
RECORD OF PROCEEDINGS

Minutes of the Special Joint Meeting Of the Boards of Directors Cornerstone Metropolitan Districts No. 1 & No. 2 February 15, 2012

A Special Meeting of the Boards of Directors of the Cornerstone Metropolitan Districts No. 1 & No. 2, Montrose and Ouray Counties, Colorado, was held February 15, 2012 at the Cornerstone Colorado Club, 1000 Cornerstone Trail, Montrose, Ouray County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Brian Wallin
- Susan McIntosh
- Thomas Huesgen

The following Directors were absent and excused:

- Jill Huesgen
- Stephanie Wallin

Also in attendance via conference call were:

- Eric Weaver, Robertson & Marchetti, PC
- April Heredia, Robertson & Marchetti, PC
- Clint Waldron, White Bear & Ankele
- Gary White, White Bear & Ankele

Director Qualification The Directors in attendance confirmed their qualification to serve.

Call to Order The Special Joint Meeting of the Boards of Directors of Cornerstone Metropolitan Districts No. 1 & No. 2 was called to order by Chairman Wallin on February 15, 2012 at 2:00 p.m. noting a quorum was present.

Combined Meetings The Districts are meeting in a combined board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the action of Cornerstone Metropolitan District No. 1, with concurrence by Cornerstone Metropolitan District No. 2.

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Disclosure Matters

The Directors reviewed the agenda for the meeting, following which each Director confirming the contents of any written disclosure previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each director also confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Board noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts. Additionally, the Boards determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Boards to act.

Executive Session

Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4) (f) C.R.S. for the purpose of discussing personnel matters. The Board entered into executive session at 2:10 p.m. and adjourned the executive session at 2:50 p.m.

Independent Contractors

It was discussed that employees of the new developer and club are no longer being paid for their services by the new developer. The District has contracted with the Developer for these services in the past and to keep the personnel serving the needs of the District the Board directed independent contractor agreements be executed for the following: Tim Harrell, Boyd Blackburn, Teri Farmer, Louis Drake, and Land Management & Metro District Consulting, LLC. Upon a motion duly made and seconded, it was unanimously

RESOLVED to authorize the independent contractor agreements as described above, and

FURTHER RESOLVED to ratify payments made on February 10, 2012 to the same contractors.

Legal

The Board authorized Chairman Wallin to work with District counsel on issues and contracts to keep matters moving forward. Upon a motion duly made and seconded, it was unanimously

RESOLVED to authorize legal counsel and Chairman Wallin to proceed with matters which may arise between meetings.

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Continuation Upon a motion duly made and seconded, it was unanimously

RESOLVED to continue the Special Meeting of
Cornerstone Metropolitan Districts No. 1 & No. 2 Boards
of Directors to February 22, 2012 at 9 a.m.

Respectfully submitted,
/s/ Eric Weaver

Eric Weaver
Secretary for the meeting