

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

CUNDALL FARMS METROPOLITAN DISTRICT

Held: Wednesday, May 25, 2016, at 9:00 a.m. at 4500 E. Kentucky Avenue, Denver, CO 80246.

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
Matt Janke

Director Douglas Shelton and Mauricio Barbera 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 Tanaka & Waldron, District General Counsel; Sarah Hunsche, CliftonLarsonAllen, District Accountant; Scott Bristol, Stillwater Community Management; Bri Yonkers, Stillwater Community Management; and Kenneth Guckenburger; Kutak Rock, LLP.

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.

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.

Oath of Office

Director Corey Elliott administered the Oath of Office for Director Janke.

Approval of Minutes from the September 23, 2015 Meeting

Mr. Waldron presented the Minutes from the September 23, 2015 meeting for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the Minutes.

Public Comment

None.

Legal Matters

Consider Approval of First Amended and Restated Resolution Concerning the Imposition of an Operations Fee
Mr. Waldron presented the First Amended and Restated Resolution concerning the Imposition of Operations Fee to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the resolution.

Consider Approval and Ratification of Operations Agreement with KB Home Colorado Inc.
Mr. Waldron presented the Operations Shortfall Funding Agreement to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously ratified the agreement.

Approve Resolution Regarding Acceptance of District Eligible Costs
Mr. Waldron presented the Resolution Regarding Acceptance of District Eligible Costs to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the resolution subject to receipt of accountant's verifications.

Consider and Authorize Approval of Issuance of Limited Tax Subordinate General Obligation Series 2016, in a principal amount not to exceed \$2,100,000, approving, ratifying and confirming the execution of certain documents; making final determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions

Following discussion, upon motion duly made and seconded, the Board unanimously approved the resolution.

Acceptance of Consent Parties - \$6,835,000
Mr. Waldron presented the Consent of Consent Parties to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the consent.

Obligation (Limited Tax
Convertible to Unlimited
Tax) Bonds, Series 2014

Approval of Execution of Deferred.
Requisition No. 1, and
Authorize Disbursement
from the 2016 Subordinate
Bonds Project Fund for
Project Costs

Discuss Landmark Case and General Discussion.
SB-211

Operations

Other Operations

Mr. Bristol provided an update on landscape installation and fee collections to the Board. The Board engaged in general discussion regarding park rules and resolution and use policies.

Financial Matters

Review and Consider
Acceptance of Financial
Statements

Ms. Hunsche reviewed the March 31, 2016 financials for the Board. Following discussion, upon motion duly made and seconded, the Board unanimously accepted the March 31, 2016 financials.

Other Financial Matters

Ms. Hunsche presented claims payable, check nos. 1033-1056 in the amount of \$81,898.96, to the Board for review. Following discussion, upon motion duly made and seconded, the Board unanimously approved the claims payable.

Other Business

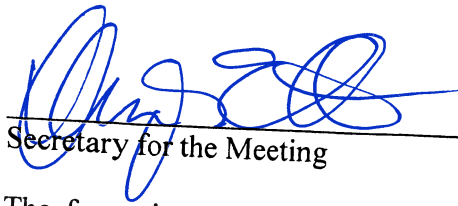
Approval of Mail Kiosk
Easement with KB Home
Colorado, LLC

Mr. Waldron presented the Mail Kiosk Easement to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the easement.

Meeting Continued to June
15, 2016 at 9:00 A.M. at
1801 California Street,
Suite 3000,
Denver, CO 80202

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 23rd day of June, 2016.