
RECORD OF PROCEEDINGS

**Minutes of the Joint Special Meeting
Of the Boards of Directors
Cornerstone Metropolitan District Nos. 1 & 2
April 20, 2015**

A Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held **April 20, 2015** at the Ache Residence, 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. 2
- Pam Fugazzi- District No. 2
- David Coker- District No. 2

Also in attendance were:

- Clint Waldron, White Bear Ankele (via phone)
- Harvey Williamson, Harvey J Williamson, LLC (via phone)
- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)

Call to Order The Joint Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Chairman Fugazzi on April 20, 2015 at 10:03 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.

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- Public Comment** No public comment was offered.
- Agenda** The board agreed to move Legal Matter, item number 7 on the agenda to the first item immediately after approval of the minutes in consideration of the attending attorney's time.
- Minutes** Upon motion duly made and seconded it was unanimously

RESOLVED to approve the January 22, 2015 minutes.
- Legal** **Foreclosure Update:** Mr. Williamson gave a brief update on foreclosure proceedings and the projected timeline for anticipated events including filing for summary judgement. Following a lengthy discussion and upon a motion duly made and seconded, it was unanimously

RESOLVED to authorize Mr. Williamson to proceed with filing a motion for for summary judgement, such filing to include a request of the judge for a hearing regarding the sale of the property, and to delegate authority to act on behalf of the District regarding foreclosure matters to board member Warren Ache.

Ownership of Tax Liens: The board then discussed outstanding liens for unpaid property taxes and instructed Mr. Weaver to create a list of all outstanding tax liens for Cornerstone property parcel numbers.
- Operations** **Kuijvenhoven District Services Agreement:** Mr. Fugazzi informed the board that according to a conversation he had with Mr. Kuijvenhoven the District may be obligated by an agreement made with Hunt, the developer, to provide water to a cabin to be constructed by Mr. Kuijvenhoven on property not within the District's boundaries. Mr. Fugazzi will attempt to get a copy of the agreement but wanted the board to be aware.

Water Fee Structure: Three more electricity accounts with the San Miguel Power Association ("SMPA") have been converted from the demand rate fee structure to the general rate fee structure. Because of the elapsed time between the District's qualifying to come off of the demand rate structure until the time the change was made, the District requested the change be retroactive to the qualifying date. Mr. Ache is following up with the District's request that the change to the general rate structure be applied retroactively to the qualifying date.

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Financial Matters **Review and Acceptance of 2014 Audit Reports:** Mr. Weaver informed the board that the audit report is delayed and would not be ready for review and acceptance until the next board meeting.

March 2015 - Financial Statements: Mr. Weaver presented the preliminary March 2015 financial statements and upon motion duly made and seconded, it was unanimously

RESOLVED to accept the March 2015 preliminary financial statements.

Accounts Receivable: Mr. Weaver presented the Accounts Receivable report. The report is re-formatted to give additional detail regarding the status of collection procedures. After brief discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to accept the Accounts Receivable report.

Accounts Payable: Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable listing as presented.

Other Financial Matters: Mr. Weaver then asked the board if they would consider an alternative method of paying invoices through a financial institution. The process being considered, 'Dual Control Bill Pay' would require dual party participation for an invoice to be paid and would streamline the bill paying process resulting in cost savings to the District. The board is agreeable to consider the alternative and instructed Mr. Weaver to continue getting more information for the board to consider.

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 Joint Special meeting of Cornerstone Metropolitan District Nos. 1 & 2.

Respectfully Submitted
/s/ Rick Gonzales

Rick Gonzales
Secretary to the meeting