich indicated a new website is needed for community events.
3. **Design Review Committee:** There is no update from the Committee.
4. **Clubhouse/Pool:** See report under Social Committee above.
5. **Budget and Finance:** Director Waters reported that the committee had met and made recommendations to CLA and the Board regarding the 2023 Budget, noting that revenue vs. expenditures are tight.

Dissemination of District Updates/Community Information: The Board directed that CCHP send an introduction letter with the next fee billing and to send email blasts on a weekly basis upon receipt of the property owner/resident email list. It is anticipated these email blasts will be decreased to every 60-90 days in the future. Attorney Cortese requested that CCHP also update the District website upon gaining access to same.

Proposal from Mayberry Builders LLC for Lawn Mowing: Following discussion, upon a motion by Director Roper, seconded by Director Waters and, upon vote, unanimously carried, the Board ratified approval of the Proposal from Mayberry Builders, LLC for lawn mowing at a cost of \$6,500 and authorized payment of the invoice for work completed.

Proposal from Cox Professional Landscape Services, LLC for Lawn Mowing: The Board deferred this item. Director Racich is exploring payment options.

LEGAL MATTERS

Resolution Calling a Regular Election for Directors on May 2, 2023, Appointing the Designated Election Official ("DEO") and Authorizing the DEO to Perform All Tasks Required for the Conduct of Mail Ballot Election: Attorney Cortese discussed with the Board the Resolution Calling a Regular Election for Directors on May 2, 2023 Appointing the DEO, and Authorizing the DEO to Perform all Tasks Required for the Conduct of Mail Ballot Election.

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Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board adopted the Resolution Calling a Regular Election for Directors on May 2, 2023, Appointing the DEO, and Authorizing the DEO to Perform all Tasks Required for the Conduct of Mail Ballot Election.

Engagement of Consultant to Perform DEO Services: Following discussion, upon motion duly made by Director Klymkow, seconded by Director Barbera and, upon vote, unanimously carried, the Board authorized Director Racich to work with Attorney Cortese to engage a consultant for DEO Services.

Resolution Concerning Use of District Recreational Facilities by Outside Users – 2023 Season: The Board determined to defer this matter.

FINANCIAL MATTERS

Payment of Claims: Following discussion, upon a motion made by Director Klymkow, seconded Director Racich and, upon vote, unanimously carried, the Board ratified approval of payment of claims totaling \$96,244.07.

Unaudited Financial Statements for the Period Ending October 31, 2022, Schedule of Cash Position as of December 5, 2022 and Property Taxes Reconciliation: Following discussion, upon a motion made by Director Klymkow, seconded Director Barbera and, upon vote, unanimously carried, the Board accepted the Unaudited Financial Statements for the Period Ending October 31, 2022, Schedule of Cash Position as of December 5, 2022 and Property Taxes Reconciliation.

2022 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2022 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 2022 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.

Ms. Pangindian reviewed the estimated year-end 2022 revenues and expenditures.

Following review and discussion, upon motion duly made by Director Racich, seconded by Director Roper and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2022 Budget.

2023 Budget Hearing: The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

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It was noted that publication of Notice stating that the Board would consider adoption of the 2023 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. During the public hearing, Mr. Reyher stated that he felt the District's bonds were expensive, and the President closed the public hearing. Ms. Pangindian reviewed the proposed 2023 estimated revenues and expenditures.

The Board extensively discussed the 2023 Budget, and noted that the Operation and Maintenance Fee (O&M Fee) would likely need to be increased during the first quarter of 2023 in order to generate the revenue needed to operate the District. Following discussion, upon motion duly made by Director Racich, seconded by Director Roper and, upon vote, unanimously carried, the Board adopted the Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and the Resolution to Set Mill Levies (for the General Fund at 11.385 mills and the Debt Service Fund at 56.926 mills, for a total mill levy of 68.311 mills). Execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of the final Certification of Assessed Valuation from the County on or before December 10, 2022. The District Accountant was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County, not later than December 15, 2022. CCHP was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2023.

DLG-70 Certification of Tax Levies Form ("Certification"): Following discussion, upon motion duly made by Director Racich, seconded by Director Roper and, upon vote unanimously carried, the Board authorized the District Accountant to prepare and file the DLG-70 Mill Levy Certification Form and authorized execution of same by Director Waters for certification to the Board of County Commissioners and other interested parties.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: Following discussion, upon a motion made by Director Racich, seconded by Director Roper and, upon vote, unanimously carried, the Board adopted the Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Statements of Work ("SOW") between the District and CLA for 2023 Accounting Services: Following discussion, upon a motion made by Director Klymkow, seconded by Director Roper and, upon vote, unanimously carried, the Board approved the SOW with CLA, subject to the review of CCHP.

Engagement of Wipfli LLP for Preparation of 2022 Audit: The Board deferred consideration of this matter, pending receipt of additional proposals to be obtained by CCHP.

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Appointment of District Accountant to Prepare 2024 Budget: The Board deferred consideration of this matter.

**COVENANT
ENFORCEMENT/
DESIGN REVIEW**

Community Manager's Update: This item was deferred.

Bulk Item Pick Up Schedule: The Board deferred discussion of this matter.

PUBLIC COMMENT There were no public comments during this portion of the meeting.

**EXECUTIVE
SESSION**

Executive Session: Pursuant to Sections 24-6-402(4)(a), (b) and (e), C.R.S., and upon a motion duly made by Director Barbera, seconded by Director Racich and, upon vote, unanimously carried, the Board convened in Executive Session at 5:51 p.m. for the sole purpose of receiving legal advice on negotiations related to property acquisition matters. The executive session was adjourned at 6:13 p.m.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Roper, seconded by Director Barbera and, upon vote unanimously carried, the meeting was adjourned at 6:14 pm.

Respectfully submitted,

By Shannon Torgerson
Secretary for the Meeting

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ATTORNEY STATEMENT REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Sections 24-6-402(2)(d.5)(II)(b), C.R.S., I, Elisabeth A. Cortese, attest that, in my capacity as the attorney representing Stone Creek Metropolitan District, I attended the executive session meeting that the Board of Directors for Stone Creek Metropolitan District convened at 5:51 p.m. a.m. on December 8, 2022 for the sole purpose of receiving legal advice on negotiations related to property acquisition matters, as authorized by Section 24-6-402(4)(a), (b) and (e), C.R.S. I further attest it is my opinion that all or a portion of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(b), C.R.S.

Signed

Elisabeth A. Cortese

Elisabeth A. Cortese, Esq.

Dated:

December 8, 2022