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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 May 21, 2015**

A Continued Joint Special Meeting of the Boards of Directors of the Cornerstone Metropolitan District Nos. 1 & 2, Montrose and Ouray Counties, Colorado, was held **May 21, 2015** at the Ache Residence, 700 Birdsong Lane, Montrose, Ouray County, Colorado, in accordance with the applicable statutes of the State of Colorado. The meeting was continued from May 20, 2015.

### **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. 2
- Pam Fugazzi- District No. 2
- David Coker- District No. 2 (via phone)

Also in attendance were:

- Clint Waldron, White Bear Ankele (via phone)
- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)
- Daniel Gregory, Gregory Golden & Landeryou, LLC (via phone)
- Jamie Cotter, Spencer Fane Britt & Browne LLP (via phone)

### **Call to Order**

The Continued Joint Meeting of the Boards of Directors of Cornerstone Metropolitan District Nos. 1 & 2 was called to order by Chairman Fugazzi on May 21, 2015 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

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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.

**Agenda**

There was not change to the Agenda for the continued meeting.

**Substitute Legal  
Counsel**

Jamie Cotter from Spencer Fane, who is assuming responsibility for the foreclosure proceedings against CSPE028, introduced herself to the board.

**Executive Session**

Upon motion duly made and seconded, it was unanimously

**RESOLVED**, to enter into executive session pursuant to Sections 24-6-402 (4) (b) C.R.S., “Conference with an attorney for Cornerstone Metropolitan Districts No. 1 and No. 2 for the purpose of receiving legal advice on specific legal questions related to foreclosure of the Districts’ lien and legal proceedings against CSPE028 and its’ related entities” and Section 24-6-402 (4) (e) C.R.S., “Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators related to the same foreclosure and proceedings against CSPE028 and its’ related entities”.

The Board returned to regular session.

**Cancellation of  
Regular Meeting**

After adjournment from executive session the board cancelled the next regular meeting scheduled for May 25, 2015.

**Adjournment**

Upon a motion duly made and seconded the board unanimously

**RESOLVED** to adjourn the meeting.

Respectfully Submitted

Rick Gonzales  
Secretary to the meeting

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CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2  
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## Attorney Statement

### REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as special counsel to Cornerstone Metropolitan District No. 1 and Cornerstone Metropolitan District No. 2, I attended the executive session meeting convened on May 21, 2015, held pursuant to §24-6-402(4)(b) and (e), C.R.S., conference with an attorney for the purpose of receiving legal advice related to specific legal questions and to develop negotiating positions, strategy, and instruct negotiators, regarding foreclosure proceedings related to the Districts' lien and legal proceedings against CSPE028 and its' related entities. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication and, based on that opinion, no further record, written or electronic, was kept or required to be kept, and no further record, written or electronic was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Signature



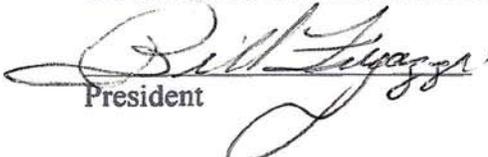
Name and Title

Jamie Cotter, Esq.

Date

July 16, 2015

As President of the Board of Directors of Cornerstone Metropolitan Districts No. 1 and No. 2, I attest that the portion of the executive session that was not recorded was confined to the topic(s) authorized for discussion in executive session pursuant to Section 24-6-402 (4), C.R.S.

  
President