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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting Of the Board of Directors of Cornerstone Metropolitan District Nos. 1 & 2 July 9, 2020

A Special Meeting of the Board of Directors of the Cornerstone Metropolitan Districts Nos. 1 & 2 Montrose and Ouray Counties, Colorado, was held at 11:00 A.M. Thursday, July 09, 2020. The meeting was held as a teleconference meeting 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
- Ross Hauck – District No. 2

Also present or in attendance via teleconference were:

- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Bob Aisner, CAG member and resident
- Michael Plank, CAG member and resident
- Eric Weaver, Marchetti & Weaver, LLC
- Rick Gonzales, Marchetti & Weaver, LLC
- Erin McCauley, Marchetti & Weaver, LLC

### Call to Order

The Special Meeting of the Board of Directors of Cornerstone Metropolitan Districts Nos. 1 & 2 was called to order by Director Bill Fugazzi on July 9, 2020 at 11:15 A.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

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## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 July 9, 2020 Special Meeting Minutes

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

**Public Comment** Mr. Aisner provided a review of the discussion history of the two lots owned by Cornerstone Metropolitan District No. 1 (499 and 599 Maverick Lane) and feels that the District should adhere to the original agreement.

Mr. Plank noted that the value of properties in Cornerstone have increased due to the investments CAG has made. He hopes the original agreement will be honored by the District. It was also noted that various attempts were made to keep the agreement and process alive and noted that the involved parties would like to wrap up this process quickly and as originally intended.

It was noted by Ms. Hartung that CAG had the ability to purchase these lots through quit claim deed and the Purchase Sale Agreement that expired at the end of December 2019, but there was a delay due to the fact that CAG wanted title insurance and it was not able to be obtained at that time.

**Agenda** The Agenda was approved as amended to include the following additional topics under the Executive Session portion of the agenda:  
1) Property Purchase/Sale pursuant to § 24-6-402(4)(a)  
2) Specific Legal Advice pursuant to § 24-6-402(4)(b)

Mr. Plank exited the meeting at this time.

Mr. Aisner temporarily exited the meeting at this time.

**Legal** Upon a motion duly made and seconded the Board voted unanimously to enter into executive session pursuant to 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, C.R.S §24-6-402(4)(a) Property Purchase/Sale, and C.R.S §24-6-402(4)(b) Specific Legal Advice; related to 1) consideration of listing for sale two vacant lots currently owned by the District (499 and 599 Maverick Lane), and 2) delinquent accounts for water and sewer.

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# RECORD OF PROCEEDINGS

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## CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 July 9, 2020 Special Meeting Minutes

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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.

Public session resumed; Mr. Aisner returned to the meeting.

Sale of Lots (499 and 599 Maverick Lane): Director Bill Fugazzi noted that the Board had invited CAG to provide an offer on 499 and 599 Maverick Lane, reiterated that the market analysis provided by the real estate agent was reviewed, and although the 6 lots on the market currently are for higher prices, they have been on the market for 59-333 days. The fact that CAG would provide cash immediately and close within 30 days, pay all closing costs, legal fees, title, insurance, etc. and the District would not pay real estate commissions would be sufficient reasons to move forward.

Director Bill Fugazzi stated the terms of the desired offer from CAG to include, in writing, total costs to cover the District expenses to date, balances owed to the Association, and balances owed for property taxes, with no further costs to the District. Also, to include closing within 30 days, and to be paid in cash. The estimated costs are \$107,000.

Mr. Gonzales will provide a break out of the \$107,000 to Mr. Aisner after reviewing with Director Bill Fugazzi and Director Warren Ache.

Mr. Aisner noted that CAG would move forward with providing an offer to the Board via a term sheet.

Delinquent Water Billing: Discussion was held regarding Mr. Mussleman's delinquent water bill and the related leak.

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

**RESOLVED**, to offer a leak discount provision of 10% to Mr. Mussleman.

\*Director Pam Fugazzi abstained from voting.

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CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2  
July 9, 2020 Special Meeting Minutes

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Mr. Gonzales noted that Mr. Mussleman requested his water meter to be monitored and the Board agreed Ryan Bartashius could work with Mr. Mussleman to monitor the meter for one month.

**Next Meeting**

The next regular meeting of the Board scheduled for July 27, 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



Erin McCauley  
Secretary to the meeting

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CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2  
July 9, 2020 Special Meeting Minutes

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**Joint Special Meeting  
Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2  
July 9, 2020**

**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 July 9, 2020, held pursuant to 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, C.R.S §24-6-402(4)(a) Property Purchase/Sale, C.R.S §24-6-402(4)(b) Specific Legal Advice; related to 1) consideration of listing for sale two vacant lots currently owned by the District, and 2) delinquent accounts for water and sewer.

I further attest it is my opinion that portions 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. for those portions that were deemed to be attorney-client communications.

Signature: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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.

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President