
RECORD OF PROCEEDINGS

Minutes of the Meeting Cornerstone Owners Association Board of Directors July 27, 2020

A meeting of the Board of Directors of the Cornerstone Owners Association (“Association”), Montrose and Ouray Counties, Colorado, was held 1:00 p.m. Monday, July 27, 2020. The meeting was held as a teleconference meeting in accordance with the applicable statutes of the State of Colorado, Public Health Order 20-23, and the state of emergency declared by the Governor of Colorado March 10, 2020.

Attendance The following Directors were present and acting via teleconference:

- Bob Aisner
- Bill Fugazzi
- Jon Nelson
- Scott Heape
- Warren Ache

Also in attendance via teleconference were:

- Candyce Cavanagh, Orten Cavanagh & Holmes LLC
- Eric Weaver, Marchetti & Weaver, LLC
- Erin McCauley, Marchetti & Weaver, LLC
- Rick Gonzales, Marchetti & Weaver, LLC

Call to Order The meeting of the Cornerstone Owners Association Board of Directors was called to order by Director Aisner at 1:00 PM noting that a quorum of the Board was present.

Public Comment No public was in attendance.

Minutes The Board reviewed the Minutes of Meeting held March 2, 2020 and upon a motion duly made and seconded it was unanimously

RESOLVED, to approve the minutes of meeting held
March 2, 2020.

Legal Cornerstone Acquisition Group, (“CAG”), has signed a Purchase and Sale Agreement to buy two lots from the District, the Agreement states that at closing CAG will pay all back taxes, assessments, and any other costs incurred to date related to foreclosure on the lots by Cornerstone Metropolitan District. The Association is owed \$18,812 for each lot and is comprised of assessments, late fees and interest. Director Aisner asked the Board to consider waiving or reducing the late fees and interest portion due to the Association. Mr. Gonzales provided a break down of the amount due per lot: \$10,550 assessment, \$368 collection fees, \$7,894 late fees and interest. Upon closing, the lien will be

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satisfied if the buyer pays the noted amount due on the settlement statement provided to the Title Company by the Association.

Director Fugazzi noted that CAG still has an outstanding balance due to the Association for past due expenses incurred on behalf of CAG. CAG has retained a CPA to review the outstanding balance, Director Aisner feels it difficult to pay the balance due without a detailed view of invoices and line items. Mr. Weaver reiterated that the CPA was offered access to the Bill.com system to review individual invoices and expenses, however, there has been no movement from the CPA on the review of the balance. Mr. Weaver stated the current net receivable is now at approximately \$120k, and asked a timeframe be established to resolve this matter. Director Aisner stated that they would work to resolve the issue by Labor Day.

Mr. Weaver noted the 2020 dues for the CAG properties are also currently delinquent. Any payment received toward this balance would be first applied to interest and late fees, then to principal.

Executive Session: Upon motion duly made and seconded unanimously and upon a motion duly made and seconded it was unanimously

RESOLVED, to enter into executive session to discuss the outstanding interest due on the two lots being purchased.

Due to a conflict of interest, Director Aisner exited the meeting at this time.

The Board adjourned from executive session to resume the public meeting. Director Aisner rejoined the meeting at this time.

Upon a motion duly made and seconded it was unanimously*

RESOLVED, as CAG was not the owner of these properties and had no ability to keep the interest from accruing, the Board will waive 50% of the late fees and interest at closing, totaling a reduction of \$7,894 for the two lots and at the same time on the same day outside of closing CAG will make a payment for the same amount which will be applied first toward interest and late

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fees on the 57 lots CAG owns, and the remaining to principal on those lots.

*Director Aisner abstained from voting due to a conflict of interest.

Design Review: Mr. Aisner provided an update on the design of cottages and cabins in the Montrose area. A Design Review Board will review plans and attend to issues regarding landscaping and signage compliance matters. Mr. Aisner will have Mr. Kennedy draft a compliance letter, as per the Charter, CAG (Declarant) controls the DRC and should handle these notifications.

Operations

CAG Update: Director Aisner noted that members continue to join at the club, it is estimated this will reach 70 by the end of the week, currently there are 68 total members. Lack of transient housing may be limiting new memberships and various housing ideas are therefore being researched to attempt to have some housing in place for next spring. Discussions with brokers in Telluride are taking place.

Fencing: Director Aisner provided an update on fencing; repairs and building continue.

Financials

Mr. Weaver presented the preliminary financial statements for the period ended June 30, 2020. The Accounts Receivable report was reviewed including the amounts due from CAG. Director Aisner committed to payment of the outstanding CAG dues before August 13, 2020.

Upon a motion duly made and seconded it was unanimously

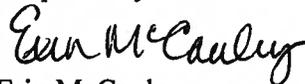
RESOLVED, to approve the Accounts Payable report as presented.

Adjournment

There being no further business and upon motion duly made and seconded, it was unanimously

RESOLVED, to adjourn the meeting.

Respectfully submitted,



Erin McCauley
Secretary for the meeting