
RECORD OF PROCEEDINGS

Minutes of the Joint Regular Meeting Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2 August 28, 2017

A Joint Regular Meeting of the Boards of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held at 10:00 a.m. Monday, August 28, 2017 at 700 Birdsong Lane, Montrose, Ouray County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Warren Ache - District No. 1 and No. 2
- Bill Fugazzi - District No. 1 and No. 2
- Marijo Ache - District No. 1 and No. 2
- Pam Fugazzi - District No. 1 and No. 2
- David Coker - District No. 1 and No. 2

Also in attendance were:

- Clint Waldron, White Bear Tanaka & Waldron (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 Fugazzi on August 28, 2017 at 10:00 a.m. noting a quorum was present.

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 Matters The Directors reviewed the agenda for the meeting, following which each Director confirmed 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 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 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 comment was offered.

Agenda No changes were made to the agenda.

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Minutes Upon motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes for the meeting held July 20, 2017 as submitted.

Legal Matters

Executive Session Upon motion duly made and seconded, it was unanimously

RESOLVED, to enter into Executive Session pursuant to C.R.S. §24-6-402(4)(a), for the purposes of discussing the potential sale of real property to a new developer and C.R.S. § 24-6-402(4)(e)(I), for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators regarding the same.

The Board then returned from executive session.

The Board considered the disposition of property donated by Thompson and directed Mr. Waldron to work with Daniel Gregory to update the lease purchase agreement drafted for the previous potential buyer as the intent and desire of the District is the same for any new potential buyer of the property.

Operations

Director Fugazzi informed the Board that the Cornerstone Owners Association has hired a golf course architect, golf course superintendent and maintenance foreman to begin work on renovation of the golf course and general deferred maintenance on the property.

Director Ache updated the Board on the status of the repair of the geothermal pumps in the clubhouse. The underlying cause of the malfunctioning pumps is deferred maintenance. One pump requires a minor rebuild of the engine, the other a major rebuild or replacement. Director Ache informed the Board of the estimated costs of a minor rebuild at \$1,000, a major rebuild at \$2,500 and handling at \$1,000. The cost of replacing the second pump is estimated at \$4,300. The Board determined to try the major rebuild vs replacement of the second pump.

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Mr. Waldron left the meeting at this time.

Director Ache informed the Board that he had checked on the status of the interior of the clubhouse and that better upkeep and maintenance is needed. Director Fugazzi reported that the intent of the Association hiring the maintenance foreman is to address maintenance issues such as this.

Director Coker reported that he is meeting with an individual about the front gate entry system and a possible upgrade and will report results of that meeting at the next board meeting.

Financials

Mr. Gonzales then presented the Accounts Receivable report. Following discussion of accounts the Board instructed Mr. Gonzales to contact legal counsel to identify the steps necessary and related expense to proceed with foreclosure proceedings for accounts that have older and/or larger balances due with the intent of foreclosing on those properties.

The Boards then reviewed the Accounts Payable report and upon motion duly made and seconded unanimously

RESOLVED, to approve the Accounts Payable Report as presented.

Next Meeting

The next meeting of the Districts was scheduled for 10:00 am Mountain Time, Thursday, September 28, 2017 at 700 Birdsong Lane, Montrose, Colorado.

Adjournment

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

RESOLVED, to adjourn the meeting.

Respectfully Submitted

Rick Gonzales
Secretary to the meeting