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# RECORD OF PROCEEDINGS

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## Minutes of the Joint Special Meeting Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2 May 23, 2016

A Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held 10:00 a.m. Monday, May 23, 2016 at the Ache Residence, 700 Birdsong Lane, Montrose, Ouray County, Colorado, in accordance with the applicable statutes of the State of Colorado.

### **Attendance**

The following Directors were present and acting:

- Warren Ache - District No. 1 and No. 2
- Bill Fugazzi - District No. 1 and No. 2
- Marijo Ache - District No. 1 and No. 2
- Pam Fugazzi - District No. 1 and No. 2
- David Coker - District No. 1 and No. 2

Also in attendance were:

- Clint Waldron, Esq., White Bear Ankele Tanaka & Waldron (via phone)
- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)

### **Call to Order**

The Joint Special Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Chairman Fugazzi on May 23, 2016 at 10:00 a.m. noting a quorum was present.

### **Combined Meetings**

The Boards of Directors of the Districts 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 Matters**

The Directors reviewed the agenda for the meeting, following which each Director confirmed the contents of any written disclosure previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each director also confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. 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**

No public comment was offered.

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## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 May 23, 2016 Meeting Minutes

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**Agenda** No changes were made to the agenda.

**Minutes** Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the minutes for the meeting held April 25, 2016 with the Next Meeting Date amended to reflect the date of the 23<sup>rd</sup> and not the 24<sup>th</sup>.

**Legal Matters** Oaths of Office: The Oath of Office was administered by Board President Fugazzi to Bill Fugazzi for Districts 1 and 2, Pam Fugazzi for District 1, Marijo Ache for Districts 1 and 2, and David Coker for District 1.

**Executive Session** Upon motion duly made and seconded, it was unanimously

**RESOLVED**, to enter into Executive Session pursuant to C.R.S. §24-6-402(4)(b), Conferences with an attorney for the Boards Of Directors for the purposes of receiving legal advice on specific legal questions regarding the potential sale to a new developer and collection of delinquent operations fees and C.R.S. § 24-6-402(4)(e), for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators regarding the same.

The Board then returned from executive session.

The Board then considered the Joint Resolution of the Boards Of Directors Of The Cornerstone Metropolitan District Nos. 1 &2 Designating The Districts' 24-Hour Posting Locations. The Boards discussed possible alternative locations for the 24-Hour Posting Location for District No. 1 and appointed Director Coker to work with Mr. Weaver to identify and present an alternative location to the Board. Then upon motion duly made and seconded it was unanimously

**RESOLVED**, to approve the Joint Resolution of the Boards Of Directors Of The Cornerstone Metropolitan District Nos. 1 &2 Designating The Districts' 24-Hour Posting Locations as presented.

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Mr. Waldron then gave a brief update to the Boards regarding the Marin Landmark case, the Acknowledgement Termination and Release Agreement presented to Montrose, LLC's legal counsel.

### **Operational Matters**

Director Ache updated the Boards on the progress of the backflow preventer for the water system. Bill Quigly will work with Tim Harrell on the design and installation of the backflow preventer which is planned to be completed no later than July 22, 2016.

Director Ache then updated the board regarding the replacement of Tim Harrell and Robert Lamm for managing the Cornerstone water and sewer system. An individual has been identified to replace Tim and Robert and training as well as negotiation of contract terms will begin soon upon Mr. Harrell's return from a trip.

Director Fugazzi then updated the Boards on vandalism to the Flowers Cabin and expected to have a police report from the Sherriff's office soon. The Board then discussed changing the code to the gate and adding a fence to the perimeter of the gatehouse. Director Coker volunteered to take the lead regarding the fencing.

Director Fugazzi then requested reimbursement of travel expenses incurred regarding the potential sale to a new developer. Upon motion duly made and seconded it was unanimously

**RESOLVED**, to authorize the reimbursement of Director Fugazzi's travel expenses related to the potential sale to a new developer as presented.

### **Financial**

Mr. Weaver presented the Accounts Receivable report. No action was taken by the Boards.

Mr. Weaver then presented the Accounts Payable Report to the Boards and upon motion duly made and seconded it was unanimously

**RESOLVED**, to approve the Accounts Payable Report as presented.

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May 23, 2016 Meeting Minutes

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**Next Meeting**            The next regularly scheduled meeting of the Boards of Directors is 10:00 a.m. Monday, June 27, 2016 at 700 Birdsong Lane, Montrose, CO.

**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

Rick Gonzales  
Secretary to the meeting