

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CIELO METROPOLITAN DISTRICT (THE “DISTRICT”) HELD NOVEMBER 19, 2019

A Special Meeting of the Board of Directors of the Cielo Metropolitan District (referred to hereafter as the “Board”) was convened on Tuesday, the 19th day of November, 2019, at 1:00 p.m., at the offices of McGeady Becher, P.C. 450 East 17th Ave., Suite 400, Denver, CO. The meeting was open to the public.

Directors In Attendance Were:

Patrick Lyng
Shawnee Williams (via speakerphone)
Drew Bartok
Michael Pietschmann

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, Director Pietschmann was appointed acting Chairmain for this meeting.

Also In Attendance Was:

Lisa A. Johnson; Special District Management Services, Inc. (“SDMS”)

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

Brittany Superchi; CliftonLarsonAllen LLP

Mike Sanders; Choke Cherry Investments

Matthew Napier; Board Candidate

**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.

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ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson 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 Lyng, seconded by Director Pietschmann and, upon vote unanimously carried, the Agenda for the District's Special Meeting was approved, as presented.

Approval of Meeting Location: The Board entered into 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 Pietschmann and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's 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, date, time and location. The Board further noted that notice of this date, time and 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 the District's boundaries.

Minutes: The Board reviewed the Minutes of the May 29, 2019 Special Meeting.

Following discussion, upon motion duly made by Director Pietschmann, seconded by Director Lyng and, upon vote unanimously carried, the Board approved the Minutes of the May 29, 2019 Special Meeting.

Resignation of Director: The Board acknowledged the resignation of Director Jonathan Wayne, effective as of July 12, 2019.

Consideration of Board Appointment After Publication of Notice of Vacancy: It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was made on August 29, 2019. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

As such, following discussion and upon motion duly made by Director Lyng, seconded by Director Pietschmann to nominate Matthew Napier to fill the vacant Board term and, upon vote, unanimously carried, the Board appointed Matthew Napier to fill the vacancy on the Board of Directors. The Oath of Director was administered.

Resignation of Director: The Board acknowledged the resignation of Shawnee Williams from the Board of Directors, effective November 19, 2019.

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Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Matthew Napier
Treasurer	Michael Pietschmann
Secretary	Lisa A. Johnson
Assistant Secretary	Patrick Lyng
Assistant Secretary	Drew Bartok

Designation of 24-hour Posting Location: Upon motion duly made, seconded 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 at least 24 hours prior to each meeting on the District’s website and as an alternate posting location on Scott Ave, just east of Parker Road, in Douglas County.

Eligible Governmental Entity Agreement (“EGE”) with Statewide Internet Portal Authority of the State of Colorado (“SIPA”): Ms. Johnson discussed with the Board an EGE with SIPA.

Following discussion, upon motion duly made by Director Pietschmann, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved the EGE with SIPA.

Resolution No. 2019-11-01; Establishing 2020 Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 24-Hour Notices and District Website, if needed: The Board discussed Resolution No. 2019-11-01;; Establishing 2020 Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 24-Hour Notices and District Website, if needed.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-01; Resolution Establishing 2020 Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 24-Hour Notices. The Board determined to hold the 2020 regular meeting on November 17, 2020 at 1:00 P.M. at the offices of McGeady Becher P.C.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2020: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2020.

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Following discussion, The Board directed staff to post on the SDA Website.

McGeady Becher P.C. Document Retention Policy: Attorney Cortese presented to the Board an update with regard to the McGeady Becher P.C. Document Retention Policy. The Board approved the update and directed a copy of the approved updated McGeady Becher P.C. Document Retention Policy be attached to the Minutes for this meeting. Accordingly, a copy of the updated McGeady Becher P.C. Document Retention Policy is attached hereto and incorporated herein by reference.

FINANCIAL MATTERS

Schedule of Cash Position: Ms. Superchi presented the Board the schedule of cash position for the period ending December 31, 2018, updated as of November 18, 2019.

Following review and discussion, upon motion duly made by Director Pietschmann, seconded by Director Bartok and, upon vote, unanimously carried, the Board accepted the schedule of cash position for the period ending December 31, 2018, updated as of November 18, 2019, as presented.

Application for Exemption of Audit for 2019: The Board discussed the appointment of CliftonLarsonAllen LLP to prepare the Application for Exemption from Audit for 2019.

Following discussion, upon motion duly made by Director Pietschmann, seconded by Director Lyng and, upon vote, unanimously carried, the Board approved CliftonLarsonAllen LLP to prepare the Application for Exemption from Audit for 2019.

2020 Budget: The Board reviewed the appointment of District Accountant to prepare the 2020 Budget.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board ratified approval of the appointment of District Accountant to prepare the 2020 Budget.

2019 Budget Amendment Hearing: The Board opened the public hearing to consider the Resolution to Amend the 2019 Budget and discuss related issues.

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It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2019 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. There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, the Board determined that the amendment was not necessary.

2020 Budget Hearing: The Board opened the public hearing to consider the proposed 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of 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. There were no comments from the public in attendance and the public hearing was closed.

Ms. Superchi reviewed the estimated 2019 expenditures and the proposed 2020 expenditures with the Board.

Following discussion, the Board considered the adoption of Resolution No. 2019-11-02; Resolution to Adopt the 2020 Budget and Appropriate Sums of Money, and Resolution No. 2019-11-03; Resolution to Set Mill Levies, for the General Fund at 66.797 mills. Upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, subject to final assessed valuation, and 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, 2019. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government, not later than December 15, 2019. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2020. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

Resolution Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: Attorney Cortese presented to the Board Resolution No. 2019-11-04 Authorizing the Adjustment of the District Mill Levy in accordance with the Colorado Constitution, Article X, Section 3.

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Following discussion, upon motion duly made by Director Pietschmann, seconded by Director Lyng and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-04; Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached hereto 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 Pietschmann, 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.

2021 Budget: The Board discussed appointment of District Accountant to prepare the 2021 Budget.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the appointment of District Accountant to prepare the 2021 Budget.

LEGAL MATTERS

Resolution to Call the May 5, 2020 Regular Election: The Board discussed the upcoming election and Resolution No. 2019-11-05 to Call the May 5, 2020 Election.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Pietschmann and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-05 to Call the May 5, 2020 Election and appointed Lisa A. Johnson as the Designated Election Official and authorized her to perform all tasks required for the May 5, 2020 Regular Election of the Board of Directors for the conduct of a polling place/mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Clubhouse Funding, Construction, and Operations Agreement by and among Stone Creek Metropolitan District, Choke Cherry Investors, LLC, Forestar (USA) Real Estate Group, Inc. (“Forestar”), and the District (“IGA”): Attorney Cortese presented to the Board the Clubhouse Funding, Construction, and Operations Agreement by and among Stone Creek Metropolitan District, Choke Cherry Investors, LLC, Forestar (USA) Real Estate Group, Inc. and the District.

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Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the Clubhouse Funding, Construction, and Operations Agreement by and among Stone Creek Metropolitan District, Choke Cherry Investors, LLC, Forestar (USA) Real Estate Group, Inc. and the District.

Potential Service Plan Amendment: Attorney Cortese provided an update to the Board on a potential Service Plan Amendment.

Agreement Regarding School Park Facilities Construction Use and Maintenance by and among the District, Forestar, and Douglas County School District: Attorney Cortese updated the Board on the status of an Agreement Regarding School Park Facilities Construction Use and Maintenance, by and among the District, Forestar, and Douglas County School District. She noted that an agreement had been executed by all parties.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Pietschmann and, upon vote, unanimously carried, the Board accepted the Agreement regarding School Park Facilities Construction Use and Maintenance by and among the District, Forestar, and Douglas County School District.

30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract E; .05 acres): The Board discussed a 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract E; .05 acres).

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract E; .05 acres), subject to final review by Director Pietschmann.

30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract L; .02 acres): The Board discussed a 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract L; .02 acres).

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract L; .02 acres), subject to final review by Director Pietschmann.

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50-Foot Non-Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract N; .28 acres): The Board discussed a 50-Foot Non-Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract N; .28 acres).

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the 50-Foot Non-Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract N; .28 acres), subject to final review by Director Pietschmann.

30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract P; .27 acres): The Board discussed a 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract P; .27 acres).

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract P; .27 acres), subject to final review by Director Pietschmann.

30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract Q; .13 acres): The Board discussed a 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract Q; .13 acres).

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract Q; .13 acres), subject to final review by Director Pietschmann.

50-Foot Non-Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract Q; .96 acres): The Board discussed a 50-Foot Non-Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract Q; .96 acres).

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the 50-Foot Non-Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract Q; .96 acres), subject to final review by Director Pietschmann.

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30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract S; .33 acres): The Board discussed a 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract S; .33 acres).

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board approved the 30-Foot Exclusive Easement Agreement by and between the District and Parker Water and Sanitation District (Tract S; .33 acres), subject to final review by Director Pietschmann.

**COVENANT
ENFORCEMENT/
DESIGN REVIEW**

Community Manager’s Report: There was nothing new to report at this time.

**CONSTRUCTION/
CAPITAL
IMPROVEMENT
MATTERS**

District Construction Process: There were no updates to discuss at this time.

OTHER BUSINESS

There were no other business matters 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 *Lisa A. Johnson*
Secretary for the Meeting