

**Minutes of the Regular Meeting
Of the Board of Directors
Reserve Metropolitan District No. 2
April 19, 2016**

The Regular Meeting of the Board of Directors of the Reserve Metropolitan District No. 2, Gunnison County, Colorado, was held on April 19, 2016 at 12:00 noon at 318 Elk Ave. Ste. 24, Crested Butte, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Directors were present and acting:

Bob Orlinski
Peter Duke (via telephone)
Patty Duke (via telephone)

Also in attendance were:

Randy Livingston, Bailey & Peterson, PC (via telephone)
Jim Bailey, Bailey & Peterson, PC (via telephone)
Steve Thompson, Thompson Financial & Accounting Services LLC (via telephone)
Denise Devine, Attorney for Robert Orlinski (via telephone)
Tom Mullans, Mullans, Piersel & Reed, PC (via telephone)
Mary Miles, Assistant to Tom Mullans (via telephone)
Rob Harper, Toad Property Management, Inc.

Call to Order

The Regular Meeting of the Board of Directors of the Reserve Metropolitan District No. 2 was called to order at 12:04 pm at which time it was noted a quorum was present. Rob Harper said that the agenda was posted in three places on April 16, 2016.

Approval of Agenda

Bob Orlinski made a motion to move the Executive Session to the end of the meeting. Peter Duke seconded this motion and it was approved unanimously.

Public Comment

None

Consideration of Minutes

Bob Orlinski made a motion to approve the minutes of 3/15/16. Peter Duke seconded this motion and it was approved unanimously.

Presidents Report

Bob Orlinski reported that \$100,000 was received from RMD1. There is \$182,042 in the bank and there is \$34,413 in the Colorado Trust account \$365,013 in the Citiwide bank account. He said that it is not appropriate for him to be controlling the checkbook and the accounting and that he wishes to resign this duty. He thanked his fellow Board members for all of their work and made clear that he did not write any checks to himself in the last 4 years. He also commented that none of the Board members have been compensated as was voted on last year. Tom said that once the new Board is in place, there needs to be a Treasurer appointed. This person will be responsible for this to make sure funds are handled properly. Bob suggested that Steve Thompson could take over in the interim.

Financial Report

Steve Thompson will be sending the report for the end of March soon, after he receives the March statements. It was agreed that Toad Property Management will be authorized to get the mail from the Post Office for the District. There was a discussion regarding where statements are being sent and it was agreed that the hard-copy statements were all being sent to the P.O. Box.

Old Business

Tom said that Sam Sharpe had no positive response from the RFP for the loan. The history of the issues were the main reason that there was no support. Sam believes that the bond market will be different and he thinks the Board should begin the process to get a bond issue. Jim Bailey said that the difference between the loan lenders and the bond lenders is that there is a different set of rules to be followed by the different entities. Peter Duke made a motion to move forward with Davidson following up on the bond issue. This was seconded by Bob Orlinski and passed unanimously.

Randy said that part of the settlement was the \$100,000 due to RMD2 from RMD1 has been paid and that after the bond issue closes the additional monies will be forthcoming from the REDA funds.

Tom Mullans said that after the election Peter and Ed will be the only remaining Board members. He said that there will need to be a special Board meeting to appoint new members. This meeting will need to be before the next regular Board meeting.

New Business

None

Bob Orlinski made a motion to go into Executive Session at 12:39. Peter seconded the motion and it was approved to go into Executive Session to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators pursuant to §24-6-402(4)(e) C.R.S. (Ongoing litigation negotiations). Conference with an attorney for the District for the purpose of receiving legal advice on specific legal questions pursuant to §24-6-402(4)(b) C.R.S. (Ongoing litigation issues).

The meeting adjourned at 1:40 pm.

Respectfully Submitted
Rob Harper
Secretary for the Meeting