
RECORD OF PROCEEDINGS

Minutes of the Annual Meeting Of the Members of Cornerstone Owners Association

December 28, 2015

The annual meeting of the members of the Cornerstone Owners Association, Montrose and Ouray Counties, Colorado, was held December 28, 2015 at 11:00 a.m. at 455 Mountain Village Boulevard, Suite A, Mountain Village, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Members were in physical attendance:

- Bob and Patti Aisner
- Mary Alice and Scott Heape
- Rich Moses
- Curt Anderson
- Bob Starr

The following Members were in attendance via proxy:

- William & Carol Lawler
- Jon & Johanna Nelson
- Edward E. & Darena Sheridan
- Ronald & Frances Schwarz
- David Flatt
- Tom Musselman
- Owen Sweeney

Also in attendance via conference call were:

- Warren and Marijo Ache
- Bill Fugazzi individually & for Metro District
- David Jaynes
- Susan Curtis
- Tom Musselman
- Eric Feeley
- Eric Weaver, Marchetti & Weaver, LLC
- Rick Gonzales, Marchetti & Weaver, LLC
- Candyce Cavanagh, Orten Cavanagh & Holmes

Call to Order

The annual member meeting of the Cornerstone Owners Association was called to order on December 28, 2015 at 11:00 a.m. by Mr. Aisner.

Mr. Weaver reported proxies were received for the multiple members noted above and that since only 25% of the 54 members which are current in their dues are needed to establish a quorum

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that there were adequate members in attendance either in person or via proxy to constitute a quorum.

Minutes

Minutes from meeting held December 22, 2014 were considered for approval. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes for the meeting held December 22, 2014.

Community Update Mr. Aisner updated the members on the sales process, reporting the listing agent and current number of interested parties including the number that have signed non-disclosure agreements.

Elections

Mr. Weaver reported that the terms had expired for Directors Bob Aisner, Bill Fugazzi and John Nelson resulting in three vacancies on the Board of Directors. Directors Aisner and Fugazzi stated that they would like to run for another term. Director Nelson was not present at the meeting.

Nominations were requested from the floor, and Bob Aisner, Bill Fugazzi, and Scott Heape was nominated. With no additional nominations made there were three nominees for three vacant positions and therefore there was no need for a secret ballot process. Upon motion duly made and seconded, it was unanimously

RESOLVED via acclamation to approve the three nominees to serve 2 year terms on the Board.

2015 Budget

Mr. Weaver reported the 2015 budget was previously adopted by the Board of Directors and had been distributed to the members with the notice of the meeting and was also available on the Association website at www.cornerstoneowners.org.

Mr. Weaver then presented the 2015 budget which was prepared with the assumption of no collections from current individual delinquent accounts, Cornerstone Owners Association accounts, Cornerstone Metro District accounts and the remaining Thompson entity accounts. The annual assessment per property had to increase from \$2,000 to \$3,000. Mr. Aisner noted that the increase

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in dues is primarily to cover the final legal expenses related to litigation, legal expenses for collections, and selling expenses. Other expenses are primarily contingencies for as needed operations and/or maintenance items.

General Discussion Mr. Star updated the Members on the status of unpaid property taxes on the properties now owned by the Association. When the properties were conveyed to the Association as part of the settlement with the Cobalt group they were transferred subject to the unpaid property taxes. In previous years outside investors purchased the tax liens for the properties at the County tax lien sales and those investors are now beginning to apply for treasurers deeds to the properties, which means that the Association will have to pay off the amounts owed or will lose title to the property. It is estimated that an amount not to exceed \$750,000 may be required to be raised, however to date only a portion of the properties have been applied for which will require approximately \$130,000 to be raised. Although the details of the structure are being worked out, the Association is looking for Cornerstone owners that may be interested in loaning funds to the Association to cover the amounts as they are required to be paid, beginning in April of 2016. It is anticipated that the loans will be collateralized with deeds to the property that would be held in escrow, would accrue interest at a rate of 10%, and would mature in two years, although it is anticipated that they would be paid off earlier when the properties are sold to a new developer.

Adjournment There being no further business to come before the Membership at this time, upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the annual member meeting of the Cornerstone Owners Association this 28th day of December, 2015.

Respectfully submitted,

Rick Gonzales
Secretary for the meeting

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