
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 August 22, 2022

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, August 22, 2022. 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 (Joined the meeting at approximately 10:15 am and left the meeting at approximately 10:50 am)
- Brian Wallin - District No. 1 and No. 2
- Jason Stroehlein – District No. 1

Also present or in attendance via teleconference were:

- Bob Aisner, Cornerstone Acquisition Group
- Ryan Bartashius, Cornerstone Metropolitan District
- 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 August 22, 2022 at 10:03 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

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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 reviewed and upon a motion duly made and seconded it was unanimously

RESOLVED to approve the agenda as presented.

Minutes The minutes of the July 25, 2022 regular meeting were reviewed, upon a motion duly made and seconded it was unanimously

RESOLVED to approve the minutes of the July 25, 2022 regular meeting.

**Water and Sewer
Operations**

Director Stroehlein reported that pumping to the ponds stopped Thursday August 18th and expects to be done for the year. He also reported that the road shoulders are in good condition after the recent rains, no gravel washout has taken place and managing vegetation will help with the strength of the roadsides. Mr. Bartashius noted minor leaks have been detected in the water system and things are functioning well otherwise and winter preparations will begin soon.

Director Wallin described the storm drainage between cabins 6 and 7, noting heavy water flow above ground that may potentially affect the cabin structures. In-ground drainage with an 18-24” pipe is recommended, the engineers report will be shared at the next District meeting.

The Project Manual for the Chloramine Booster and Tank Mixer Project has been drafted and is expected to be finalized by the end of August,

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along with the Invitation to Bid. The Manual will be shared with the Board for review before the Invitation to Bid is published.

Legal

Ms. Hartung provided history on how open space parcel 9c became District property as part of the Thompson agreement. It was confirmed the District insurance does cover this open space parcel. The Board discussed the possibility of the District transferring the parcel to the Cornerstone Owners Association and what the related process would be as well as the potential fair market value of the parcel. Ms. Hartung will research the necessary process to transfer the parcel to the Association.

At the last District meeting the Board discussed obtaining Special Counsel to review the 2004 District Facilities Construction and Service Agreement. Director Wallin proposed tabling the topic for the time being and the Board agreed.

Ms. Hartung updated the Board on the status of Letter of Understanding Regarding the Road Easement Agreement. Insurance coverage was obtained by Cornerstone Owners Association per the request which fulfills that particular obligation. No additional response has been received at this time. A traffic study is currently being completed and is anticipated to take approximately one month.

Financials

Ms. McCauley described the necessary updates to the bank account signers at Alpine bank and the access and user roles for each. A summary of the changes which was sent to Alpine Bank was included in the packet. Upon a motion duly made the seconded it was unanimously

RESOLVED to approve the presented bank account updates and permissions.

Mr. Weaver gave an overview of the Family and Medical Leave Insurance Program (FAMLI) which will require the District to either elect to participate in the program, or decline participation. More information will be presented at the next meeting. No action was taken at this time.

Mr. Aisner updated the Board on the construction status of the cabins; cabin 7 will be completed in 2023 and no plans beyond cabin 7 are in place currently.

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Accounts Payable

Accounts Receivable Mr. Weaver presented the Accounts Payable and Accounts Receivable reports, upon motion duly made and seconded it was unanimously

RESOLVED to approve the Accounts Payable and Accounts Receivable reports.

Board Vacancy

Director Ache informed the Boards that there may be new owners meeting the requirements to be on the Board of District No. 2 to fill the current vacancy. The next election will be in May of 2023.

Meeting Dates

Meeting schedules for the remainder of 2022 and 2023 were discussed. Meetings in 2023 are proposed for the fourth Monday of January, March, May, July, September and October. Ms. Hartung will include these dates in the Annual Administrative Resolution.

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