

**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 ROAD FEES, WATER FEES AND SEWER
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 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 District 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, 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 desire to authorize the establishment of Road Fees ("Road Fees") to fund the costs associated with the construction, operation and maintenance, and landscaping of the Districts' roads and the Districts' participation in off-site roads which District residents shall be entitled to use; and

WHEREAS, the Districts desire to authorize the establishment of Water Fees ("Water Fees") to fund the costs associated with the construction, operation and maintenance of the Districts' water lines; and

WHEREAS, the Districts desire to authorize the establishment of Sewer Fees ("Sewer

Fees,” collectively with the Road Fees and the Water Fees, the “Fees”) to fund the costs associated with the construction, operation and maintenance of the Districts’ sewer infrastructure; and

WHEREAS, at a Board of Directors meeting held on May 31, 2007, the Boards of the Districts discussed the Fees and have developed a structure for the imposition of the Fees and have determined that based upon the analysis at such meeting, such structure is sufficient to defray a portion of the costs of infrastructure in the development and that the resulting Fees are reasonably related to such costs, which 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 Board of Directors of the Districts adopted the Joint Resolution of the Boards of Directors of Cornerstone Metropolitan District No. 1 and Cornerstone Metropolitan District No. 2 Concerning the Imposition of Road Fees, Water Fees and Sewer Fees on May 31, 2007 (the “Joint Resolution”); and

WHEREAS, at a Board of Directors meeting held on October 23, 2007, the Boards of Directors determined to amend the Joint Resolution to clarify certain provisions relating to transfers for Certificates (as defined below); and

WHEREAS, the Districts desire to amend and restate the Joint Resolution in its entirety for the purpose of consolidating all understandings relating to such Fees into one document; and

WHEREAS, the Districts find that the Fees set forth herein are reasonably related to the services and facilities anticipated to be provided by the Districts.

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

1. ROAD FEE. A one-time “Road Fee” is hereby established for all lots, whether now or hereafter platted 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 \$5,000 per residential lot. The Road Fee shall become due and owing to District No. 1 not later than the date on which a building permit is obtained by the owner of a residential lot. The Road 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.

The Districts hereby acknowledge that in consideration and recognition of Cornerstone Montrose LLC’s (“Developer”) contributions to the Districts of roadway improvements for which it has not sought reimbursement, the Districts shall grant to the Developer a sum total of 50 Road Fee Certificates (“Certificates”) which shall evidence that the Road Fee has been paid as to those 50 Certificates. The Developer shall be permitted to transfer to any residential lot owner, a Certificate, and such Certificate shall be valid so long as the owner of such Certificate registers said Certificate with the Districts within 30 days of receipt, and such Certificate is then reissued by the Districts to the lot owner in his/her name. The lot owner may then transfer the Certificate one (1) time to a

subsequent purchaser of the same residential lot under the same transfer and registration procedures contemplated herein.

Each Certificate must be surrendered to the Districts upon submittal of an application for a building permit, and will be deemed null and void five (5) years after its initial issuance date, such issuance date to be the date upon which the Districts issued the Certificate to the Developer. Each Certificate shall be required to bear the name of the residential lot holder, a description of the applicable residential lot and the issuance and expiration dates. All Certificates are deemed null and void if they are not presented at the time of application of a building permit unless clear evidence is shown in the Districts' records that the building permit applicant is the registered owner.

The Districts hereby acknowledge the Developer's "Trade-Up Program" which allows residential lot owners, on certain conditions, to purchase equal or higher priced residential lots using their current residential lots as exchange value credit. Certificate holders who consummate Trade-Up Program transactions shall be freely permitted to transfer their Certificates for use in connection with their new residential lot. No Certificate shall be transferable to any party who is not contemplated herein, or have any cash or other value.

2. WATER FEE. A one-time "Water Fee" is hereby established for all residential property which anticipates connecting to the water lines built by or for the Districts, located within the boundaries of District No. 2, in the amount of \$7,500 per residential lot. The Water Fee shall become due and owing to District No. 1 not later than the date on which a building permit is obtained by the owner of a residential lot. If a residential lot initially does not anticipate connecting to the water lines within the Districts, and the Districts later determine that such lot shall be connected to the water lines, the Water Fee shall become due for that lot not later than the date of issuance of a building permit. All Water Fees shall be non-transferable.

3. SEWER FEE. A one-time "Sewer Fee" is hereby established for all residential property which anticipates connecting to the sewer lines built by or for the Districts, located within the boundaries of District No. 2, in the amount of \$7,500 per residential lot. The Sewer Fee shall become due and owing to District No. 1 not later than the date on which a building permit is obtained by the owner of a residential lot. If a residential lot initially does not anticipate connecting to the sewer lines within the Districts, and the Districts later determine that such lot shall be connected to the sewer lines, the Sewer Fee shall become due for that lot not later than the date of issuance of a building permit. All Sewer Fees shall be non-transferable.

4. INCREASES AND LATE FEES. The Fees contemplated herein shall be subject to a minimum 4% increase annually, beginning January 1, 2008, such increase to be determined at the discretion of the Districts. Any 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 Fee, exclusive of said assessed late fee, at the rate of 18% per annum, pursuant to C.R.S. §29-1-1102(7).

5. PURPOSE. The Fees created hereunder are 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 are deemed by the Districts to be necessary in order to fulfill their governmental

purposes.

6. PAYMENT. All Fees, late fees, and penalty interest shall be paid to District No. 1 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. MISCELLANEOUS. The Districts hereby covenant, for the benefit of the owners of property within their boundaries, that all proceeds of the Fees imposed hereunder will be used to defray the costs of infrastructure serving such property.

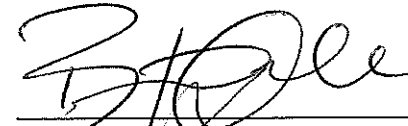
If any clause or provision of this Resolution is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Resolution as a whole, but shall be severed herefrom, leaving the remaining terms intact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

8. RECORDATION/RECORD KEEPING. The Districts hereby authorize and request the Districts' counsel to record a Memorandum of this Resolution against all property located within District No. 2 and to develop a method of providing releases when paid and/or evidence to a title company of satisfaction of all obligations contemplated herein for lot sale and closing purposes.

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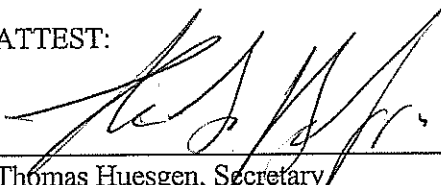
ADOPTED AND APPROVED this 23rd day of October, 2007.

**CORNERSTONE METROPOLITAN
DISTRICT NO. 1**



Brian Wallin, President


ATTEST:



Thomas Huesgen, Secretary

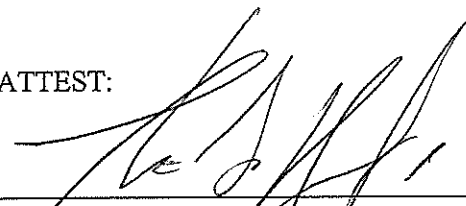
(SEAL)

**CORNERSTONE METROPOLITAN
DISTRICT NO. 2**



Brian Wallin, President

ATTEST:



Thomas Huesgen, Secretary

(SEAL)

EXHIBIT A

Boundaries of District No. 2

EXHIBIT A

DISTRICT #2

PROPERTY DESCRIPTION FOR THE CORNERSTONE MONTROSE LLC PARCEL, A PARCEL OF LAND SITUATED IN SECTIONS 6, 7 & 18, TOWNSHIP 46 NORTH, RANGE 9 WEST, NEW MEXICO PRINCIPAL MERIDIAN AND IN SECTIONS 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, 28, 33 & 34, TOWNSHIP 46 NORTH, RANGE 10 WEST, NEW MEXICO PRINCIPAL MERIDIAN, COUNTIES OF MONTROSE AND OURAY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

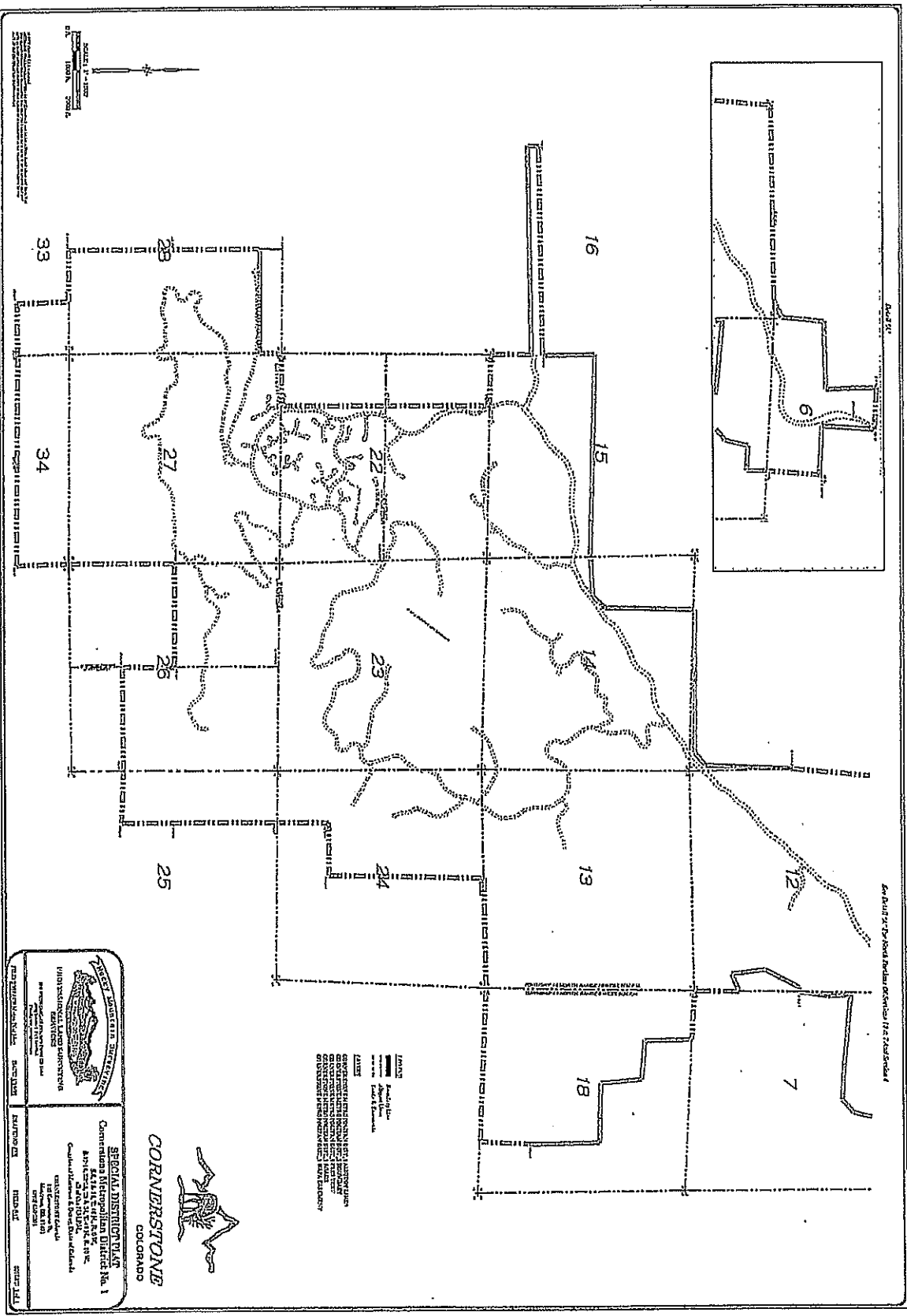
BEGINNING at the section corner of Sections 1/2/11/12, a B.L.M. monument in place; thence N89°12'18"E along an existing fence line and the north section line of said Section 12 a distance of 2746.29' to the North 1/4 Corner of said Section 12, a rebar and cap (PLS 33645); thence continuing along said fence line and said north section line N89°11'31"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°11'54"W a distance of 1294.89' to a rebar and cap (PLS 33645) at a fence corner; thence S87°04'47"E a distance of 903.00' to a rebar and cap (PLS 33645) at a fence corner; thence S60°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 S86°58'40"E a distance of 413.92' along said fence line to a rebar and cap (LS 12180); thence S87°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 (LS12180); 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 & 7; thence S00°46'04"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 S15°29'04"W a distance of 351.31' to a rebar and cap (PLS 33645); thence S54°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 S03°37'27"E a distance of 584.93' to a rebar and cap (PLS 33645); thence S09°11'20"W a distance of 726.69' to 1/4 Corner of said Sections 12 & 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 S27°21'30"W a distance of 980.20' to a rebar and cap (PLS 33645); thence S06°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 S00°52'50"W a distance of 1137.01' 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 S86°44'20"E a distance of 1257.57' to a rebar and cap (PLS 33645); thence S00°35'14"E a distance of 1190.93' to a rebar and cap (PLS 33645); thence S84°52'43"E a distance of 1022.57' to a rebar and cap (PLS 33645); thence S05°02'47"E a distance of 1051.40' to a rebar and cap (PLS 33645) thence S88°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 S00°39'24"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 S 1/16 of said Sections 13 & 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 S01°40'11"E a distance of 1342.78' to the 1/4 Corner of said Sections 13 & 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 S00°33'38"W a distance of 1313.04' to the W 1/16 of said Sections 24 & 25 a rebar and cap (PLS 33645); thence S00°06'47"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 S 1/16 of said Sections 26 & 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 & 26 a rebar and cap (PLS 33645); thence S00°19'27"W a distance of 2688.32' to the section corner of said Sections 27/26/34/35 an alum. cap (LS 25643); thence S01°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 & 34 a rebar and cap (LS 28652); thence S89°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 & 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 & 33 a B.L.M. alum. cap; thence N00°09'26"E a distance of 4867.22' to a rebar and cap (LS 24299); thence along a fence line S89°38'22"E a distance of 2674.02' to a rebar and cap (LS 24299); thence along a fence line N00°07'32"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 S89°17'19"E a distance of 1341.78' to the W1/16 of said Sections 22 & 27 a rebar and cap (LS 3657); thence N00°14'10"E a distance of 2665.49' to the CW 1/16 of said Section 22 a rebar and cap (LS 24299); thence N00°12'02"E a distance of 2664.88' to the W1/16 of said Sections 15 & 22 a rebar and cap (LS 12180); thence N88°43'27"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 N00°07'57"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 S1/16 of said Section 16 a B.L.M. alum. cap; thence N89°08'03"E a distance of 5353.18' to S1/16 of said Sections 16 & 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 & west fences; thence N00°15'35"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 & east fences; thence S88°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 fence line; thence N43°09'55"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 S89°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, & 19, a found stone monument in place; thence S89°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°40'11"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 (LS24299); thence S87°16'18"E a distance of 4037.75' to a rebar and cap (LS 24299); thence S02°55'49"W a distance of 1322.33' to the south line of said section 18 a rebar and cap (PLS 33645); thence N87°21'40"W along said section line a distance of 3995.10' to the section corner of said Sections 13, 18, 24, & 19 which is the point of beginning, having an area of 208.876 acres MORE OR LESS.



As built 27-29-2004 by [Name]