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# RECORD OF PROCEEDINGS

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## Minutes of the Meeting Cornerstone Owners Association Board of Directors March 18, 2019

A meeting of the Board of Directors of the Cornerstone Owners Association, Montrose and Ouray Counties, Colorado, was held 1:00 p.m. Monday, March 18, 2019 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:

- Eric Weaver, Marchetti & Weaver, LLC (via phone)
- Rick Gonzales (via phone)

**Call to Order** The meeting of the Cornerstone Owners Association Board of Directors was called to order by Director Aisner.

**Minutes** The Board reviewed the Minutes of Meeting held March 11, 2018 and following discussion and upon motion duly made and seconded it was unanimously

**RESOLVED**, to approve the Minutes of Meeting held March 11, 2018 subject to several changes discussed

**Agenda** There were no changes to the Agenda.

**Public Comment** No comments were received.

**Legal** Director Aisner updated the Board on the progress of the sale to Cornerstone Acquisition Group LLC (“CAG”). The title company has raised issues related to insuring the lots acquired by the Metropolitan District via deed in lieu of foreclosure that are being purchased by CAG. The issue is being addressed by legal counsel for CAG and will be presented to legal counsel for the District so that a solution can be worked out resulting in title insurance for the two lots.

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### **Financial**

Director Aisner informed the Board he has engaged an accounting firm to evaluate and reconcile the amount owed to the COA by CAG as determined by Marchetti & Weaver. Mr. Weaver informed the Board he would create a statement of CAG revenue and expenditures to assist with this analysis.

Mr. Weaver then presented the proposed 2019 Budget and underlying assumptions. The Board discussed the effect the delayed closing on annual dues revenue and even though the sale to CAG may be delayed beyond March 31 the budget for annual dues should not be reduced to reflect further delays so as not to incentivize the delay in closing. Director Aisner stated that the budget of selling expenses at \$5,000 may not be adequate as normally there is a sharing of selling expenses between buyer and sellers. Director Aisner will contact CAG's legal counsel for an estimate of total selling expenses and allocation of those expenses between the buyer and sellers. Mr. Weaver stated that Jason Stroehlein recommended adding funding for weed control to begin re-instituting a noxious weed management program. The Board discussed the shortfall in dues revenue to cover operating expenses. The budgeted collection of sales proceeds from CAG will cover 2019 expenses but the shortfall will need to be addressed in next year's budget. The Board also determined to remove the capital purchase of a Polaris Ranger and add a budget amount for renting a Ranger from Cornerstone Club. The Board instructed Mr. Gonzales to contact Jason Stroehlein for an estimate of the annual expense that Cornerstone Club would charge the Association for use of a Ranger.

Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2019 budget presented with the following revisions: 1) Update closing costs with CAG based on estimate from CAG legal counsel; 2) add \$5,000 for weed control; 3) add \$2,000 for annual preservation report; 4) replace \$12,000 capital expense for Ranger with an annual use fee estimated by Cornerstone Club LLC.

### **Member Meeting**

The Board then determined to hold the annual member meeting at 2:00PM mountain time Wednesday, April 17, 2019 at 10 Gold Dust Lane, the Cornerstone Golf Clubhouse.

### **Adjournment**

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

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**RESOLVED**, to adjourn the meeting.

Respectfully submitted,

Rick Gonzales  
Secretary for the meeting