

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CIELO METROPOLITAN DISTRICT (THE "DISTRICT") HELD MAY 29, 2019

A Special Meeting of the Board of Directors of the Cielo Metropolitan District (referred to hereafter as the "Board") was convened on Wednesday, the 29th day of May, 2019, at 12:00 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
Drew Bartok

Following discussion, upon motion duly made by Director Lyng, seconded by Director Williams and, upon vote, unanimously carried, the absences of Jonathan Wayne and Michael Pietschmann were excused.

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

Also In Attendance Was:

Lisa A. Johnson and Peggy Ripko; Special District Management Services, Inc. ("SDMS")

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

Gigi Pangindian; CliftonLarsonAllen LLP (via speakerphone)

John Maberry; Forestar (USA) Real Estate Group, Inc. ("Forestar")

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

**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

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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 Special Meeting.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Williams 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 Williams 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 February 27, 2019 Regular Meeting.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Williams and, upon vote unanimously carried, the Board approved the Minutes of the February 27, 2019 Regular Meeting.

FINANCIAL MATTERS

Schedule of Cash Position: There was no schedule of cash position available for presentation. Ms. Pangindian reported to the Board that \$867.77 is the balance in the First Bank Checking Account.

Signatories on the District Bank Account: The Board reviewed signatories on the District Bank Account.

Following review, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote, unanimously carried, the Board ratified approval of adding Directors Bartok, Pietschmann, and Wayne as signatories on the District bank account.

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Application for Exemption of Audit for 2018: The Board reviewed the preparation, execution and filing of the Application for Exemption from Audit for 2018.

Following review, upon motion duly made by Director Lyng, seconded by Director Williams and, upon vote, unanimously carried, the Board ratified approval of the preparation, execution and filing of the Application for Exemption from Audit for 2018.

LEGAL MATTERS

Clubhouse Funding, Construction, and Operations Agreement by and among Stone Creek Metropolitan District, Choke Cherry Investors, LLC, Forestar, and the District (“IGA”): Attorney Cortese presented the Clubhouse Funding, Construction, and Operations Agreement by and among Stone Creek Metropolitan District, Choke Cherry Investors, LLC, Forestar, and the District (“IGA”). The Board deferred action pending approval by Forestar.

Acknowledge Memorandum of Understanding by and between Douglas County School District and Forestar: The Board acknowledged the Memorandum of Understanding by and between Douglas County School District and Forestar.

Partial Assignment of Memorandum of Understanding by and between Forestar, and the District: The Board deferred discussion at this time.

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: Attorney Cortese updated the Board on the status of an Agreement Regarding School Park Facilities Construction Use and Maintenance, among the District, Forestar, and Douglas County School District.

COVENANT ENFORCEMENT/ DESIGN REVIEW

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

Covenants and Design Guidelines: Ms. Ripko was directed to provide the Stone Creek Metropolitan District Covenants, Conditions, and Restrictions and Design Guidelines to Mr. Maberry as a starting point for the preparation of similar documents for Cielo Metropolitan District.

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CONSTRUCTION/ CAPITAL IMPROVEMENT MATTERS

District Construction Process: It was noted that Forestar intends to construct the improvements for acquisition by the District.

Master Service Agreement (“MSA”) for District Engineering Services by and between the District and IDES: The Board discussed the MSA for District Engineering Services by and between the District and IDES.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote unanimously carried, the Board approved the MSA for District Engineering Services by and between the District and IDES.

Task Order No. 1 under the MSA for District Engineering Services with IDES for Initial Cost Certification: The Board discussed Task Order No. 1 under the MSA for District Engineering Services with IDES for Initial Cost Certification in the amount of \$6,000.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote unanimously carried, the Board approved Task Order No. 1 for District Engineering Services with IDES for Initial Cost Certification in the amount of \$6,000.

Task Order No. 2 under the MSA for District Engineering Services with IDES for Cost Certification Monthly Reports: The Board discussed Task Order No. 2 under the MSA for District Engineering Services with IDES for Cost Certification Monthly Reports in the amount of \$35,000.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote unanimously carried, the Board approved Task Order No. 2 for District Engineering Services with IDES for Cost Certification Monthly Reports in the amount of \$35,000.

Task Order No. 3 under the MSA for District Engineering Services with IDES for Infrastructure Acquisition Report: The Board discussed Task Order No. 3 under the MSA for District Engineering Services with IDES for Infrastructure Acquisition Report in the amount of \$5,000.

Following discussion, upon motion duly made by Director Lyng, seconded by Director Bartok and, upon vote unanimously carried, the Board approved Task Order No. 3 for District Engineering Services with IDES for Infrastructure Acquisition Report in the amount of \$5,000.

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OTHER BUSINESS

District Website: Ms. Johnson discussed with the Board the creation of a District Website.

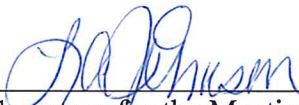
Following discussion, the Board directed Ms. Johnson to prepare an Eligible Governmental Entity Agreement by and between the District and the Statewide Internet Portal Authority of the state of Colorado (“SIPA”) for consideration at the next meeting.

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