
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 November 22, 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, November 22, 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. 23.
- 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
- 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 November 22, 2021 at 10:06 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 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

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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 Mr. Aisner noted that Cornerstone Acquisition Group (CAG) has received an invoice from Tom Kennedy that includes charges related to the road easement. The District will reimburse CAG for a portion of these charges.

Director Wallin had discussions with Steve White of Montrose County regarding the maintenance of Dave Wood Road and the agreement that is in place with the District and the County. Crack sealing recently took place and according to the agreement the District is responsible for a percentage of those costs. Further discussions will take place, no figures have been received at this time.

Mr. Aisner provided an update on the sale of Cabin 1; a lien with Hunt needs to be cleared up and as a result the closing has been delayed until approximately the 10th of December, 2021.

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 October 25, 2021 special meeting were reviewed. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes of the October 25, 2021 special meeting.

Operations Director Stroehlein provided an update on operations. An extension has been granted from Colorado Department of Public Health and Environment due to the fact that Wright Water Engineering will not have their information ready to submit by the previously set deadline. Related to this project, a structure will be required at pump station 5. This will allow for chemical containment and climate control. Director Stroehlein estimates this could be completed in house for under \$20,000.

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Asphalt sealing continues to be delayed due to labor shortages with the contractor.

Legal

Ms. Hartung's office received a copy of the letter of intent from Tom Kennedy's office regarding the Road Easement Agreement. The letter of intent lists the Grantee as the Cornerstone Owners Association and the Districts as Authorized User along with the other Cornerstone parties. The Boards discussed this arrangement and agreed that the Grantee should be listed as the Cornerstone Owners Association and the Districts as Authorized Users.

The payment plan which is currently in place for the road, water and sewer tap fees for the Cabins has been amended to include the remaining cabins five through seven. This will be sent to Tom Kennedy to sign.

Financials & 2022 Budget Hearing

Mr. Weaver provided a review of 2021 Financials and the Proposed 2022 Budget for Districts 1 & 2. All of the Montrose County tax liens sold at tax lien sale and funds were received. The Ouray County tax lien sale took place November 1st and the District has been told that all liens sold, with the exception of the large tax lien outstanding from last year. Mr. Aisner informed the Board that this tax lien will be paid by CAG prior to the end of the year.

Bob Aisner exited the meeting at this time.

Mr. Weaver provided a review of water rates, Tri-County is increasing water rates by \$0.25 per 1,000 gallons in 2022, this is built into the budget and fee schedule.

Additional revenue in 2021 and increased water expenses will require an amendment to the 2021 budget for District No. 1.

Mr. Weaver re-opened the public hearing on the 2022 Budget and 2021 Budget Amendment and receiving no comments the hearing was closed.

Upon motion duly made and seconded it was unanimously

RESOLVED, to approve the Cornerstone Metropolitan District

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No. 1 Resolution To Amend The 2021 Budget.

The Boards then considered the 2022 budget and upon motion duly made and seconded unanimously

RESOLVED, to approve Resolutions of Cornerstone Metropolitan District Nos. 1 and 2 To Adopt 2022 Budget as amended, Set Mill Levies and Appropriate Sums of Money.

Mr. Weaver then presented the fee schedule for 2022. Upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the 2022 Fee Schedule as presented.

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