
RECORD OF PROCEEDINGS

Minutes of the Meeting Cornerstone Owners Association Board of Directors April 21, 2014

The meeting of the Board of Directors of the Cornerstone Owners Association, Montrose and Ouray Counties, Colorado, was held April 21, 2014 at 1:00 p.m., via conference call, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Directors were present and acting:

- Bill Fugazzi (via phone)
- Bob Aisner (via phone)
- Carol Lawler (via phone)
- Jon Nelson (via phone)
- Warren Ache (via phone)

Also in attendance were:

- Kathy Lewensten (via phone)
- Candyce Cavanagh (via phone)

Call to Order

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

Legal Matters

The Board discussed the ongoing legal efforts, which are proposed to be jointly funded by both the Association and the Cornerstone Lot Owners, LLC (the "LLC").

Mr. Aisner began discussion of the engagement agreement from Mr. Daniel Gregory for legal services related to the ongoing litigation. Mr. Gregory has proposed a flat fee of \$600,000. The costs of the litigation will be split between the COA and the LLC on a percentage basis. The 2014 COA budget anticipated legal expenses of \$70,000. It was noted \$30,000 has been expended on these legal costs so far in 2014. Further funding is not expected to be provided by the COA until the end of the year when a clearer picture of the available funds is apparent. It is anticipated the Association will be able to provide additional amounts in 2014 of between \$40,000 and \$65,000 if no unexpected expenses occur.

Ms. Cavanagh recommended appointing a board member to act as a liaison with Mr. Gregory. Mr. Bob Star is the liaison for the LLC. Mr. Jon Nelson agreed to be appointed as the COA liaison. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Engagement Agreement with Mr. Gregory and,

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FURTHER RESOLVED to appoint Mr. Nelson as the COA liaison.

Discussion turned to future funding for the legal expenses. The Board noted a special assessment would be one possibility as discussed and approved at the previous meeting. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to defer any action related to implementing a special assessment.

Other Matters

Mr. Fugazzi reported the fencing will need to be extended as the cattle continue to be a problem.

Adjournment

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the meeting of the Cornerstone Owners Association Board of Directors.

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting