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# RECORD OF PROCEEDINGS

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**Minutes of the Continued Joint Special Meeting  
Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2  
Continued from November 20, 2017  
November 28, 2017**

A Continued Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held at 9:00 a.m. Tuesday, November 28, 2017 at 929 Courthouse Peak 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
- Pam Fugazzi - District No. 1 and No. 2
- Marijo Ache - District No. 1 and No. 2
- David Coker - District No. 1 and No. 2

Also in attendance were:

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

**Call to Order**

The Continued Joint Special Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Director Fugazzi on November 28, 2017 at 9:05 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.

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**Public Comment** No public comment was offered.

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

**Operations** Gate clickers: the Board resumed discussion of a policy for issuing gate clickers and instructed Mr. Gonzales to draft a policy for consideration that will include the following key points in addition to those points discussed at the meeting on November 20: 1) \$50 fee for each replacement clicker; 2) 2 clickers issued free of charge to first-time buyers or new construction.

### Legal Matters

**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)(a), for the purposes of discussing the potential sale of real property to a new developer and C.R.S. § 24-6-402(4)(e)(I), 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 instructed Mr. Waldron to work with Daniel Gregory to draft an Option to Purchase Property Agreement that incorporates greater District protection than the existing proposed Option Agreement and include certain performance criteria tied to the financial pro-forma projections of the COA and/or new ownership group.

The Board then set a special meeting for 9:00 a.m. Wednesday, December 6, 2017 at 929 Courthouse Peak Lane, Montrose, CO to consider the new agreement referenced above.

**Financials** The continued public hearing regarding the proposed 2018 budget was then convened. There was no public comment and the hearing was closed.

The Board then reviewed the major assumptions of the proposed 2018 budget including the budgeted rates for water and sewer assuming golf course water use and pumping activity. Mr. Weaver reminded the Board that the water and sewer rates in the proposed budget, if approved, will go

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into effect with the first quarter 2018 billing that will occur in early April 2018. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the Resolutions to Adopt Budget, Appropriate Funds and Set Mill Levies for Tax Collection in 2018 including the proposed 2018 water and sewer rates, as presented.

**Next Meeting Date** A special meeting is scheduled for 9:00 a.m. Wednesday, December 6, 2017 at 929 Courthouse Peak 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