

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

CUNDALL FARMS METROPOLITAN DISTRICT

Held: Wednesday, September 23, 2015, at 9:00 a.m. at 2154 E. Commons Ave., Suite 2000, Centennial, Colorado 80122

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Christopher Elliott
Corey Elliott
Mauricio Barbera

Director Douglas Shelton was 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 Tanaka & Waldron, District General Counsel; Sarah Hunsche, CliftonLarsonAllen, District Accountant; Scott Bristol, Stillwater Community Management; and Matt Janke, E5X Management.

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 conflicts of interest 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.

Consider Appointment of The Board noted that a vacancy existed on the Board and that Matt Janke/Administer Oath Janke had expressed interest in the position. Following discussion, a motion was made to appoint Matt Janke to the Board of Directors. The motion was seconded and approved unanimously. Director Matt Janke was administered the Oath of Office by Director Corey Elliott and elected to the positions of Assistant Secretary/Assistant Treasurer.

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 as amended.

Public Comment None.

Consent Agenda The Board reviewed the items on the consent agenda. 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. One item was requested to be removed from the consent agenda to legal matters. Upon motion duly made and seconded, the following items on the consent agenda were unanimously approved and adopted:

Approval of Minutes from the February 25, 2015 Meeting
Approval of Special District Disclosure Pursuant to § 32-1-809 C.R.S.
Ratification of 2014 Annual Report
Approve Claims Payable
Approval CliftonLarsonAllen Engagement Letter for 2016 Accounting Services
Approve Agency Fee Agreement

**District
Operations/Management**

District Manager's Report Mr. Bristol provided a general update regarding the District Manager's Report to the Board.

Property and Liability Schedule and Limits The Board engaged in general discussion regarding the property and liability schedule and limits.

Other District Management The Board discussed the following:

Documents to be added to the website
Snow removal on areas to be turned over to the District for maintenance
K.B. Home provided an updated on development, noting Central Park has been completed, and the trails and landscaping are ongoing.

Legal Matters

Consider Approval of 2016 Mr. Waldron presented the 2016 Annual Administrative Annual Administrative Resolution to the Board for consideration. Following discussion, Resolution upon motion duly made and seconded, the Board unanimously approved the resolution, as revised.

Consider Approval of Mr. Waldron presented the revised engagement letter of White Revised WBA Engagement Bear Ankele Tanaka & Waldron for consideration. Mr. Waldron Letter for General Counsel advised the Board that they consider having independent counsel Legal Services review the engagement letter. Following discussion, upon motion duly made and seconded, the Board unanimously approved the engagement letter with White Bear Ankele Tanaka & Waldron as District general counsel.

Consider Approval of The Board reviewed the revised Operations Shortfall Funding Revised Operations Agreement with K.B. Home Colorado, Inc. for consideration. Shortfall Funding Following discussion, upon motion duly made and seconded, the Agreement with K.B. Home Board unanimously approved the agreement, as revised, subject to Colorado, Inc. final review by K.B. Home Colorado, Inc. Director Barbera abstained from discussion and vote.

Consider Approval of The Board reviewed the Amended and Restated Resolution Amended and Restated Concerning Authorization for Approval of Contracts and Payment Resolution Concerning of Claims for consideration. Following discussion, upon motion Authorization for Approval duly made and seconded, the Board unanimously approved the of Contracts and Payment of resolution. Claims

Discuss Resolution The Board engaged in general discussion regarding the Resolution Adopting a Marijuana Adopting a Marijuana Policy. The Board determined to Policy incorporate the policy into Rules and Regulation covering the District Parks and open space.

Consider Approval of Mr. Waldron presented the Election Resolution to the Board for Election Resolution consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the resolution.

Approval Amended and The Board reviewed the Amended and Restated Resolution Restated Resolution Adopting and Approving a Collections Policy for consideration. Adopting and Approving a Following discussion, upon motion duly made and seconded, the Collections Policy Board unanimously approved the resolution.

Other Legal Matters None.

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.

2015 Budget Amendment Hearing/Adoption Resolution Amending 2015 Budget Director Corey Elliott opened the public hearing on the 2015 Budget Amendment. Mr. Waldron noted that notice of the public hearing was posted or published pursuant to Colorado law and that no comment had been received. After 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 Capital Project Fund to \$1,695,000.

2016 Budget Hearing/Adoption of Budget Resolution Director Corey Elliott opened the public hearing on the 2016 budget. After no public comment was made, the hearing was closed. Mr. Waldron noted that notice of the public hearing was posted or published pursuant to Colorado law. Ms. Hunsche presented the 2016 budget to the Board for consideration. Following discussion, upon motion duly made by Director Janke and seconded by Director Chris Elliott, 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 appropriated funds as set forth in the budget.

Consider Auditor Proposals for 2015 Audit The Board reviewed the proposals for 2015 audit. Following discussion, upon motion duly made and seconded, the Board unanimously approved the proposal from Dazzio & Plutt, LLC.

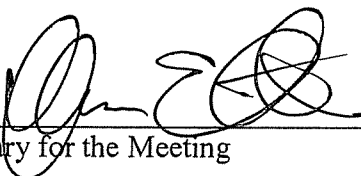
Discuss Subordinate Debt Issuance The Board engaged in general discussion regarding the subordinate debt issuance.

Other Financial Matters The Board noted that no lots have been preliminary accepted by the City, therefore the vacant lot fee has not yet been triggered.

Other Business None.

Adjourn 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 May, 2016.