
RECORD OF PROCEEDINGS

Minutes of the Continued Joint Special Meeting Of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 Continue From December 3, 2018 on December 20, 2018

A Joint Continue Special Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held at 10:00 a.m. Thursday, December 20, 2018 at 929 Courthouse Peak Lane, Montrose, Colorado, in accordance with the applicable statutes of the State of Colorado. The meeting is a continuance of the Joint Special Meeting held December 3, 2018.

Attendance

The following Directors were present and acting:

- Marijo Ache - District No. 1 and No. 2
- Warren Ache - District No. 1 and No. 2
- Bill Fugazzi - District No. 1 and No. 2, via phone
- Pam Fugazzi - District No. 1 and No. 2, via phone
- Jason Stroehlein – District No. 1
- Ross Hauck – District No. 2

Also in attendance via phone were:

- Tom Kennedy, The Law Offices of Thomas G Kennedy PC
- Clint Waldron, White Bear Ankele Tanaka & Waldron
- Megan Murphy, White Bear Ankele Tanaka & Waldron
- Eric Weaver, Marchetti & Weaver, LLC – via phone
- Rick Gonzales, Marchetti & Weaver, LLC – via phone

Call to Order

The Continue Joint Special Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Director Fugazzi on December 20, 2018 at 2:05 p.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

Mr. Waldron 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. Mr. Waldron 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 No public comment was offered.

Legal Matters Mr. Kennedy, legal counsel to Cornerstone Acquisition Group and its related entities informed the Board that he served as legal counsel for the original developer of the Cornerstone community, The Hunt Company as it relates Cornerstone. Mr. Kennedy then gave the Board a history of Cornerstone community transactions starting with the original developer to the current ownership. Mr. Kennedy then explained the transaction between Cornerstone Acquisition Group LLC/ Cornerstone Club LLC and Cornerstone Owners Association, Inc. and Cornerstone Metropolitan District No. 1 currently being considered by the Board as it relates to Cornerstone Metropolitan District No. 1.

Following questions and discussion regarding the proposed transaction and upon motion duly made and seconded it was unanimously

RESOLVED, to approve:

1. The Resolution Of The Board Of Directors Of The Cornerstone Metropolitan District No. 1, A Quasi-Municipal Corporation And Political Subdivision Of The State Of Colorado (Regarding the Conveyance of Property)
Record Date of Resolution : December 20, 2018
2. The Agreement And Amendment Concerning Ground Lease
3. The Agreement To Assign, Convey, Transfer And Delegate Rights (Cornerstone Club)
4. The First Amendment To Agreement between Cornerstone Metropolitan District No. 1 and Cornerstone Acquisition Group, LLC

And to ratify:

5. the Second Amended And Restated Memorandum Of Ground Lease Agreement between Cornerstone Owners Association, Inc. and Cornerstone Club, LLC.

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And to authorize:

Director Warren Ache to sign the above referenced documents on behalf of the District.

Directors Bill and Pam Fugazzi voiced support of the above action but were unable to vote as they were not present and attending via phone.

Director Stroehlein abstained from voting because of a conflict of interest.

Next Meeting

The next regular meeting is scheduled for 10:00AM January 28, 2019 at 700 Birdsong Lane, Montrose, CO.

There being no further business to come before the Board, the meeting was adjourned.

Respectfully Submitted

Rick Gonzales
Secretary to the meeting