
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors of Cornerstone Metropolitan District Nos. 1 & 2 August 24, 2020

A Special Meeting of the Board of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2 Montrose and Ouray Counties, Colorado, was held at 10:00 A.M. Monday, August 24, 2020. The meeting was held as a teleconference meeting in accordance with the applicable statutes of the State of Colorado, Public Health Order 20-23, and the state of emergency declared by the Governor of Colorado March 10, 2020.

Attendance

The following Directors were present and acting via teleconference:

- Marijo Ache - District No. 1 and No. 2
- Warren Ache - District No. 1 and No. 2
- Jason Stroehlein – District No. 1
- Ross Hauck – District No. 2

The following Directors were absent and excused:

- Bill Fugazzi - District No. 1 and No. 2
- Pam Fugazzi - District No. 1 and No. 2

Also present or in attendance via teleconference were:

- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Eric Weaver, Marchetti & Weaver, LLC
- Erin McCauley, Marchetti & Weaver, LLC

Call to Order

The Regular Meeting of the Board of Directors of Cornerstone Metropolitan Districts Nos. 1 & 2 was called to order by Director Ache on August 24, 2020 at 10:05 A.M. noting a quorum was present for both districts.

Combined Meetings

The Boards of Directors of the Districts Nos. 1 & 2 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 Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Hartung inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No

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additional disclosures were noted. The Board 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 Board determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Board to act.

Public Comment

Director Stroehlein inquired about the topic of relinquishing some Board seats to Cornerstone Acquisition Group representatives, clarifying that only vacated seats would be replaced. Director Ache stated the current seats are expected to be occupied until 2022 when the terms expire. He also requested the qualifications and potential conflicts of any candidates. Mr. Weaver reminded the Board that a proposal from CAG was expected to be presented at a future date, to include the number of desired seats, potential candidates and their qualifications. Director Stroehlein noted that CAG would be looking for Board control, however, it is uncertain which District that would apply to (District 1, District 2, or both). Director Ache requested Director Stroehlein to pass along to Mr. Aisner that the lack of transparency regarding potential Board candidates is concerning.

Director Stroehlein asked for an update on the status of discussions with Mr. John Kuijvenhoven, Director Ache noted he and Director Fugazzi will arrange to speak with Mr. Kuijvenhoven and provide an update to the Board.

Director Stroehlein discussed the issue of unapproved non-Cornerstone related contractors driving through the property to access and work on property outside of the development. Discussion was held regarding the process to notify these individuals; Ms. Hartung will review the complaint and determine if there was a violation of the rules. Director Stroehlein will provide Ms. Hartung with the necessary information.

Gate codes were discussed, they have not been changed since fall of 2019 and it is difficult to change these on a regular basis due to the challenges of communicating new codes.

Agenda

The Agenda was discussed and upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the agenda as presented.

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Minutes The minutes of the July 27, 2020 special meeting were reviewed. Director Ache noted one minor change. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes of the July 27, 2020 special meeting as amended.

Legal Ms. Hartung provided an update on the CAG payment plan, payments are on schedule at this time, the next payment plan payment is due September 1st. Ms. Hartung received information indicating that an update on the road easement agreement may be received before the next meeting. The closing of 499 and 599 Maverick was reviewed, the process went smoothly and there were no glitches.

Operations Director Stroehlein had nothing significant to report on the water and sewer operations, noting that pumping will continue through at least mid-September. The required amount will be put into the pond for freeze protection once pumping is done for the season.

Director Ache and Director Fugazzi were informed by Mr. Bartashius that the cooling unit in one of the pump stations has failed and is not repairable. The estimate for replacement of the compressor is between \$2k and \$3k, Director Ache will sign the proposal in order for the work to take place.

Director Stroehlein presented the various options from SealCo for asphalt repair and it was agreed that the best approach would be infrared patching for \$24.4k in conjunction with crack sealing for \$18k in the areas with less significant damage. Mr. Weaver noted that the budget for asphalt repairs is \$25k, so these repairs will exceed the budget by approximately (\$17.5k) but contingency funds and savings in other areas will offset.

Upon a motion duly made and seconded it was unanimously

RESOLVED to accept the proposal from SealCo to include infrared asphalt patching for \$24,480 and crack sealing for \$18,000.

It was confirmed that the vendor will require a 50% deposit to begin the repair work, Director Stroehlien will forward all documentation received

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to Ms. Hartung who will prepare an Independent Contractor Agreement to be forwarded to the vendor for signature.

The keypad and wired controller have been installed with no issues until recently, this is being investigated by Director Stroehlein, thought to be an issue with the gate. Discussion was held regarding the placement of the vehicle readers at the gate and the need for an updated camera system.

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

RESOLVED, to approve the accounts payable as presented.

Next Meeting The next regular meeting of the Board is scheduled for September 28, 2020, and is anticipated to be a telephonic meeting because of the conditions and restrictions related to the Covid-19 pandemic.

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 meeting.

Respectfully Submitted

Erin McCauley
Secretary to the meeting