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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting Of the Board of Directors of Cornerstone Metropolitan District Nos. 1 & 2 April 22, 2019

A Joint Regular Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2 Montrose and Ouray Counties, Colorado, was held at 10:00 a.m. Monday, April 22, 2019 at 700 Birdsong Lane, Montrose, Colorado, in accordance with the applicable statutes of the State of Colorado.

### **Attendance**

The following Directors were present and acting:

- Marijo Ache - District No. 1 and No. 2
- Warren Ache - District No. 1 and No. 2
- Bill Fugazzi - District No. 1 and No. 2 (via phone)
- Pam Fugazzi - District No. 1 and No. 2 (via phone)
- Jason Stroehlein – District No. 1
- Ross Hauck – District No. 2

Also present or in attendance via phone as indicated were:

- Heather Hartung, White Bear Ankele Tanaka & Waldron - via phone
- Eric Weaver, Marchetti & Weaver, LLC – via phone
- Rick Gonzales, Marchetti & Weaver, LLC – via phone

### **Call to Order**

The Joint Regular Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Director Ache on April 22, 2019 at 10:03 a.m. noting a quorum was present for District Nos. 1 & 2.

### **Combined Meetings**

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of both Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

### **Disclosure**

Ms. Hartung reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Boards. Ms. Hartung inquired into whether members of the Boards 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 Boards 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

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Boards determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Boards to act.

**Public Comment** No public was in attendance.

**Agenda** The agenda was approved as written.

**Minutes** Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the minutes for the meeting held March 25, 2019 as presented.

**Legal Matters** Upon motion duly made and seconded it was unanimously

**RESOLVED**, to enter into executive session pursuant to C.R.S. §24-6-402, Conferences with an attorney for the board of directors for the purposes of receiving legal advice on legal questions related to the disposition of two properties acquired by deed in lieu of foreclosure.

The Board adjourned from executive session.

Director Fugazzi informed the Board that Cornerstone Acquisition Group (“CAG”) is moving toward a May 9, 2019 closing. Director Fugazzi will also contact the title company and have the properties at 499 and 599 Maverick taken off the existing title commitment. Once title issues are resolved for those properties they will be sold as part of a separate transaction.

Director Ache reported that there has been no new activity regarding the Gravel Permit that requires the Boards’ attention.

The Board then considered the Resolution Governing Commercial Vehicles on District Roadways. There was discussion related to various topics including 1) how to monitor and enforce restrictions; 2) posting signs to inform residents and general public of the restrictions; 3) potential weight limits and how calculated; 4) clarification that some roads are owned and maintained by the District and some are only maintained by the District and; 5) removing “bus” from the list of restricted vehicles and adding the word “passenger and/or property” to the definition of Commercial in the proposed resolution. Director Ache asked Mr. Weaver

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what other districts do related to approvals of exceptions to policy and Mr. Weaver informed the Boards that Marchetti & Weaver's office is often the party to approve. Mr. Weaver then informed the Boards that in this case help on the ground, i.e. a local presence would help, perhaps a board member. The Board then instructed Ms. Hartung to replace "District Manager" with "District Administrator" in the proposed resolution. The Boards took no action pending receipt and review of supporting detail, e.g. road construction specifications.

### **Operations**

Director Fugazzi informed the Board that the State has given written notification that the water system now has potable water status on an intermittent basis. Owners will be notified after the closing of the sale to CAG.

Director Stroehlein informed the Boards that a 10 inch valve to pond 4 had to be replaced. Because of the excavation required the estimated cost to replace will be between \$8,000 and \$10,000.

Director Stroehlein informed the Boards the beginning about a week prior to the meeting, after the new valve was installed, pumping to Pond 4 for future golf course irrigation was started. The objective is to pump water into Pond 4 until the water level reaches 25 feet which should be May 1.

Director Stroehlein informed the Boards that he will start the installation of new road signage, collect bids for ditch and road cleanup/scraping and begin to repack gravel on the roads.

The Boards discussed upgrading the main gate opener that would sense a bar code in a vehicle and automatically open the gate for that vehicle. Directors Fugazzi and Ache expresses support but the Boards determined not to make the upgrade until the sale to CAG is closed.

### **Financials**

Mr. Weaver presented the Accounts Receivable Report. The Board discussed the report but no action was taken.

Mr. Weaver then presented the Accounts Payable Report and upon motion duly made and seconded it was unanimously

**RESOVLED**, to approve the Accounts Payable Report as presented.

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**Next Meeting**            The next regularly scheduled meeting is Memorial Day. The Boards determined to cancel that meeting and hold a special meeting at 10:00AM, Monday, June 3, 2019 at 700 Birdsong Lane, the Ache residence.

**Adjournment**            There being no further business to come before the Board and upon motion duly made and seconded it was unanimously

**RESOLVED**, to adjourn the meeting.

Respectfully Submitted

Rick Gonzales  
Secretary to the meeting