
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors of Cornerstone Metropolitan District Nos. 1 & 2 July 16, 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 16, 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 (entered the meeting at 11:15am)

Also present or in attendance via teleconference were:

- Heather Hartung, White Bear Ankele Tanaka & Waldron
- Bob Aisner, CAG member and resident
- Tom Kennedy, Attorney representing CAG
- 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 16, 2020 at 11:10 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 regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board noted, for the record, that

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 July 16, 2020 Special Meeting Minutes

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 stated that the purchase price language on the Term Sheet has been updated to reflect a specific purchase price of \$44,091.73, payable to the District at closing, plus any additional interest which may occur after closing. Mr. Kennedy reiterated that the intention was to show that CAG is reimbursing the District for any costs incurred to date as well as any additional costs in order to be certain the District is made whole. CAG would be responsible for payment of all property taxes, including the delinquent taxes, and will assume and is free to negotiate with the Cornerstone Owners Association on the balances owed to the Association on the properties.

Director Bill Fugazzi stated that the revised Term Sheet is consistent with what was determined necessary in the last Board meeting in that the District is recovering its' cost incurred.

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)

Mr. Kennedy 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, 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).

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).

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2 July 16, 2020 Special Meeting Minutes

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 will accept the revised Term Sheet providing it be modified to state that the 30-day clock on the closing date will start immediately upon mutual execution of the Term Sheet.

Upon a motion duly made and seconded it was unanimously*

RESOLVED, to accept the Term Sheet as modified and empower Director Warren Ache to sign.

*Director Stroehlein abstained from voting due to a conflict of interest.

Ms. Hartung and her associates will update the Prior Purchase and Sale Agreement to the terms and conditions in the Term Sheet and provide to Mr. Kennedy for review.

Mr. Aisner will modify the Term Sheet, sign, and circulate to Director Warren Ache for signature. Director Warren Ache will then send back to Ms. Hartung and Mr. Aisner.

Property Taxes: Mr. Aisner discussed the Ouray County abatement approval for golf parcels owned by the Association (COA) and leased to CAG and discussion was held regarding how the tax bill is to be handled between the parties. Mr. Gonzales noted that this would be an arm's length transaction between the County and COA/CAG and that the District's only involvement is related to the change in funds that would be received from the County.

Minutes

Upon a motion duly made and seconded it was unanimously

RESOLVED, to defer consideration of the June 22, 2020 and July 9, 2020 minutes to the next meeting.

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.

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2
July 16, 2020 Special Meeting Minutes

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

RECORD OF PROCEEDINGS

CORNERSTONE METROPOLITAN DISTRICT NOS. 1 & 2
July 16, 2020 Special Meeting Minutes

**Joint Special Meeting
Of the Boards of Directors Cornerstone Metropolitan District Nos. 1 & 2
July 16, 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 16, 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.

I further attest it is my opinion that a portion 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 of that portion that was considered 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.

President