

**AMENDED AND RESTATED JOINT RESOLUTION
OF THE BOARDS OF DIRECTORS OF
CORNERSTONE METROPOLITAN DISTRICT NO. 1 AND
CORNERSTONE METROPOLITAN DISTRICT NO. 2**

CONCERNING THE IMPOSITION OF DEVELOPMENT FEES

WHEREAS, Cornerstone Metropolitan District No. 1 and Cornerstone Metropolitan District No. 2, (collectively, the "Districts") were formed pursuant to C.R.S. §32-1-101 et seq., as amended, by order of the District Court in and for Ouray County, Colorado, and after approval of the eligible electors of the District at a regular held election on November 2, 2004, for the purpose of assisting in the financing and development of approximately 5,848 total acres, 1,575 of which lies in Montrose County, Colorado and the remaining 4,273 of which lies in Ouray County, Colorado; and

WHEREAS, on November 1, 2004, the Montrose County Board of County Commissioners and the Ouray County Board of County Commissioners approved the Consolidated Service Plan for Cornerstone Metropolitan Districts Nos. 1 and 2 (the "Service Plan") for the purpose of providing certain parameters for the financing and development of the Service Area; and

WHEREAS, at the organizational election of the Districts held on November 2, 2004, a majority of eligible electors in the Districts approved the Districts' issuance of indebtedness and imposition of ad valorem taxes, fees and other charges for the purpose of repaying such debt; and

WHEREAS, pursuant to Paragraph V. A. 5. of the Service Plan, the Districts are not authorized to issue "Debt" (defined below), impose a mill levy for the payment of such Debt, or impose and collect any fees used for the purpose of repayment of such Debt in advance of the approval of a final plat by Montrose County and Ouray County without obtaining written approval from Montrose County and Ouray County therefor; and

WHEREAS, on April 25, 2005, the Ouray County Board of County Commissioners adopted a resolution giving the Districts the authority to issue "Debt," defined in the Service Plan as "bonds or other obligations for which the Districts have promised to impose an ad valorem property tax mill levy, or other revenues in order to repay," in advance of final plat approval; and

WHEREAS, on February 6, 2006, the Montrose County Board of County Commissioners adopted a resolution giving the Districts the authority to issue Debt in advance of final plat approval; and

WHEREAS, pursuant to C.R.S. §32-1-1001(1)(j), the Districts are authorized to fix and impose fees, rates, tolls, charges, and penalties for services or facilities provided by the Districts which, until paid, shall constitute a perpetual lien on and against the property served, the revenues from which fees, rates, tolls, and charges may be pledged to the payment of any of the

Districts' Debt; and

WHEREAS, the Service Plan similarly empowers the Districts to impose fees, rates, tolls, charges, and penalties for services and facilities; and

WHEREAS, development is presently underway within the Districts and, as a result, the Districts have determined that there is an immediate need to commence the provision of infrastructure to serve such development, as contemplated by the Service Plan; and

WHEREAS, the Districts have determined that they do not have sufficient existing funding to provide such infrastructure; and

WHEREAS, the Districts have determined that such funding may be accomplished through the issuance of certain bonds by the Districts ("Bonds"); and

WHEREAS, in order to secure payment of Bonds necessary to fund such infrastructure, the Districts have the power and authority to impose fees, including but not limited to the "Development Fees" (as defined herein) upon property to be served by such infrastructure, and the Districts have determined that there is an immediate need to do so to fund the infrastructure in a timely manner; and

WHEREAS, the Districts have developed a plan of finance for the provision of infrastructure within their boundaries in a time frame sufficient to meet the needs of anticipated development, which plan anticipates the funding of such infrastructure through developer contributions and the issuance by the Districts of Bonds to be secured by certain ad valorem property taxes, specific ownership taxes, and the Development Fees imposed hereunder; and

WHEREAS, the Districts now desire to establish the Development Fees for all residential property located within the boundaries of Cornerstone Metropolitan District No. 2 ("District No. 2") for the specific purpose of funding infrastructure serving such property, which funding may include the payment of debt service on the Bonds; and

WHEREAS, the Districts have developed a structure for the imposition of Development Fees and have determined that such structure is sufficient to defray a portion of the costs of infrastructure in the development and that the resulting Development Fees are reasonably related to such costs, which Development Fee structure is based upon the cost of infrastructure to be provided to the development, the planned lot types within the development, and the relative use of such infrastructure by developable property within the Districts; and

WHEREAS, the Districts find that the Development Fees set forth herein are reasonably related to the services and facilities anticipated to be provided by the Districts, and that the issuance of the Bonds as described above constitutes a component of, and necessary step in, the provision of services and facilities serving the property subject to the Development Fees.

NOW THEREFORE, the Districts' Boards of Directors hereby RESOLVE as follows:

1. A one-time "Development Fee" is hereby established for all residential property located within the boundaries of District No. 2, as more particularly described in Exhibit A, attached hereto and incorporated herein by this reference, in the amount of \$26,000 per residential lot, commencing on December 15, 2010. The Development Fee shall become due and owing to District No. 2 on the date of the first sale of each residential lot located within the boundaries of District No. 2. The Development Fee is not established for, and shall not be collected from, any property within the Districts that is to be developed for non-residential purposes, such as the streets and roadways, golf course, clubhouse, and similar non-residential property.

2. Any Development Fee that is not paid in full when due shall be assessed a late fee of 5% per month, not to exceed 25% of the amount due, pursuant to C.R.S. §29-1-1102(3). Interest will also accrue on any outstanding Development Fee, exclusive of said assessed late fee, at the rate of 18% per annum, pursuant to C.R.S. §29-1-1102(7).

3. All fees contemplated herein shall, until paid, constitute a perpetual lien on and against the property served or to be served by any improvements provided by the Districts. All such liens shall be in a senior position as against all other liens of record affecting the property served or benefited, or to be served or benefited by improvements of the Districts and shall run with the property and remain in effect as to any portion of such property as to which the appropriate fee has not been paid. All liens contemplated herein may be foreclosed in any manner authorized by law at such time as the Districts may determine that Development Fees hereunder have not been paid as required.

4. The Districts may enter into agreements for the prepayment of Development Fees in order to permit property owners to avoid future increases in the Development Fee rate. The rate for such prepaid Development Fees shall be the rate of the then-current Development Fee at the time of prepayment rather than the rate in effect at the time a permit is obtained.

5. The Development Fee created hereunder is imposed by the Districts pursuant to C.R.S. § 32-1-1001(1)(j) for the purpose of furnishing public facilities serving properties within the Districts and is deemed by the Districts to be necessary in order to fulfill their governmental purposes.

6. All Development Fees, late fees, and penalty interest shall be paid to District No. 2 in immediately available funds. The Districts shall be entitled to charge the legal fees and expenses incurred in the collection effort to the owners of any such property for said collections efforts. Furthermore, the Districts hereby covenant that, in the event that the lien imposed hereby is purported to be extinguished as the result of any foreclosure proceeding, the Districts will reassert such lien as a perpetual lien until paid, authorized pursuant to C.R.S. §32-1-1001(1)(j)(I).

7. The Districts hereby covenant, for the benefit of the owners of property within their boundaries, that all proceeds of the Development Fees imposed hereunder will be used to defray the costs of infrastructure serving such property, including but not limited to paying debt service on, and other costs related to, the Bonds.

8. If any clause or provision of this resolution is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this resolution as a whole, but shall be severed herefrom, leaving the remaining terms intact and enforceable.

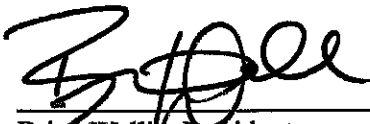
9. This resolution shall be recorded against the Districts' real property, in the Montrose County Clerk and Recorder's Office and the Ouray County Clerk and Recorder's Office, as appropriate.

10. This resolution shall supersede and replace in the entirety any and all prior resolutions concerning the imposition of development fees, but the Development Fee and lien to secure payments of the same as expressed in this resolution shall be deemed a continuation of the Development Fee and lien imposed in any prior resolutions.

[Signature page follows]


ADOPTED AND APPROVED this ___ day of November, 2010.

**CORNERSTONE METROPOLITAN
DISTRICT NO. 1**, a quasi-municipal corporation
and political subdivision of the State of Colorado



Brian Wallin, President

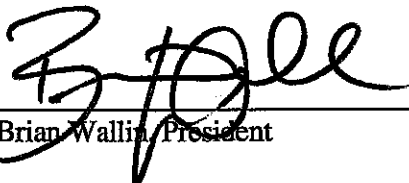
ATTEST:



Secretary

(SEAL)

**CORNERSTONE METROPOLITAN
DISTRICT NO. 2**, a quasi-municipal corporation
and political subdivision of the State of Colorado



Brian Wallin, President

ATTEST:



Secretary

(SEAL)

[Signature page to Amended and Restated Resolution Concerning the Imposition of Development Fees]

EXHIBIT A

Boundaries of District No. 2

LEGAL DESCRIPTION

CORNERSTONE METROPOLITAN DISTRICT NO. 2

BEGINNING at the section corner of Sections 1/2/11/12, a B.L.M. monument in place; thence N89°12'18"E along an existing fence line and the north section line of said Section 12 a distance of 2746.29' to the North 1/4 Corner of said Section 12, a rebar and cap (PLS 33645); thence continuing along said fence line and said north section line N89°1'31"E a distance of 2250.20' to a rebar and cap (PLS 33645) at a fence corner; thence leaving said section line and continuing along said fence line N66°24'02"E a distance of 493.30' to a rebar and cap (PLS 33645) at a fence corner; thence continuing along a north fence line N05°58'56"E a distance of 1070.01' to a rebar and cap (PLS 33645) at a fence corner; thence continuing along said fence line N88°48'42"E a distance of 1737.35' to a rebar and cap (PLS 33645) at a fence corner; thence N01°00'54"W a distance of 1294.89' to a rebar and cap (PLS 33645) at a fence corner; thence 581°04'47"E a distance of 903.00' to a rebar and cap (PLS 33645) at a fence corner; thence 560°08'08"E a distance of 130.18' to a rebar and cap (PLS 33645) at a fence corner; thence along a fence line S04°19'39"W a distance of 1282.06' to a rebar and cap (PLS 33645) at a point on an east/west fence line; thence 586°58'40"E a distance of 413.92' along said fence line to a rebar and cap (LS 12180); thence 581°02'03"E a distance of 871.67' to the SE 1/16 corner of said Section 6 monumented by a 20' witness corner to the north being a rebar and cap (LS 12180); thence S04°43'56"W a distance of 1344.40' to the E 1/16 a rebar and cap (LS 12180) of said Sections 6 et 7; thence S00046°04"W a distance of 528.13' to a rebar and cap (PLS 33645); thence N86°13'07"W a distance of 634.67' to a rebar and cap (PLS 33645); thence S11°53'52"W a distance of 256.30' to a rebar and cap (PLS 33645); thence S1S029°04"W a distance of 351.31' to a rebar and cap (PLS 33645); thence 554°21'59"W a distance of 144.69' to a rebar and cap (PLS 33645); thence S46°57'56"W a distance of 281.52' to a rebar and cap (PLS 33645); thence N87°17'31"W a distance of 594.59' to a rebar and cap (PLS 33645); thence N84°37'51"W a distance of 2144.88' to a rebar and cap (PLS 33645); thence 503°37'27"E a distance of 584.93' to a rebar and cap (PLS 33645); thence 509°11'20"W a distance of 726.69' to 1/4 Corner of said Sections 12 et 7 a B.L.M. brass cap; thence N89°24'32"W a distance of 110.06' to a rebar and cap (PLS 33645); thence 521°21'30"W a distance of 980.20' to a rebar and cap (PLS 33645); thence 506°56'25"E a distance of 864.70' to a rebar and cap (PLS 33645); thence N66°27'55"E a distance of 482.62' to a rebar and cap (PLS 33645); thence S00052°50"W a distance of 37.01' along the west section line of said Section 7 to the corner of said Sections 12/7/13/18 a rebar and cap (LS 24299); thence 586°44'20"E a distance of 1257.57' to a rebar and cap (PLS 33645); thence 500°35'14"E a distance of 1190.93' to a rebar and cap (PLS 33645); thence 84°52'43"E a distance of 1022.57' to a rebar and cap (PLS 33645); thence 505°02'47"E a distance of 1051.40' to a rebar and cap (PLS 33645); thence 588°43'38"E a distance of 1558.36' to a rebar and cap (PLS 33645) on the east 1/16 line of said section 18; thence along said east 1/16 line SW39°24"E a distance of 1742.89' to the SE 1/16 of said Section 18 a rebar and cap (LS 24299); thence N87°16'18"W a distance of 4037.75' to the 5 1/16 of said Sections 13 et 18 a rebar and cap (LS 24299); thence S89°37'13"W a distance of 2858.76' to the c-s 1/16 of said Section 13 a rebar and cap (LS 24299); thence 501°40"E a distance of 1342.78' to the 1/4 Corner of said Sections 13 et 24 a rebar and cap (PLS 33645); thence S01°13'00"W a distance of 3964.36' to the C-S 1/16 of said Section 24 a rebar and cap (PLS 33645); thence N89°38'39"W a distance of 1351.52' to the SW 1/16 of said Section 24 a rebar and cap (PLS 33645); thence S00033°38"W a distance of 1313.04' to the W 1/16 of said Sections 24 et 25 a rebar and cap (PLS 33645); thence S00006°47"W a distance of 3980.20' to the SW 1/16 of said Section 25 a rebar and cap (PLS 33645); thence N87°50'12"W a distance of 1347.93' to the 5 1/16 of said Sections 26 et 25 a rebar and cap (PLS 33645); thence S89°45'51"W a distance of 2671.04' to the c-s 1/16 of said Section 26 a rebar and cap (PLS 33645); thence N00°14'39"E a distance of 1330.02' to the Center 1/4 of said Section 26 a rebar and cap (PLS 33645); thence N89°53'45"W a distance of 2676.36' to the 1/4 Corner of said Sections 27 et 26 a rebar and cap (PLS 33645); thence S00019°27"W a distance of 2688.32' to the section corner of said Sections 27/26/34/35 an alum. cap (LS 25643); thence 501°07'57"E a distance of 1348.35' to the N 1/16 of said Section 34 a rebar and cap (LS 25643); thence N89°22'53"W a distance of 2673.32' to the CN 1/16 of said Section 34 a rebar and cap (LS 25643); thence N89°25'06"W a distance of 2684.77' to the N 1/16 of said Sections 33 et 34 a rebar and cap (LS 28652); thence 89°13'59"W a distance of 1336.08' to the NE 1/16 of said Section 33 a rebar and cap (LS 28652); thence N01°00'21"W a distance of 1338.34' to the E 1/16 of said Sections 28 et 33 a rebar and cap (LS 28652); thence along

the south section line of said Section 28 S89°53'16"W a distance of 1333.94' to the 1/4 Corner of said Sections 28 et 33 a B.L.M. alum. cap; thence N0009'26"E a distance of 4867.22' to a rebar and cap (LS 24299); thence along a fence line 589°38'22"E a distance of 2674.02' to a rebar and cap (LS 24299); thence along a fence line N0007'32"E a distance of 569.70' to the section corner of said Sections 21/22/28/27 a B.L.M. brass cap; thence along the north line of said Section 27 589°17'19"E a distance of 1341.78' to the W1/16 of said Sections 22 et 27 a rebar and cap (LS 3657); thence N0014'10"E a distance of 2665.49' to the CW 1/16 of said Section 22 a rebar and cap (LS 24299); thence N0012'02"E a distance of 2664.88' to the W1/16 of said Sections 15 et 22 a rebar and cap (LS 12180); thence N81r43'27"W a distance of 1298.03' to the Section Corner of said Sections 16/15/21/22 a B.L.M. brass cap; thence along the west line of said Section 15 N0007'57"E a distance of 1049.61' to a rebar and cap (LS 24299); thence S89°06'44"W a distance of 5365.46' to a point on the west line of said Section 16 a rebar and cap (LS 24299); thence along the west line of said Section 16 N02°34'32"E a distance of 285.52' to the 51/16 of said Section 16 a B.L.M. alum. cap; thence N89°08'03"E a distance of 5353.18' to 51/16 of said Sections 16 et 15 a rebar and cap (LS 12180); thence N79°50'58"E a distance of 16.58' to a rebar and cap (PLS 33645) located at the intersection of the north/south et west fences; thence NW15'35"W along the said north fence line a distance of 1330.65' to a rebar and cap (PLS 33645) at the intersection of the south et east fences; thence 588°32'09"E along said east fence line a distance of 5163.46' to a rebar and cap (PLS 33645) at an angle point in said east fence line; thence N86°15'56"E a distance of 1018.56' to a rebar and cap (PLS 33645) at an angle point in said east fence line; thence N4S09'SS"E a distance of 434.73' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence N01°26'22"E a distance of 2262.30' to a rebar and cap (PLS 33645) at the intersection of a south and east fence line; thence 589°43'35"E along said east fence line a distance of 3936.63' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence N44°09'34"E a distance of 103.34' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence N02°32'24"E along a north fence line distance of 2445.48' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence N05°26'45"E a distance of 2685.41' to section corner of said Sections 1/2/11/12; which is the point of beginning, having an area of 5848.237 acres MORE OR LESS.

ALSO

PROPERTY DESCRIPTION FOR THE HUMPRHIES PARCEL, A PARCEL OF LAND SITUATED IN SECTION 18, TOWNSHIP 46 NORTH, RANGE 9 WEST. NEW MEXICO PRINCIPAL MERIDIAN AND IN SECTION 13, TOWNSHIP 46 NORTH, RANGE 10 WEST. NEW MEXICO PRINCIPAL MERIDIAN, COUNTY OF OURAY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING at the section corner of Sections 13, 18, 24, et 19, a found stone monument in place; thence 589°20'16"W along south section line of said Section 13 a distance of 2794.47' to a rebar and cap (PLS 33645); thence leaving said south section line N01°40' "W a distance of 1342.78' to a rebar and cap (LS 24299); thence N89°37'13"E a distance of 2858.76' to a rebar and cap (LS 24299); thence 581°16'18"E a distance of 4037.75' to a rebar and cap (LS 24299); thence S02°SS'49"W a distance of 1322.33' to the south line of said section 18 a rebar and cap (PLS 33645); thence N8721'40"W along said section line a distance of 3995.10' to the section corner of said Sections 13, 18, 24, et 19 which is the point of beginning, having an area of 208.876 acres MORE OR LESS.