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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 September 23, 2019

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, September 23, 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
- Pam Fugazzi - District No. 1 and No. 2
- 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 Fugazzi on September 23, 2019 at 10:02 a.m. noting a quorum was present for Districts 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** Director Fugazzi proposed modifying the agenda to add discussion of the status of the gravel pit as an item under Legal and discussion of the new gate as an item under Operations. Upon motion duly made and seconded it was unanimously

**RESOLVED** to amend the agenda by adding discussion of the status of the proposed gravel pit as an item under Legal and discussion of the new front gate as an item under Operations.

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

**RESOLVED** to approve the minutes for the meeting held Aug 26, 2019 as presented.

**Legal Matters** Update on sale of 499 and 599 Maverick Lane. Ms. Hartung advised the Board that Legal counsel for the buyer is attempting to get the prior owners of these two properties to execute documents needed to avoid quiet title actions and that she is still waiting for an update.

Effluent discharge easement: Ms. Hartung presented the proposed Grant Of Easement And Agreement Pertaining To Discharge Of Effluent Into Pond No. 4. Following some discussion the Board instructed Ms. Hartung to forward the agreement to legal counsel for Cornerstone Acquisition Group (“CAG”).

The Board then discussed ownership of Cornerstone Trail and the Welcome Center. Ms. Hartung believes there may be an error in the County Assessor’s records as their records show Cornerstone Trail is owned by Cornerstone Owners Association but Cornerstone Trail is shown in a warranty deed as owned by the District. Following discussion, the Board directed Ms. Hartung to confirm ownership of Cornerstone Trail and the Welcome Center and to draft the documents necessary for the COA to be the owner of Cornerstone Trail and Welcome Center.

Ms. Hartung informed the Board that Spear no longer owns (the road) and

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that the new owner has been identified. Ms. Hartung will contact the new owner. Ms. Hartung informed the Board that if the Board wishes to convey the road to CAG then a new easement will be required as the old easement is non-transferrable.

Gravel Pit: Director Fugazzi reported to the Board that he was called by an individual building a house in the Mariposa subdivision and that the builder has written a letter to the State Bureau of Reclamation in opposition to [regarding?] the Gravel Pit. The Bureau acknowledged that the letter has been received within the allowable time for comments and has been forwarded to the gravel pit developer for comment. Director Fugazzi will send copies of the above referenced letter to Ms. Hartung and Mr. Gonzales.

Engineering Report. Mr. Weaver reported to the Board that he has not yet contacted COA or CAG

Ms. Hartung informed the Board that in researching road ownership at Cornerstone she discovered that the Road Easement Fee referenced in the Road Easement Agreement with Spear Colorado, LP was a 5 year fee and that the 5 years have expired resulting in the requirement that the Grantor and Grantee negotiate a 5 year road easement renewal fee. The Board directed Ms. Hartung's office to proceed with negotiating the fee renewal.

Ms. Hartung informed the Board that, regarding the Real Estate Purchase Contract with Cornerstone Acquisition Group LLC ("CAG") regarding 499 and 599 Maverick that Tom Kennedy, the attorney representing CAG in this matter will be asking the prior owners of the two subject properties to execute that appropriate and necessary documents to resolve the issues raised by the title insurance company in order to avoid additional costly title work. Director Stroehlein informed the Board that CAG is still interested in buying the two lots.

### Operations

Director Stroehlein discussed several lease purchase options for a tractor and implements necessary for snow removal. Following discussion and upon motion duly made a seconded it was unanimously\*

**RESOLVED** to authorize Director Stroehlein to pursue a lease purchase agreement with Kubota subject to acceptable terms.

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\*Director Stroehlein abstained from voting because of a potential conflict of interest.

Ms. Hartung requested to be copied on the related documents in order to avoid a multi-year obligation in violation of statutes.

New gate controller. Director Stroehlein informed the Board that the new bar code controlled gate opener has been installed and is functional. Barcode stickers will be provided to all current owners with gate operating instructions. There is currently a glitch with the keypad that will be fixed. Residents now have 4 methods of opening the front gate: 1) existing clickers; 2) new bar code sticker; 3) the keypad at the gate and 4) a mobile application. All 4 methods are independent of one another.

### **Financial**

Mr. Weaver presented the Accounts Receivable Report. The Board discussed collection of past due balances and instructed Marchetti & Weaver to send friendly reminders to those with past due balances reminding each owner that collection efforts are costly to the District and collection costs may be added to the owner's account. No further action was taken.

Mr. Weaver presented two Accounts Payable Reports to the Board. One report was the report dated August 26 inadvertently omitted from the board packet from the last meeting and the other dated September 26. Following a review by the Board and upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the Accounts Payable Reports dated August 26 and September 23 as presented.

The Board then discussed broad parameters for a 2020 preliminary budget.

**Next Meeting** The next regularly scheduled meeting date of October 28 poses attendance issues for a number of Board members. Accordingly the next regularly scheduled meeting is cancelled and a special meeting is scheduled for 10:00 A.M. Monday, November 4, 2019 at 700 Birdsong Lane. This meeting will also be the public hearing regarding the 2020 budget and amendment to the 2019 budget if necessary.

### **Adjournment**

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

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**RESOLVED**, to adjourn the meeting.

Respectfully Submitted  
Rick Gonzales  
Secretary to the meeting