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# RECORD OF PROCEEDINGS

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## Minutes of the Meeting Cornerstone Owners Association Board of Directors February 17, 2020

A meeting of the Board of Directors of the Cornerstone Owners Association (“Association”), Montrose and Ouray Counties, Colorado, was held 1:00 p.m. Monday, February 17, 2020 in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Bob Aisner (via phone)
- Bill Fugazzi (via phone)
- Warren Ache (via phone)
- Jon Nelson (via phone)
- Scott Heape (via phone)

Also in attendance were:

- Candyce Cavanagh, Orten Cavanagh & Holmes LLC (via phone)
- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales, Marchetti & Weaver, LLC (via phone)

**Call to Order** The meeting of the Cornerstone Owners Association Board of Directors was called to order by Director Aisner at 1:03 PM noting that a quorum of the Board was present.

**Public Comment** No public was in attendance.

**Minutes** The Board reviewed the Minutes of Meeting held August 5, 2019 and following discussion and upon a motion duly made and seconded it was unanimously

**RESOLVED**, to approve the Minutes of Meeting held August 5, 2019 as presented.

**Legal** Director Aisner updated the Board on Cornerstone Acquisition Group (“CAG”) and Cornerstone Club, LLC (“Club”) activities. Director Aisner also informed the Board that CAG is working with the Ouray County Assessor regarding possible valuation errors for some golf course parcels that may result in lower property tax bills that CAG is responsible to pay on behalf of the Association under the terms of the ground lease.

Director Ache informed the Board that the owner of the proposed gravel pit is challenging the road use rules and weight restrictions imposed by Cornerstone Metropolitan District No. 1. Director Aisner expressed his recollection that there are specific documents limiting the

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type of development possible at the site the gravel pit is being proposed. Director Aisner will forward the documents to Directors Fugazzi and Ache and Mr. Weaver.

Mr. Weaver reported that the covenants require the annual member meeting be held within 90 days of the close of the fiscal year on December 31. Action regarding the member meeting is deferred until discussion regarding the budget and the next board meeting date are discussed later in the meeting.

### **Operations**

Director Aisner reported that a survey confirmed the fence in the area of the adjacent land owned by JV Real Estate LLC is properly located and there is no infringement on Cornerstone property.

### **Financials**

Mr. Weaver presented the preliminary financial statements for the period ended December 31, 2019. The Board discussed the accounts receivable due from CAG. Mr. Weaver recounted the history of the accounting procedures for the association as it related to CAG and Club operations. What was supposed to be a temporary situation turned into a long-term situation that complicated the accounting. Director Ache reminded the Board that CAG was warned of the complications but responded at the time that the accounting situation would be short-term. Director Aisner responded that it turned into a long-term situation because of circumstances outside of CAG's control. Director Aisner expressed his opinion that not enough supporting documentation has been presented to CAG's accountant to support payment of the balance due. Director Aisner also reported that he believes there are closing costs related to title work of between twenty and thirty thousand paid by CAG that should be paid by the Association that are not reflected on the financial statements. Ms. Cavanagh informed the Board that her office did quite a bit of work related to title issues and would like to review detail of the amount Director Aisner believes is owed to CAG.

Director Aisner will setup a meeting during the current week between himself, CAG's accountant and Mr. Weaver.

Mr. Weaver then presented the draft of a preliminary budget for 2020. One of the key assumptions of the budget is that CAG pays the outstanding receivable and the 2020 annual dues in a timely manner. Director Aisner reported that it is CAG's goal to pay the 2020 dues in a timely manner. The Board discussed other budget assumptions and Mr.

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Weaver will re-assess the budget expenditures for accounting and insurance.

The Board then determined to hold its' next meeting on March 2 to consider approval of the 2020 budget. Director Ache informed the Board that he will not be able to attend.

Annual Member Meeting: The Board briefly discussed annual member meeting owner attendance. Ms. Cavanagh informed the Board that under the terms of the COA's Bylaws, any person can hold a proxy, and that person doesn't have to be a member. The annual member meeting was set to be at the Cornerstone Clubhouse at 70 Gold Dust Lane, Montrose, CO at 1:00 P.M. Mountain Time, Monday, March 30, 2020. Mr. Gonzales will mail the meeting notices no later than March 13.

Mr. Weaver presented the Accounts Receivable Report. Mr. Gonzales informed the Board that all notices required by the collection policy have been sent and sufficient time has elapsed to turn a delinquent account to legal counsel for further collection efforts. The Board instructed Mr. Gonzales to turn the one delinquent owner account over to legal counsel.

Accounts Payable: Mr. Weaver presented the Accounts Payable Report and upon a motion duly made and seconded it was unanimously

**RESOLVED**, to approve the Accounts Payable Report as presented.

### **Adjournment**

There being no further business and upon motion duly made and seconded, it was unanimously

**RESOLVED**, to adjourn the meeting.

Respectfully submitted,

Rick Gonzales  
Secretary for the meeting