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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 December 6, 2017

A 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. Wednesday, December 6, 2017 at 929 Courthouse Peak Lane, Montrose, Montrose 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 Joint Special Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Director Fugazzi on December 6, 2017 at 9:00 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 December 6, 2017 Meeting Minutes

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**Agenda** Director Fugazzi asked to add a Board discussion of past due receivables for water and sewer charges.

**Minutes** Upon motion duly made and seconded it was unanimously  
**RESOLVED**, to approve the minutes for the meeting held November 20, 2017 and the continued meeting held November 28, 2017 as presented.

### 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 and or lease of real property to a new developer 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, with respect to the Option Agreement to Purchase Property and Lease Agreement.

The Board then returned from executive session.

Director's Bill Fugazzi and Warren Ache recused themselves from the following vote on the proposed Option Agreement and Lease Agreement because of their conflict of interest resulting from membership on the Board of Directors of the Cornerstone Owners Association.

Upon motion duly made and seconded it was

**RESOLVED**, to approve the Option Agreement with the following changes: 1) Regarding Section 3(a) – the proposed \$1,000 Deposit is sufficient as long as the Option and Lease Agreements are executed concurrently; 2) Regarding Section 8 – The seller will pay the premium for the title policy; and 3) Regarding Section 18 – The Option Agreement may be assigned upon written notice to, but without the consent of, the District provided the assignee intends to develop the property.

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Those voting in favor of above resolution were Directors Pam Fugazzi and Marijo Ache. Director Coker opposed the resolution. Directors Bill Fugazzi and Warren Ache recused themselves from the vote as indicated above. The motion carried.

Upon motion duly made and seconded it was

**RESOLVED**, to approve the Lease Agreement amended to reflect a commencement date of the earlier of the execution date of the Option Agreement or January 1, 2018.

Those voting in favor of above resolution were Directors Pam Fugazzi and Marijo Ache. Director Coker opposed the resolution. Directors Bill Fugazzi and Warren Ache recused themselves from the vote as indicated above. The motion carried.

Upon motion duly made and seconded it was

**RESOLVED**, to authorize Director Pam Fugazzi to work with Mr. Waldron and Mr. Daniel Gregory, attorney for the Cornerstone Owners Association, to approve changes to and finalize the Option Agreement and Lease Agreement so long as such changes are consistent with the intent of the Board.

Those voting in favor of above resolution were Directors Pam Fugazzi and Marijo Ache. Director Coker opposed the resolution. Directors Bill Fugazzi and Warren Ache recused themselves from the vote as indicated above. The motion carried.

### **Operations**

Mr. Gonzales updated the Board on the number of past due water and sewer accounts. Following discussion of the accounts the Board instructed Mr. Gonzales to delay collection procedures pursuant to the District's Collection Policy until sometime after the first of the year.

### **Next Meeting Date**

The next meeting is scheduled for 10:00 a.m. December 18, 2017 at Director Coker's residence at 2342 Stone Bridge Drive, Montrose, Colorado.

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**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