
RECORD OF PROCEEDINGS

Minutes of the Joint Special Meeting Of the Boards of Directors Cornerstone Metropolitan Districts Nos. 1 & 2 December 7, 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 10:00 a.m. Monday, December 7, 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. 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 Ankele Tanaka & Waldron (via phone)
- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)

Call to Order

The Joint Special Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Chairman Fugazzi on December 7, 2015 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.

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- Agenda** No changes were made to the agenda.
- Minutes** Upon motion duly made and seconded it was unanimously
RESOLVED to approve the minutes for the meeting held November 16, 2015 as presented.
- Legal Matters** 2016 Annual Administration Resolutions: Mr. Waldron reviewed the proposed resolutions and upon motion duly made and seconded, it was unanimously
RESOLVED to approve the 2016 Annual Administrative Resolutions for Districts Nos. 1 & 2 as presented.
- Election Resolutions Regarding May 3, 2016 Election: Mr. Waldron reviewed the proposed election resolutions and after discussion and upon motion duly made and seconded, it was unanimously
RESOLVED to approve the 2016 Elections Resolutions for Districts Nos. 1 & 2 as presented.
- Legal engagement letters: Mr. Waldron presented the legal engagement letters for District Nos. 1 & 2 and advised the Boards of their right to have independent legal counsel review the engagement letters. Upon motion duly made and seconded, it was unanimously
RESOLVED to approve the WBA Engagement Letters for Districts Nos. 1 & 2 as presented.
- Other legal matters: Director Fugazzi presented a proposed listing agreement with Land Advisors for the Cornerstone property for sale. The proposed agreement is specific to a single potential buyer. After discussion and upon motion duly made and seconded, it was unanimously
RESOLVED to approve the listing agreement with Land Advisors as proposed and direct Director Fugazzi to execute the agreement on behalf of the board.
- Operational** Turf care facility maintenance. Director Fugazzi reported to the board that

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Matters

no work to repair and/or replace damaged material of the turf care facility had been done even though previously approved by the Board. No work was done because feedback from prospective buyers has been that the facility would likely not be used in its' current state by a developer and would likely be torn down. After further discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to not do any repair work on the turf care facility and to void the check issued to start work and return the check to the accountants.

Financial Matters

Preliminary financial statements for October 31, 2015: Mr. Weaver presented the preliminary financial statements for the period ended October 31, 2015. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the preliminary financial statements for period ended October 31, 2015 as presented.

Public hearing to consider and adopt the 2016 Budget: The public hearing regarding the proposed 2016 budget, continued from the October 19 meeting and re-continued from the November 16 meeting, was reconvened. No public comment was offered and the hearing was closed.

Mr. Weaver reviewed the proposed 2016 budget with the board. Following discussion regarding the budget assumptions and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolutions to Adopt Budget, Appropriate Funds and Set Mill Levies for Tax Collection in 2016 as presented.

Fee Schedule: Mr. Weaver then presented the proposed 2016 fee schedule. Following discussion and review and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the proposed 2016 Fee Schedule.

Accounts Receivable: The Board reviewed the accounts receivable report. After extensive discussions and upon motion duly made and seconded, it was unanimously

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RESOLVED 1) to start foreclosure proceedings on liens filed on the following properties: Ouray County Block 13 – Lot 21; Block 13 – Lot 22; Block 12 – Lot 02; and, Block 10 – Lot 01; **2)** Start the process to file a lien and start foreclosure on liens filed as soon as possible on the following properties: Ouray County Block 13 – Lot 13; Block 22 – Lots 03 & 04 and, Block 5 – Lots 01-04 and, **3)** the board will accept a reasonable payment plan offered for the properties above in lieu of foreclosure as long as the accepted payment plan is adhered to.

Accounts Payable: Mr. Weaver presented the accounts payable report and upon motion duly made and seconded, it was unanimously

RESOLVED to approve accounts payable report as presented.

Audit Engagement Letters: Mr. Weaver then presented the audit engagement letters for Districts Nos. 1 & 2. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Chadwick, Steinkirchner, Davis & Co., P.C. audit engagement letters as presented for Districts Nos. 1 & 2.

Next Meeting The Board will hold its' next regularly scheduled meeting at 10:00 a.m. Monday, December 21, 2015. The meeting will be held at 929 Courthouse Peak Lane, Montrose, CO 81403.

Adjournment Upon a motion duly made and seconded the board unanimously

RESOLVED to adjourn the meeting.

Respectfully Submitted

Rick Gonzales
Secretary to the meeting