
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 October 25, 2021

A Regular 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, October 25, 2021. The meeting was held as a teleconference.

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
- Wendy Lawler Sisler - District No. 1 and No. 2
- Brian Wallin - District No. 1 and No. 2

The following Director was absent and excused:

- Jason Stroehlein – District No. 1

Also present or in attendance via teleconference were:

- Bob Aisner, Cornerstone Acquisition Group
- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Ryan Bartashius, Cornerstone Metropolitan District
- 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 Wallin on October 25, 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.

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

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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 at this time.

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

RESOLVED to approve the agenda as presented.

Minutes The minutes of the September 28, 2021 special meeting were reviewed. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes of the September 28, 2021 special meeting.

Operations Mr. Bartashius provided an update on operations, routine winter preparations are underway, new water meters at the Pondsides Lane locations have been installed as well as parts on order for a 2" tap near the entrance gate for future use.

Director Wallin proposed upgrades to the main gate entry system and components. Upon a motion duly made and seconded, it was unanimously

RESOLVED, to approve the gate system upgrades and send payment for a 50% deposit on the project.

Mr. Bartashius exited the meeting at this time.

Discussion was held regarding asphalt crack sealing; a bid has been received and a date for the work is still to be determined.

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Legal

Director Wallin and Director Stroehlein met with the interested parties regarding the road easement agreement and a tentative agreement has been made for them to allow the District the Easement, in exchange for limited access rights. The limitations are tied to a certain number of homes (in the range of 27), and number of Eldred adjoining properties. A road use permit would be required as well as any standard road fees. A letter of intent has been created by Tom Kennedy on behalf of his clients, the Cornerstone Acquisition Group and Cornerstone Owners Association, and has been sent to Bob Thomas.

The 2022 Joint Annual Administrative Resolution was reviewed by Ms. Hartung, upon a motion duly made and seconded it was unanimously

RESOLVED to approve the 2022 Joint Annual Administrative Resolution.

Ms. Hartung presented the Joint Resolution of Boards of Directors Calling Election – Cornerstone Metropolitan District Nos. 1 & 2, for the May 3, 2022 election. Three terms will be up for election at that time. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Joint Resolution of Boards of Directors Calling Election – Cornerstone Metropolitan Districts Nos. 1 & 2 as presented.

Ms. Hartung presented information regarding the call for nominations which will include, 1) Email to property owners and residents in the community based on an email list provided by the County, 2) Mail the information if an email address is not available, and 3) Post the information on the District website. Montrose and Ouray counties will provide a voter registration list by December 4, 2021 to be used for the above notifications.

Financials & 2022 Budget Hearing

Mr. Weaver provided a review of 2021 Financials and the Proposed 2022 Budget for Districts 1 & 2. Funds in ColoTrust will be used to make a partial interest payment on the Series A bonds on December 1st. A significant balance in property taxes receivable from both counties exists as twenty properties have not had the taxes paid. Assessed valuations

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increased from \$4.5MM in 2021 to \$5.4MM in 2022. It is proposed to keep the mill levy the same in 2022. It is not anticipated at this time that a 2021 budget amendment will be necessary for District No. 1. Mr. Weaver reviewed the proposed fee schedule for 2022, noting that final rate information from Tri-County Water is not yet available, however, at this time, a 5% increase in water and sewer rates is proposed.

The 2022 preliminary budget was distributed with the Board packet and made available to the public. Mr. Weaver opened the public hearings on the 2022 Budgets and 2021 Budget Amendment and hearing no comments the hearings were continued to the next meeting on November 22, 2021 at 10:00am.

Bob Aisner exited the meeting at this time.

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

RESOLVED to approve the Accounts Payable report as presented.

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