

# Cornerstone Owners Association

Dear Cornerstone Owners Association Members,

The 2016 Association dues have had to increase from \$2,000 to \$3,000 per lot, with a significant portion of the dues to be used to pay off the last of the costs for litigation which have been jointly funded by the Association, the Cornerstone Lot Owners, LLC and from loans from individual owners. In addition, we have budgeted amounts to cover legal and other costs which we are incurring as we work toward locating a new developer who will restart Cornerstone.

The proposed 2016 dues level represents amounts needed to carry the COA through next year even in the absence of a new developer. If and when a new developer emerges next year, and depending on the terms of a sale with regards to the payment of past due COA amounts, the COA will be revisiting the budget and likely significantly lowering the dues levels for future years. Since we have some 13 different developers currently looking at the property, we feel optimistic that a deal will be done in 2016. We have continued to limit expenditures only to those that we feel we cannot live without in 2016. However, we believe it is critical that the Association has the funds necessary to protect the Association's assets and interests. In fact, to minimize the dues increase in 2016, we are utilizing funds from our reserve account, reducing the balance to only \$14,000.

Please also keep in mind that although this budget is approved by the Association Board of Directors, it can be altered with a 75% or greater vote of the entire membership who are authorized to vote at the Member Meeting on December 28, 2015 referenced in the accompanying notice.

If you have any questions, please don't hesitate to contact any of the board members.

Bob Aisner, President  
Warren Ache, Secretary  
Bill Fugazzi, Treasurer  
Scott Heape  
Carol Lawler

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# CORNERSTONE OWNERS ASSOCIATION

## 2015 PROJECTED ACTUAL AND 2016 ADOPTED BUDGET

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	2015 Projected Actual	2016 Adopted Budget	2016 Adopted Budget Comments
<b>REVENUES</b>			
Annual Assessments- Owner Lots	104,000	147,000	49 of 61 platted homesteads each paying \$3,000 by December 31, 2015.
Annual Assessments- Association Lots	-	-	53 homesteads billed but assumed not collected from Cornerstone Owners Association
Annual Assessments- Metro District Lots	-	-	2 homesteads billed but assumed not collected from Cornerstone Metro District No. 1
Annual Assessments- Thompson Lots	-	-	6 homesteads billed but assumed not collected from Thompson entities.
Wildlife Preservation Transfer Assessment	-	-	Revenue generated from resales of homesteads. Conservatively budgeting for no resales.
Late Fees, Interest, & Other Income	9,109	2	Able to collect some prior year balances and interest in 2015, conservatively not assumed for 2016.
<b>TOTAL REVENUES</b>	<u>113,109</u>	<u>147,002</u>	
<b>EXPENSES</b>			
Accounting, Assoc Management	27,000	25,000	Fees for consultants of the Association.
Legal	100,000	125,000	Balance due for litigation settlement, continued efforts to protect community, and enforce collections.
Insurance	5,250	5,250	Coverages: D&O liability, general liability.
Office Supplies & Misc	1,350	1,300	Office supplies, postage, bank fees, meeting expenses, etc.
Selling Expenses	10,000	10,000	Costs related to the anticipated sale of the community to a new developer
Operations Contingency	2,000	5,000	Unforeseen expenses
Maintenance Contingency	-	5,000	Unforeseen repairs and needs
<b>TOTAL EXPENSES</b>	<u>145,600</u>	<u>176,550</u>	
<b>CHANGE IN FUND BALANCE</b>	<u><b>(32,491)</b></u>	<u><b>(29,548)</b></u>	Use reserves to fund deficits. End 2016 with \$1,000 operating and \$13,000 replacement reserve
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