
RECORD OF PROCEEDINGS

Minutes of the Joint Special Meeting Of the Boards of Directors Cornerstone Metropolitan Districts Nos. 1 & 2 December 21, 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 21, 2015 at the Ache Residence, 929 Courthouse Peak Lane, Montrose, Montrose 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 21, 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 December 7, 2015, as revised.
- Legal Matters** The board discussed pursuing foreclosure on residential properties for which statements of lien have previously been filed but no payment plan has been entered into by the owner. As part of the discussion the board determined they would like to move forward with collection efforts and put liens in place for delinquent residential property accounts over \$750 past due, and foreclosure against the property subject to the Cornerstone Owners Association's lien and instructed Mr. Waldron to start the foreclosure process and to preserve the liens filed by the Association. Mr. Waldron advised the board that he would be working with Ms. Jamie Cotter to start the process. The properties specifically identified for foreclosure are:
- Ouray Block 13 Lot 02
 - Ouray Block 13 Lot 21
 - Ouray Block 13 Lot 22
 - Ouray Block 12 Lot 02
 - Montrose Block 04 Lot 20
 - Ouray Block 10 Lot 01
 - Ouray Block 13 Lot 13
 - Ouray Block 22 Lot 06
 - Ouray Block 22 Lot 03
 - Ouray Block 22 Lot 04
 - Ouray Block 05 Lot 01
 - Ouray Block 05 Lot 02
 - Ouray Block 05 Lot 03
 - Ouray Block 05 Lot 04
- Operational Matters** There was no update on operations.
- Financial** Public hearing to amend the 2015 Budget for Cornerstone Metropolitan

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Matters

No. 2: The public meeting to consider the 2015 Amended Budget for District 2 was convened. No public comment was offered and the hearing was closed.

Mr. Weaver explained that because more District 2 tax revenue for operations was collected than budgeted, District 2 had more funds available to transfer to District 1 which caused the transferred expenditures to exceed budget. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the resolution to amend the 2015 Budget for Cornerstone Metropolitan District No. 2.

Marchetti & Weaver engagement letters: Mr. Weaver then presented the Marchetti & Weaver engagement letters for administrative and accounting services, explaining that the major change was to begin providing Prepared financials instead of Compiled financials. Following discussion and review and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Marchetti & Weaver engagement letters as presented.

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 next regularly scheduled Board meeting is 10:00 a.m. Monday, January 25, 2016.

Adjournment

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

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RESOLVED to adjourn the meeting.

Respectfully Submitted

Rick Gonzales
Secretary to the meeting