

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF

OF

CUNDALL FARMS METROPOLITAN DISTRICT

Held: Wednesday, November 26, 2014, at 9:00 a.m. at 2154 E. Commons Ave., Suite 2000, Colorado 80122

Attendance

A regular meeting of the Board of Directors of Cundall Farms Metropolitan District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

Christopher Elliott
Corey Elliott
Mauricio Barbera

Directors Leighton O'Dell and Douglas Shelton were absent. All director absences are deemed excused unless a contrary notation is recorded in these minutes.

Also present were Clint C. Waldron, Esq., White Bear & Ankele Professional Corporation, District General Counsel; and Sarah Hunsche, CliftonLarsonAllen, District Accountant.

Call to Order

Director Corey Elliott called the meeting to order.

Declaration of Quorum/
Director Qualifications/
Reaffirmation of
Disclosures

Director Corey Elliott noted that a quorum of the Board was present and that the directors had confirmed their continuing qualification to serve.

Mr. Waldron advised the Board that, pursuant to Colorado law, individual directors are required to disclose any potential conflicts with the Secretary of State at least 72 hours in advance of meetings of the Board. The Board reviewed the agenda for the meeting, following which directors confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The disclosure certificates were reviewed by the directors and were ordered to be made part of the official minutes of the meeting.

The Board determined that participation by the Directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Approval of Agenda Mr. Waldron presented the proposed agenda to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the agenda.

Public Comment None.

Consent Agenda Mr. Waldron presented the items for consideration on the consent agenda to the Board for consideration. Mr. Waldron advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any Director. No items were requested removed from the consent agenda. Upon motion duly made and seconded, the following items on the consent agenda were unanimously approved and adopted:

- Minutes from the August 31, 2014 Meeting
- 2015 Annual Administrative Resolution
- 2013 Annual Report
- Quinquennial Report
- Updated Public Records Request Policy
- CliftonLarsonAllen Engagement letter for 2015 Accounting Services Claims Payable
- Third Quarterly Report – 2014 Bonds
- Consent to Covenants, Conditions and Restrictions for Trailside

District Operations

Insurance Matters The Board engaged in general discussion regarding the following:

Property and Liability Schedule and Limits
Crime Coverage/Fidelity Bond/Designated Agent Endorsement

Following discussion, no action was taken.

Consider Engagement of Deferred.
District Manager

Other District Operations None.

Legal Matters

Consider Approval of The Board reviewed the resolution imposing a general operations
Resolution Imposing a fee. Following discussion, upon motion duly made and seconded,
General Operations Fee the Board unanimously approved the resolution, as amended.

Consider Approval of The Board reviewed the collections resolution. Following
Collections Resolution discussion, upon motion duly made and seconded, the Board
unanimously approved the resolution.

Consider Approval of The Board reviewed the resolution regarding policies, procedures
Resolution Regarding and penalties. Following discussion, upon motion duly made and
Policies, Procedures and seconded, the Board unanimously approved the resolution.
Penalties for the
Enforcement of the
Governing Documents

Consider Approval of Deferred.
Operations Shortfall
Funding Agreement with
KB Home Colorado Inc.

Consider Approval of The Board reviewed the resolution regarding the District eligible
Resolution Regarding costs. Following discussion, upon motion duly made and
Acceptance of District seconded, the Board unanimously approved the resolution,
Eligible Costs, Approval of approved the Requisition No. 1, and authorized disbursement from
Execution of Requisition the 2014 Bonds Project Fund for Project Costs.
No. 1, and Authorize
Disbursement from the 2014
Bonds Project Fund for
Project Costs

Financial Matters

Review and Consider Ms. Hunsche presented the financial statements to the Board for
Acceptance of Financial consideration. Following discussion, upon motion duly made and
Statements seconded, the Board unanimously accepted the financials.

2014 Budget Amendment Director Corey Elliott opened the public hearing on the 2014
Hearing/Adoption of Budget Amendment. Mr. Waldron noted that notice of the public
Resolution Amending 2014 hearing was posted or published pursuant to Colorado law. After
Budget no public comment was made, the hearing was closed. Following
discussion, upon motion duly made and seconded, the Board
unanimously adopted the resolution amending the General Fund to
\$2,760,040, the Capital Project Fund to \$13,000,000, and the Debt
Service Fund to \$130,000.

2015 Budget Director Corey Elliott opened the public hearing on the 2015 budget.
Hearing/Adoption of Budget After no public comment was made, the hearing was closed. Mr.
Resolution Waldron noted that notice of the public hearing was posted or
published pursuant to Colorado law. Ms. Hunsche presented the
2015 budget to the Board for consideration. Following discussion,
upon motion duly made and seconded, the Board unanimously
approved the budget and budget resolution, certified a general fund
mill levy of 10.000 mills and a debt service mill levy of 50.000 mills
and appropriate funds as set forth in the budget.

Consider Auditor Proposals The Board reviewed the proposals for 2014 audit. Following
for 2014 Audit discussion, upon motion duly made and seconded, the Board

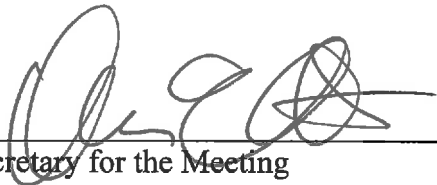
unanimously approved the proposal from Dazzio & Plutt, LLC in the amount of \$4,250.

Other Financial Matters None.

Other Business None.

Adjournment There being no further business to come before the Board and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.


Secretary for the Meeting

The foregoing minutes were approved on the 25th day of February, 2015.