
RECORD OF PROCEEDINGS

Minutes of the Meeting Cornerstone Owners Association Board of Directors June 11, 2018

A meeting of the Board of Directors of the Cornerstone Owners Association, Montrose and Ouray Counties, Colorado, was held 1:00 p.m. Monday, June 11, 2018 via conference call 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)
- Scott Heape (via phone)

The following Directors were absent and excused

- Jon Nelson

Also in attendance were:

- Candyce Cavanagh, Orten Cavanagh & Holmes (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.

Agenda There were no changes to the Agenda.

Public Comment No comments were received.

Minutes Upon motion duly made and seconded, the board unanimously

RESOLVED, to approve the minutes of meeting for March 12, 2018 as presented.

Legal Director Aisner reported that he had responded to questions from Glenn Cherry of the Durban Group regarding investors but there has been no follow up. The accounts receivable from the Durban Group was discussed by the Board and determined to be bad debt. Mr. Gonzales will make the proper accounting entries.

Ms. Cavanagh joined the meeting at this time.

Director Aisner informed the Board that a new entity has been formed to own certain Cornerstone property and operate the Golf Course. The new entity is Colorado Acquisition Group, LLC ("CAG") a Colorado Limited Liability Company. The Initial Members and Managers of CAG are Bob Aisner, Carol Lawler and Michael J. Plank. A letter offering an

RECORD OF PROCEEDINGS

CORNERSTONE OWNERS ASSOCIATION June 11, 2018 Board Meeting Minutes

opportunity for membership in CAG will be mailed to all current Cornerstone owners.

Director Aisner informed the Board that attorney Tom Kennedy is working with CAG assuming the work previously done by Daniel Gregory. Mr. Kennedy formerly represented Hunt, a previous developer of Cornerstone and has extensive knowledge of the project/community.

Director Aisner updated the Board on the opening events related to the opening of the driving range and limited food and beverage services at the clubhouse to be held approximately a week after July 4. Other events will be held during the summer to create awareness that development activity in the community has resumed. Golf course renovation is progressing faster than anticipated and it is possible a number of holes will be playable after Labor Day.

Director Aisner informed the Board that CAG has engaged Bill Allen to work on behalf of CAG with Montrose and Ouray Counties as community development resumes. The development agreement with Ouray County expires in April 2020. The existing agreement also stipulates a maximum 78 non-owner golf memberships. The maximum number of allowable golf memberships under the agreement is 500. With 412 lots there is potential for 85 non-ownership memberships. CAG will attempt to increase the current maximum allowable non-owner memberships as those memberships are critical to sustaining golf course operations.

Director Aisner informed the Board that the Cornerstone Colorado Club website is no longer operating and CAG is attempting to acquire ownership of the website from the former developer so that it can be updated and reactivated.

Director Aisner presented the proposed Assignment And Assumption Of Obligations agreement with CAG. Following discussion the Board, upon motion duly made and seconded unanimously*

RESOLVED, to approve the Assignment And Assumption Of Obligations agreement with CAG subject to final review by legal counsels for the COA, CAG and CMD.

*Director Aisner abstained from voting because of a conflict of interest.

RECORD OF PROCEEDINGS

CORNERSTONE OWNERS ASSOCIATION June 11, 2018 Board Meeting Minutes

Director Aisner then presented the Lease And First Option To Purchase Agreement with CAG to the Board for consideration. Following discussion the Board upon motion duly made and seconded unanimously*

RESOLVED, to approve the Lease And First Option To Purchase Agreement with CAG subject to final review by legal counsels for the COA and CAG.

*Director Aisner abstained from voting because of a conflict of interest

Ms. Cavanagh updated the Board on collection and foreclosure activities related to 3 properties. The Board, upon motion duly made and seconded unanimously

RESOLVED, to approve the Judicial Foreclosure Authorization for Montrose County Block 02 Lot 01.

The Board, upon motion duly made and seconded unanimously

RESOLVED, to approve the Judicial Foreclosure Authorization for Ouray County Block 12 Lot 07.

Upon motion duly made and seconded the Board then unanimously

RESOLVED, to approve the Judicial Foreclosure Authorization for Ouray County Block 10 Lot 04.

Director Aisner will sign the 3 authorizations approved above and send the signed documents to Ms. Cavanagh.

Financial

Mr. Gonzales presented the Accounts Receivable Report. Discussion of the status of various individual accounts followed. No action was taken by the Board.

Mr. Gonzales then presented the Accounts Payable Report and upon motion duly made and seconded it was unanimously

RESOLVED, to approve the Accounts Payable Report as presented.

RECORD OF PROCEEDINGS

CORNERSTONE OWNERS ASSOCIATION June 11, 2018 Board Meeting Minutes

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