

STONE CREEK METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
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NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Patrick L. Lyng	President	2018/May 2018
Michael Dane Sanders	Secretary/Treasurer	2018/May 2018
Peter J. Klymkow	Assistant Secretary	2020/May 2020
VACANT		2020/May 2020
VACANT		2018/May 2018

DATE: **February 22, 2018**

TIME: **10:00 A.M.**

PLACE: **Stone Creek Ranch Offices (Barn)**
6700 E. Scott Avenue
Parker, Colorado 80134

I. ADMINISTRATIVE MATTERS

A. Present Conflict Disclosures.

B. Approve Agenda, confirm location of the meeting and posting of meeting.

C. Review and approve Minutes of the January 18, 2018 Regular Meeting (enclosure).

II. FINANCIAL MATTERS

A. Conduct Public Hearing to consider Amendment to 2018 Budget and adoption of Resolution to Amend the 2018 Budget and Appropriate Expenditures.

B. Review and consider approval of the unaudited financial statements and schedule of cash position for the period ending December 31, 2017 (enclosure).

III. LEGAL MATTERS

- A. Discuss and consider acceptance of Bonding Report and Cost Certification, May 2013 through February 2018, as prepared by Independent District Engineering Services (to be distributed).
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- B. Consider adoption of a resolution authorizing the issuance of the District's General Obligation Limited Tax Bonds Series 2018A, and its Subordinate General Obligation Limited Tax Bonds, Series 2018B, in the approximate aggregate principal amount of \$11,500,000 and authorize the execution of indentures of trust, a bond purchase agreement, and all other agreements, documents, instruments, certificates, and actions necessary or appropriate in connection with the issuance of the two series of bonds (to be distributed).
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IV. CAPITAL MATTERS

- A. Ratify execution of and acknowledge recordation of Stone Creek Ranch Filing No. 1 Final Plat @ Rec. # 2017081539.
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- B. Ratify approval of Offsite Improvements Agreement between KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., the District, Choke Cherry Investors, LLC and First American Title Insurance Company.
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- C. Ratify approval of Amenity Center Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.
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- D. Ratify approval of Developer Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.
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- E. Ratify approval of Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services.
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- F. Discuss and Consider Notice of Award and Approval of Stipulated Sum Price Agreement Between the District, Hudick Excavating, Inc. d/b/a HEI CIVIL, and Choke Cherry Investors, LLC (to be distributed).
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- G. Discuss status of easements between the District and the Pinery Water and Wastewater District.
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- H. Status of Covenant Enforcement.
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- I. Appointment of Individuals to Design Review Committee.
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V. OTHER BUSINESS

- A. Discuss vacancies. Consider appointment of qualified individuals to fill vacancies on the Board of Directors. (Notice was published on December 28, 2017). Administer oath of office.
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- B. Consider appointment of Officers:

President _____
Treasurer _____
Secretary _____
Assistant Secretary _____
Assistant Secretary _____

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR MARCH 15, 2018.**

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
STONE CREEK METROPOLITAN DISTRICT (THE “DISTRICT”)
HELD
JANUARY 18, 2018**

A regular meeting of the Board of Directors of the Stone Creek Metropolitan District (referred to hereafter as the “Board”) was convened on Thursday, the 18th day of January, 2018, at 11:00 a.m., at the offices of McGeady Becher P.C. The meeting was open to the public.

Directors In Attendance Were:

Patrick L. Lyng
Michael “Dane” Sanders (via speakerphone)
Peter J. Klymkow

Also In Attendance Was:

Lisa A. Johnson; Special District Management Services, Inc.

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

Gigi Pangindian; CliftonLarsonAllen LLP

Mike Sanders; Property Owner

**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.

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.

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 because there was not a suitable or convenient location within its boundaries or within the county in which the District is located, or within twenty (20) miles from the District boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. 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.

Designation of 24-hour Posting Location: Following discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow and, upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location: On Scott Avenue just east of Szymanski.

Appointment of Director: The Board deferred discussion.

Appointment of Officers: The Board deferred discussion.

Minutes: The Board reviewed the Minutes of the November 30, 2017 Regular Meeting.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Minutes of the November 30, 2017 Regular Meeting.

**FINANCIAL
MATTERS**

Bond Issuance: The Board discussed the status of the bond issuance, noting that certain documents and agreements needed to close including certain of the agreements listed below in order for disclosure counsel to prepare the Preliminary Limited Offering Memorandum (PLOM), which in turn needs to be posted pursuant to the updated schedule.

Special Meeting: The Board discussed the need for noticing a special meeting for the bond issuance. Attorney Cortese will inform the Board and Consultants when a special meeting is needed.

**LEGAL
MATTERS**

Infrastructure Acquisition Report: The Board deferred discussion on this matter.

**CAPITAL
IMPROVEMENTS**

Offsite Improvements Agreement between KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., the District, Choke Cherry Investors, LLC and First American Title

Insurance Company: Attorney Cortese reviewed with the Board an Offsite Improvements Agreement between KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., the District, Choke Cherry Investors, LLC and First American Title Insurance Company.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Offsite Improvements Agreement between KB Home Colorado, Inc., Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc., the District, Choke Cherry Investors, LLC and First American Title Insurance Company, subject to final review by Legal Counsel.

Amenity Center Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.: Attorney Cortese reviewed with the Board an Amenity Center Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, 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 Amenity Center Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc., subject to final review by Legal Counsel.

Developer Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc.: Attorney Cortese reviewed with the Board a Developer Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, 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 Developer Escrow Agreement by and among the District, Choke Cherry Investors, LLC, Richmond American Homes of Colorado, Inc., Taylor Morrison of Colorado, Inc. and KB Home Colorado, Inc., subject to final review by Legal Counsel.

Easements between the District and Pinery Water and Wastewater District: Attorney Cortese reported to the Board that work is in progress.

Bid Process for Amenity Center: Attorney Cortese explained to the Board the public bid process option for the Amenity Center. No action was taken by the Board.

Construction Management Agreement by and between the District and Choke Cherry Investors, LLC: Attorney Meintzer reviewed with the Board a Construction Management Agreement by and between the District and Choke Cherry Investors, 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 Construction Management Agreement by and between the District and Choke Cherry Investors, LLC, subject to final review by Legal Counsel.

Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services: Attorney Meintzer reviewed with the Board a Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services.

Following review and discussion, upon motion duly made by Director Lyng, seconded by Director Klymkow, and upon vote unanimously carried, the Board approved the Master Service Agreement between the District and Stormwater Asset Protection, LLC regarding Stormwater Management Services, subject to receipt of final scope of work.

Covenant Enforcement: There was nothing new to report.

Appointment of Individuals to Design Review Committee: Discussion on this matter was deferred.

OTHER BUSINESS

There were no other matters to discuss.

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

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 18, 2018
REGULAR MEETING MINUTES OF THE STONE CREEK METROPOLITAN
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Patrick L. Lyng

Michael "Dane" Sanders

Peter J. Klymkow

STONE CREEK METROPOLITAN DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2017

DRAFT



CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Stone Creek Metropolitan District
Douglas County, Colorado

Management is responsible for the accompanying financial statements of Stone Creek Metropolitan District, which comprise the balance sheet - governmental funds as of December 31, 2017, and the related statement of revenues, expenditures, and changes in fund balance - budget and actual, for the period from January 01, 2017 through December 31, 2017, for the General Fund, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements of Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit, examine, or review the historical financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these historical financial statements.

Management has elected to omit the management's discussion and analysis, the government-wide financial statements, the statement of revenues, expenditures and changes in fund balance - governmental funds, and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the historical financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the historical financial statements are not designed for those who are not informed about such matters.

The supplementary information is presented for additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management. The information was subject to our compilation engagement; however we have not audited, examined, or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on the supplementary historical information.

We are not independent with respect to Stone Creek Metropolitan District.

Greenwood Village, CO
February 13, 2018

**STONE CREEK METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS				
Cash - Checking	\$ 653	\$ 3,449	\$ -	\$ 4,102
Receivable from County Treasurer	5	23	-	28
Property Tax receivable	708	3,913	-	4,621
Prepaid insurance	250	-	-	250
TOTAL ASSETS	\$ 1,616	\$ 7,385	\$ -	\$ 9,001
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 52,532	\$ -	\$ 14,184	\$ 66,716
Deferred property tax	708	3,913	-	4,621
Total Liabilities	53,240	3,913	14,184	71,337
FUND BALANCES				
Total Fund Balances	(51,624)	3,472	(14,184)	(62,336)
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,616	\$ 7,385	\$ -	\$ 9,001

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**STONE CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 637	\$ 650	\$ 13
Specific ownership tax	60	71	11
Interest income	100	-	(100)
Developer advance	60,000	42,869	(17,131)
TOTAL REVENUES	<u>60,797</u>	<u>43,590</u>	<u>(17,207)</u>
EXPENDITURES			
Accounting	15,000	12,555	2,445
Auditing	4,000	-	4,000
County Treasurer's fee	48	10	38
Dues and licenses	334	309	25
Insurance and bonds	2,700	2,242	458
District management	9,500	3,093	6,407
Legal services	25,000	60,382	(35,382)
Miscellaneous	500	272	228
Contingency	2,918	-	2,918
TOTAL EXPENDITURES	<u>60,000</u>	<u>78,863</u>	<u>(18,863)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	797	(35,273)	(36,070)
OTHER FINANCING SOURCES (USES)			
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	797	(35,273)	(36,070)
FUND BALANCES - BEGINNING	<u>293</u>	<u>(16,350)</u>	<u>(16,643)</u>
FUND BALANCES - ENDING	<u>\$ 1,090</u>	<u>\$ (51,623)</u>	<u>\$ (52,713)</u>

SUPPLEMENTARY INFORMATION

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**STONE CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 3,185	\$ 3,172	\$ (13)
Specific ownership tax	<u>250</u>	<u>346</u>	<u>96</u>
TOTAL REVENUES	<u>3,435</u>	<u>3,518</u>	<u>83</u>
EXPENDITURES			
County Treasurer's fee	-	46	(46)
Bond interest	<u>317,813</u>	<u>-</u>	<u>317,813</u>
TOTAL EXPENDITURES	<u>317,813</u>	<u>46</u>	<u>317,767</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(314,378)	3,472	317,850
OTHER FINANCING SOURCES (USES)			
Transfers from Capital Project Fund	<u>1,873,208</u>	<u>-</u>	<u>(1,873,208)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,873,208</u>	<u>-</u>	<u>(1,873,208)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,558,830	3,472	(1,555,358)
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,558,830</u>	<u>\$ 3,472</u>	<u>\$ (1,555,358)</u>

**STONE CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017**

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Bond issuance	\$ 6,780,000	\$ -	\$ (6,780,000)
Developer advance	<u>-</u>	<u>3,078</u>	<u>3,078</u>
TOTAL REVENUES	<u>6,780,000</u>	<u>3,078</u>	<u>(6,776,922)</u>
EXPENDITURES			
Bond issue costs	285,600	-	285,600
Engineering	-	14,184	(14,184)
Capital outlay	<u>4,621,192</u>	<u>-</u>	<u>4,621,192</u>
TOTAL EXPENDITURES	<u>4,906,792</u>	<u>14,184</u>	<u>4,892,608</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,873,208	(11,106)	(1,884,314)
OTHER FINANCING SOURCES (USES)			
Transfers to Debt Service Fund	<u>(1,873,208)</u>	<u>-</u>	<u>1,873,208</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,873,208)</u>	<u>-</u>	<u>1,873,208</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	(11,106)	(11,106)
FUND BALANCES - BEGINNING	<u>-</u>	<u>(3,078)</u>	<u>(3,078)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ (14,184)</u>	<u>\$ (14,184)</u>