

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

CUNDALL FARMS METROPOLITAN DISTRICT

Held: Thursday, January 17, 2019, at 9:00 a.m., at 5061 E. 160th Avenue, Brighton, Colorado.

Attendance

The regular meeting of the Board of Directors for the Cundall Farms Metropolitan District was called and held in accordance with the applicable laws of the State of Colorado. The following Directors, having confirmed their qualification to serve, were in attendance:

Corey Elliott
David Scott
Christopher Elliott
Matt Janke

Mauricio Barbera was absent. All Director absences are excused unless otherwise stated.

Also present: Megan Murphy, Esq., White Bear Ankele Tanaka and Waldron, P.C., District General Counsel; Ben Houghton, CliftonLarsonAllen, LLC, District Accountant; Christi Whisner, Stillwater Community Management, District Manager; Adam Thompson, Metco Landscaping; and Rita Ruderman, KB Homes.

Call to Order

It was noted that a quorum of the Board was present and the meeting was called to order.

Declaration of Quorum/
Director
Qualifications/Reaffirmation
of Disclosures

Ms. Murphy advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Murphy reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Murphy inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

Ms. Murphy reviewed the Agenda with the Board. Following discussion, upon a motion duly made and seconded, the Board approved the Agenda as presented.

Public Comment

None.

Consent Agenda

Ms. Murphy presented the items on the consent agenda to the Board for consideration. Ms. Murphy advised the Board that any item may be removed from the consent agenda to the regular agenda upon request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved and adopted.

- Minutes from the November 1, 2018 Meeting
- Contract with Fiesta Time Inc. for Winter Festival
- Contract with LDUB Lights LLC for Holiday Lighting
- Contract with Yvonne Min Photography for Santa Photo Shoot
- Contract with Kiowa Creek for Winter Festival Carriage Rides
- Contract with Santa Steve Kringle
- Resolution Designating the District's 24-Hour Posting Location

Director Scott noted that the contract with LDUB Lights LLC states that storage of holiday lights is an additional charge. The Board engaged in a discussion regarding terminating the contract with LDUB Lights LLC. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the termination of the contract and directed Ms. Murphy to send a letter to LDUB terminating the contract and directing the holiday lights to be sent to Director Scott for storage.

Operations

District Manager's Report and Violations Report

Ms. Whisner presented the Board with the manager's report and violations report. It was noted that most violations are for trash cans. It was also noted that 10 design review requests for new closings have been submitted for backyard landscaping and that there have been 12 email communications to the community since November 1, 2018.

Discuss Collection Turnover Threshold for Past Due Accounts

Ms. Whisner informed the Board that the Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges (the "Resolution") provides that once the total amount of delinquent fees and charges exceeds \$400 the District Manager can refer the account to White Bear Ankele Tanaka & Waldron to begin legal proceedings. Following discussion, upon a motion duly made and seconded, the Board unanimously approved amending the Resolution to provide that once the total amount of delinquent fees

and charges exceeds \$120 the District Manager can refer the account to White Bear Ankele Tanaka & Waldron to begin legal proceedings.

Discuss Design Review Committee

Ms. Murphy informed the Board that the Covenants, Conditions and Restrictions for Trailside provide that KB Home Colorado Inc. has the power to appoint the Architectural Review Committee (“ARC”) until all of the homes are sold to the first owners thereof. Ms. Ruderman informed the Board that there are 4 homes left to be sold by KB in the community. Ms. Whisner noted that Ms. Ruderman has resigned from the ARC effective December 11, 2018. Ms. Whisner noted that 4 residents have applied for 3 positions on the ARC.

The Board expressed its support of Ms. Whisner to arranging interviews of the ARC applicants to be conducted by the ARC and possibly appointed by KB Home Colorado Inc.

Consider Appointment of Social Committee

Ms. Whisner noted that Ms. Pam Migliore and Ms. Amy Nelson have both resigned from the Social Committee and Ms. Theresa Johnson has applied for the Social Committee. It was also noted that the next event is in April, with a total of four events in 2019. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the appointment of Ms. Johnson to the Social Committee.

Ms. Whisner informed the Board that the Advisory Committee has drafted a rental agreement for the park which will be presented to the Board for review. The Advisory Committee is also looking for approval of a message board at the park, dog waste stations, and some landscape improvements that will be presented at the next meeting.

Other Operations Matters

Ms. Whisner informed the Board that Ms. Pam Migliore would like reimbursement of \$97 for additional decorations for the Winter Festival. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the reimbursement.

Ms. Whisner noted that she is getting bids to install outlets at the entrance for holiday lights to be presented at the next meeting.

Legal Matters

Consider Approval of First Amendment to Independent Contractor Agreement with Metco Landscaping Inc.

Mr. Thompson presented the Board with the First Amendment to Independent Contractor Agreement with Metco Landscaping Inc. for consideration. Mr. Thompson informed the Board that Metco will be providing common area maintenance and snow removal as tracts are transferred from KB Homes to the District.

Mr. Thompson noted that maintenance on tracts M, N, and D will be an additional \$10,000. The approximate total for 2019 landscaping maintenance if all tracts are turned over to the District will be \$79,000.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the first amendment, the change in the landscape contract budget to \$79,740, and the landscape improvements increasing by \$18,000.

Mr. Thompson presented the Board with the proposal for winter watering, turf mite spray, and pine beetle spray which totaled \$20,360. It was noted that tree replacement will cost between \$800-\$1,200 per tree. The Board discussed the proposal with Mr. Thompson. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the several items on the proposal up to \$18,000.

Other Legal Matters

None.

Financial Matters

Consider Acceptance and Approval of Unaudited Financial Statements and Claims Payable

Mr. Houghton reviewed the November 30, 2018 financial statements and the claims payable updated as of June with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the financial statements and ratified the claims payable.

Other Financial Matters

None.

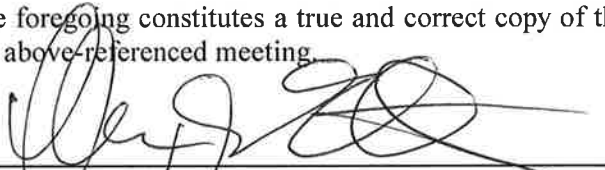
Other Business

None.

Adjournment

There being no other matters to come before the Board and following discussion and upon a motion duly made, seconded and unanimously carries, 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 by the Board of Directors at a special meeting on April 18, 2019.