
RECORD OF PROCEEDINGS

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

March 29, 2021

The annual meeting of the members of the Cornerstone Owners Association, Montrose and Ouray Counties, Colorado, was held Monday, March 29, 2021 at 1:00 P.M. mountain time. The meeting was held as a teleconference 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 Members were in attendance via conference call (number of homestead votes in parenthesis):

- Bob Aisner (1)
- Scott Heape (1)
- Carol Lawler (4)
- John and Johanna Nelson (1)
- Eric and Doreen Spiegel (1)
- Steve Lemmon (1)
- Doug Buss (1)
- Warren and Marijo Ache (1)
- C. Berry Madden (1)
- Wendy Lawler (1)
- Gail Stein (1)
- Diane Hornquist (1)
- Owen Sweeney (1)
- Rich Moses (1)
- Benjamin Smith (1)
- Susan Curtis (1)

Guests in attendance via conference call:

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

Call to Order

The annual member meeting of the Cornerstone Owners Association was called to order on March 29, 2021 at 1:06 P.M. by Mr. Bob Aisner, President of the Cornerstone Homeowners Association.

Mr. Weaver reported that of the total 122 homesteads, proxies were received for 68 homesteads and 16 homesteads are in attendance resulting in 84 votes which is 69% of the eligible votes;

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25% is needed to establish a quorum so there are an adequate number of members in attendance either via teleconference or proxy to constitute a quorum.

Minutes

Minutes from meeting held March 30, 2020 were considered for approval. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes for the meeting held March 30, 2020.

Bylaws Amendment Mr. Aisner and Ms. Cavanaugh provided an overview of the Proposed Bylaws Amendment. The current Bylaws were adopted in 2006 and changes since that time have led to the Board's decision to update the Bylaws. In summary, the sections containing "Declarant Membership," have been removed, updates are proposed regarding meeting format, quorum requirements, statutory procedures and insurance matters. Members were encouraged to send in their votes via ballot provided in order to meet the percentage required to pass the Bylaws Amendment.

Metropolitan District Update

Mr. Ache, President of Cornerstone Metropolitan Districts Nos. 1 and 2, provided a summary of duties and responsibilities of the Metropolitan Districts. These responsibilities include infrastructure matters such as roads, water, sewer and snow removal. In addition, security, fire and safety, are also responsibilities of the Districts. Mr. Ache provided information on the water distribution system, and the related operational and maintenance costs, as well as potential capital needs. Mr. Ache also informed members that Cornerstone Metropolitan District No. 1 is working with the Colorado Department of Public Health and Environment ("CDPHE") to redesign the chlorination system and emphasized that the water system is in compliance as a potable water system now and the re-design is necessary for the water system to remain in compliance at full build-out.

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Community

Mr. Aisner then reported on the past year's activity for the Owner's Association. A considerable amount of time was spent on cleaning up the trail system which had not been well maintained for several years. In addition, the trail system was expanded along with trail signage and maps being updated. Fencing continues to be a main focus in order to keep the cattle out. The transaction between the Metropolitan District, Owners Association and Cornerstone Acquisition Group was wrapped up over the past year.

Mr. Aisner gave an update for Cornerstone Acquisition Group and reported growth in Club membership in 2020. From 2017 to 2020, membership grew nearly 400%. In 2021, five cabins will be built along Pondsides Drive with the hopes to build eight eventually. Also, a new outdoor eating area will be built near Comfort Station 9. The initiation fee is now \$25,000 as of January 1 in an attempt to recognize growth in membership and to bring in additional income, and dues were held steady. The course will open around Memorial Day, depending on weather.

2021 Budget

Mr. Aisner reported the 2021 budget was adopted at a previously held Board of Directors meeting, was distributed to the members with the notice of the annual meeting and was also available on the Association website at www.cornerstoneowners.org. Annual assessments for 2021 were held flat at \$800 per homestead. In 2021 it is planned that it will be business as usual for the Association.

Mr. Aisner informed members that the budget could be rejected with a 75% vote of eligible voting members. There was no discussion or objection from members and the budget adopted by the Board of Directors remained unchanged.

Elections

Mr. Weaver reported that the two-year term had expired for Directors Warren Ache and Jon Nelson, and the position previously held by Bill Fugazzi is now vacant. Mr. Ache and Mr. Nelson have expressed their willingness to continue serving and Mr. Rich Moses expressed interest in filling the vacant position. Mr. Aisner then asked the members if there were others who want to serve on the Board of Directors. No members expressed interest

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and no nominations were made. Upon motion duly made and seconded it was unanimously

RESOLVED via acclamation to approve Warren Ache, Jon Nelson and Rich Moses to each serve a two-year term on the Board.

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 29th day of March 2021.

Respectfully submitted,

Erin McCauley

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Secretary for the meeting