
RECORD OF PROCEEDINGS

Minutes of the Meeting Cornerstone Owners Association Board of Directors October 3, 2012

The meeting of the Board of Directors of the Cornerstone Owners Association, Montrose and Ouray Counties, Colorado, was held October 3, 2012 at 11:55 a.m., at the Fugazzi Residence, 896 Birdsong Lane, Montrose, Montrose County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Directors were present and acting:

- Bill Fugazzi
- Warren Ache
- David Jaynes
- Bob Aisner, (via phone)

The following Directors were absent and excused:

- Richard Moses

Also in attendance were:

- Eric Weaver, Robertson & Marchetti, PC
- Kathy Lewensten, Robertson & Marchetti, PC, (via Phone)
- Candyce Cavanagh, Esq., Orten Cavanagh, & Holmes, LLC
- Pamela Fugazzi
- Marijo Ache
- Barbara Jaynes
- Tom Kennedy, Esq.
- Dean McLain
- Joanna Nelson
- Michael Henderson
- William and Carol Lawler
- Brian Wallin
- Eric Feeley
- Frank Lambert
- Hank Williams
- Lew Thompson, (via phone)
- Bob Starr, (via phone)
- Curt Anderson, (via phone)
- Susan Curtis (via phone)

Call to Order

The meeting of the Cornerstone Owners Association Board of Directors was called to order on October 3, 2012 at 11:55 a.m. by Mr. Weaver who noted a quorum was in attendance.

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Agenda A request was made to add discussion on the following topics: cattle/fencing repairs, winterization of golf course, hunting within the community, golf course access, and gate operations procedures.

Election of Officers Mr. Weaver opened the floor to nominations for officers. Upon motion duly made and seconded, it was unanimously

RESOLVED to elect the following officers:

David Jaynes	President
Bill Fugazzi	VP/ Treasurer
Warren Ache	VP/ Secretary
Richard Moses	VP/Asst Sec/Asst Treas
Bob Aisner	VP/Asst Sec/Asst Treas

Terms of Office Mr. Weaver stated that the Association documents call for two directors to serve for a two year term and the other three directors to serve for a three year term. Upon motion duly made and seconded, it was unanimously

RESOLVED to have the following terms of office:

David Jaynes	Two Years
Bill Fugazzi	Three Years
Warren Ache	Two Years
Richard Moses	Three Years
Bob Aisner	Three Years

Bank Account Authorization Mr. Weaver explained Cornerstone Metropolitan District No.1 has managed the operations and payment of bills for the association. As such, Mr. Wallin is currently authorized to sign checks for the association but Mr. Weaver suggested that Board members also be allowed to sign checks when needed. Upon motion duly made and seconded, it was unanimously

RESOLVED to continue with Mr. Wallin being a signer on the bank accounts and to allow any director of the Association to also be a signer on the accounts of the Association.

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Current Status

Mr. Weaver began discussion on the current status of the community with a map displayed for reference. Mr. Kennedy provided background of how the community was approved through Ouray and Montrose counties and the related guidelines, restrictions and requirements imposed on the development. The open space was planned to be available to community members and eventually conveyed to the Association and there is an expectation that any uses will conform to the covenants, charter, and County approvals.

The course was part of a ground lease so that the Association could own the property but lease it to the Club for a 99 year period. However, some of the golf facilities have been conveyed to Mr. Thompson while others remain with Cobalt, however the Club documents did not contemplate a partial sale of golf course facilities. Mr. Thompson stated that Cobalt terminated the ground lease, Mr. Kennedy however feels that this was not a valid termination.

Currently the owners do not have access to the Clubhouse or the course. In light of this, the owners would like to further understand what the intentions are and whether there are plans to open the course or clubhouse in the near future. Mr. Thompson, who now owns the Clubhouse and other facilities, stated that the facilities are currently not open to the Members. Several members of the community objected to not being able to access the facilities since they have paid all dues that have been assessed to them.

The Board discussed the need to for the golf course to be winterized, which requires immediate action to avoid damage to the turf and irrigation system. Mr. Thompson estimates the cost to winterize to be approximately \$50K and due to not owning the course and many current unknowns is not willing to fund the cost. Mr. Kennedy stated that although this is not an Association responsibility, the Association does have the right to expend funds when properties are not being properly maintained. The Board asked Mr. Thompson if he was interested in splitting the costs of the winterization with the Association, to which he responded that he likely would be. The Board asked for owner input on the matter and everyone in attendance supported the Association splitting the costs of winterization. Mr. Weaver stated that the Association has cash available and a special assessment would likely not be required.

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The group also discussed the need and willingness of the Owners Association to sit down with Cobalt and Mr. Thompson to discuss the issues facing the community to try and work out potential solutions.

Mr. Thompson was asked whether there had been hunting activity on the land that he purchased. He replied there had been and will continue to be hunting on the open space parcels, which he has been advised by his counsel he has the right to do. Several members of the community expressed their concern and disagreement with hunting on the property.

Cattle have been roaming on the property due to a section of fence being removed last fall for replacement in the Spring but when the staff were let go the project was never completed. This is an Association responsibility but due to being so late in the year it was determined to not repair the fence at this time but included the repair costs in the 2013 budget.

The group discussed what procedures should be in place for the gate now that there is not a staff person manning the gate. It was determined that the issuance of a code which owners would make available to contractors and others who need to access would be the best solution.

Adjournment

Due to the length of the annual member meeting and the executive Board meeting, it was determined to table the remaining items on the agenda until a later date. Upon motion duly made and seconded, it was unanimously

RESOLVED to continue the meeting to 11:30 on October 5, 2012 at the same location.

Respectfully submitted,



Eric Weaver
Secretary for the meeting