
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 May 24, 2021

A Special 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, May 24, 2021. 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

The following Directors were absent:

- Ross Hauck - District No. 2

Also present or in attendance via teleconference were:

- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Ryan Bartashius, Cornerstone Metro District
- Bob Aisner, Cornerstone Acquisition Group
- Wendy Lawler Sisler, Cornerstone Property Owner
- Brian Wallin, Cornerstone Property Owner
- Eric Weaver, Marchetti & Weaver, LLC
- Erin McCauley, Marchetti & Weaver, LLC

Call to Order

The Meeting of the Boards of Directors of Cornerstone Metropolitan Districts Nos. 1 & 2 was called to order by Director Ache on May 24, 2021 at 10:04 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.

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 24, 2021 Meeting 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 Boards determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Boards to act.

Public Comment There was no public comment.

Agenda The Agenda was discussed and Ms. Hartung requested adding the acknowledgement of Ross Hauck's resignation from the Board of Directors, and Director Stroehlein requested adding billing of water for Coyote Pond and Dragonfly Pond to the agenda. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the agenda as amended.

Minutes The minutes of the April 26, 2021 special meeting were reviewed. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes of the April 26, 2021 special meeting.

Operations Director Stroehlein reported on several asphalt cracks which have widened during the winter, he will be contacting the vendor, SealCo, regarding warranty coverage and recommendations for repair.

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 24, 2021 Meeting Minutes

Amended Road Easement Agreement

Ms. Hartung provided an update on the First Amendment to the Road Easement Agreement. The landowner is seeking to address and resolve multiple issues, including the First Amendment to the Road Easement Agreement. The Districts directed Attorney Hartung to participate in the next scheduled conference call with the landowners' attorney, Cornerstone Acquisition Group and the Association.

Road and Tap Fees Payment Plan Update

Ms. Hartung gave an update on the payment plan which was prepared and has been signed. Any related collection files have been closed at this time.

Appointment of Board Members

The Board considered a request from Brian Wallin and Wendy Lawler Sisler to be appointed to the Boards of Directors of District No. 1 and No. 2. Ms. Hartung verified that both are qualified and have each completed the Affirmation. Upon motion duly made and seconded it was unanimously

RESOLVED, to appoint Brian Wallin and Wendy Lawler Sisler to the Boards of Directors of Cornerstone Metropolitan Districts No. 1 and No. 2. with Brian Wallin filling the term through 2022 and Wendy Lawler Sisler filling the term through 2023.

Director Warren Ache then administered the Oath of Office to Mr. Wallin and Ms. Lawler Sisler. It was noted that the new Directors will not be able to vote until the next Board meeting as the oaths have to be filed before becoming effective.

Resignation

Director Ross Hauck is under contract to sell his property and as such has submitted a letter of resignation from District No. 2 with an effective date of June 1, 2021. The Board recognized the resignation and commended Mr. Hauck for his service on the Board.

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 24, 2021 Meeting Minutes

Financials

Mr. Weaver reviewed the 2020 audits for both Districts noting that both received a clean or unqualified opinion. Upon a motion duly made and seconded it was unanimously

RESOLVED to accept the 2020 audits for Cornerstone Metro District Nos. 1 & 2, subject to legal review.

Mr. Weaver reviewed the Accounts Payable and Accounts Receivable reports. At this time, the Accounts Receivable consists of Road and Tap Fees, for which a payment plan has been put in place. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Accounts Payable and Accounts Receivable.

Director Stroehlein asked for clarification on the water billing rates for Coyote Pond and Dragonfly Pond. Mr. Weaver noted that the ponds are billed the same and in conjunction with the golf course in the two-tier structure based on total consumption up to and after 15 million gallons per irrigation year. Discussion was held on water rates and the related impact to the District's financials.

Next Meeting

The next meeting of the Boards is scheduled for June 28, 2021, 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 Boards and upon motion duly made and seconded it was unanimously

RESOLVED, to adjourn the meeting.

Respectfully Submitted

Erin McCauley
Secretary to the meeting