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## RECORD OF PROCEEDINGS

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### Minutes of the Continued Special Meeting Of the Board of Directors of Cornerstone Metropolitan District Nos. 1 & 2 June 1, 2020

A Continued Special Meeting of the Board of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2 Montrose and Ouray Counties, Colorado, was held at 4:00 P.M. Monday, June 1, 2020. The meeting was held as a continued teleconference meeting originally convened at 10:00 A.M. in accordance with the applicable statutes of the State of Colorado, Public Health Order 20-23, and the state of emergency declared by the Governor of Colorado March 10, 2020.

**Attendance**

The following Directors were present and acting via teleconference:

- Marijo Ache - District No. 1 and No. 2
- Warren Ache - District No. 1 and No. 2
- Bill Fugazzi - District No. 1 and No. 2
- Pam Fugazzi - District No. 1 and No. 2
- Jason Stroehlein – District No. 1 (joined late as noted)

Also present or in attendance via teleconference were:

- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Eric Weaver, Marchetti & Weaver, LLC
- Rick Gonzales, Marchetti & Weaver, LLC

**Call to Order**

The Continued Special Meeting of the Board of Directors of Cornerstone Metropolitan Districts Nos. 1 & 2 was called to order by Director Warren Ache on June 1, 2020 at 4:07 P.M. noting a quorum was present for both districts.

**Combined Meetings**

The Boards of Directors of the Districts Nos. 1 & 2 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**

Ms. Hartung reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Hartung inquired into whether members of the Board 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 Board 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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## CORNERSTONE METROPOLITAN DISTRICT NO. 1 Continued June 1, 2020 Meeting Minutes

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Board determined that the participation of the Directors present was necessary to obtain a quorum or otherwise enable the Board to act.

**Public Comment**      There was no public comment.

**Agenda**                Following discussion by the Board and upon a motion duly made and seconded it was unanimously

**RESOLVED**, to modify the agenda by moving legal item 7A, executive session to the end of the legal section of the agenda in order to give Director Stroehlein time to join the meeting.

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

**RESOLVED**, to approve the minutes of the meeting held April 27, 2020 as presented.

**Legal**                    Ms. Hartung presented the Joint Resolution Continuing Emergency Procedures and Authorizing Teleconferencing For Regular And Special Meetings. Upon a motion duly made and seconded it was unanimously

**RESOLVED**, to approve the Joint Resolution Continuing Emergency Procedures and Authorizing Teleconferencing For Regular And Special Meetings

Ms. Hartung informed the Board that the Pond 4 Easement Agreement has been revised to add the representations and warranties approved by the Board and sent to Mr. Kennedy, legal counsel for Cornerstone Acquisition Group (“CAG”) by Wayne Forman, special counsel for the District relating to completion of the Pond 4 Easement and filing of diligence report. There has been no response from Mr. Kennedy regarding the Pond 4 Easement or the diligence report

Ms. Hartung informed the Board that documentation of the quiet title action by the Board is now in the chain of title.

Director Stroehlein joined the meeting at this time.

Director Stroehlein informed the Board that he has spoken with Mark Rumbaugh, the representative for Reheboth, who will contact the attorney for Reheboth to try to get some progress on the road easement agreement.

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# RECORD OF PROCEEDINGS

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## CORNERSTONE METROPOLITAN DISTRICT NO. 1 Continued June 1, 2020 Meeting Minutes

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Ms. Hartung will contact the attorney for Reheboth directly if there is no feedback after two weeks.

The Board then discussed the vacancy on the Board of Directors for District 2. Following discussion of the same and upon a motion duly made and seconded it was unanimously

**RESOLVED**, to appoint Ross Hauck to fill the vacancy on the Board of Directors for Cornerstone Metropolitan District No. 2.

Ms. Hartung will contact Mr. Hauck to confirm he accepts.

Election of Officers of the Board of Directors of Districts Nos. 1 and 2. Following discussion and upon a motion duly made and seconded it was unanimously

**RESOLVED**, to elect the following as Officers of the Board of Directors of Cornerstone Metropolitan Districts Nos. 1 and 2:

President	Districts 1 and 2	Bill Fugazzi
Vice President	Districts 1 and 2	Warren Ache
Treasurer	Districts 1 and 2	Pam Fugazzi
Secretary	Districts 1 and 2	Marijo Ache
Assistant Secretary	District 1	Jason Stroehlein

Executive Session. Upon a motion duly made and seconded the Board voted to go into executive session pursuant to C.R.S. (§24-6-402(4)(b)), conference with an attorney for the board of directors to receive legal advice and C.R.S. (§24-6-402(4)(e)) developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations, related to the consideration of listing for sale two vacant lots currently owned by the District.

Pursuant to C.R.S. §24-6-402(2)(d.5)(II)(b) no record will be kept of the portion of this executive session that, in the opinion of the Districts' attorney, constitutes privileged attorney-client communication pursuant to 24-6-402(4)(b).

The Board returned from Executive Session.

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## CORNERSTONE METROPOLITAN DISTRICT NO. 1 Continued June 1, 2020 Meeting Minutes

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**Operations** Director Stroehlein informed the Board that Ryan Bartashius, Water and Sewer Systems Operations Manager, has met with Wright Water Engineers and the Colorado Department of Public Health and Environment (“CDPHE”) regarding a second chlorine injection point to the water system. Mr. Bartashius will research the costs of a second injection point and report to the Board at the next meeting.

**Financial** Mr. Gonzales presented the accounts payable report and upon a motion duly made and seconded it was unanimously

**RESOLVED**, to approve the accounts payable in the amount of \$41,485.80 as presented.

Mr. Gonzales presented the accounts receivable report. There is a delinquent account with an owner who has made a partial payment of the water billed for use during the first quarter of the year. The owner is contesting the quantity of water billed for the period and has paid only the base water rate. The unpaid portion of the bill is believed to be related to gallons used in excess of the quarterly minimum. Based on research done by the owner’s representative and Mr. Bartashius the excess gallons used was caused by a leaking toilet in the owner’s residence. The Board instructed Mr. Gonzales to send a reminder to the owner regarding payment of the outstanding bill.

**Next Meeting** The next regular meeting of the Board scheduled for June 22, 2020 and is anticipated to be a telephonic meeting because of the conditions and restrictions related to the Covid-19 pandemic.

**Adjournment** There being no further business to come before the Board and upon motion duly made and seconded it was unanimously

**RESOLVED**, to adjourn the meeting.

Respectfully Submitted  
Rick Gonzales  
Secretary to the meeting

**Joint Special Meeting  
Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2  
June 1, 2020**

**RECORD OF PROCEEDINGS**

**CORNERSTONE METROPOLITAN DISTRICT NO. 1**  
**Continued June 1, 2020 Meeting Minutes**

**Attorney Statement**

**REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION**

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as general counsel to Cornerstone Metropolitan District No. 1 and Cornerstone Metropolitan District No, 2., I attended the executive session meeting convened on June 1, 2020, 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 regarding the sale of two properties owned by the District. 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 pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

DocuSigned by:  
Signature: Heather L. Hartung  
Name and Title: Attorney  
Date: 6/23/2020

As President of the Board of Directors of Cornerstone Metropolitan Districts Nos. 1 and 2, I attest that the portion of the executive session that was not recorded was confined to the topics authorized for discussion in executive session pursuant to §24-6-402(4), C.R.S.

DocuSigned by:  
Bill Fugazzi  
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President