

**RECORD OF PROCEEDINGS OF THE
STONEGATE VILLAGE BOARD OF DIRECTORS MEETING
JANUARY 28, 2013**

MEETING CALLED TO ORDER:

The Board of Directors for the Stonegate Village Owners Association, Inc., met at the Stonegate Community Center on January 28, 2013. Present were: Tom McHenry, Debbie Tidler, Frank Silici and Sean Donlin. David Marshall was present at the meeting at 6:25 p.m. Also, in attendance were three members of the public and Mark L. Eames, PCAM with PCMS. Director McHenry called the meeting to order at 6:00 p.m. and noted that there was a quorum.

DISCLOSURE OF POTENTIAL CONFLICT INTEREST:

Director McHenry noted that the general disclosure statements for those Board members present at the meeting have been filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

HOMEOWNER PUBLIC FORUM:

There were three homeowners in attendance for the meeting. One homeowner was in attendance regarding paint colors applied to the exterior of their home. The owner inquired to the Board on the hearing notice that was sent out and why an official hearing had not been formally recognized on the meeting agenda. Mr. Eames noted that it did appear that a clerical error was made in not confirming that the owner had sent a letter to the offices of PCMS prior to the official notice of the hearing being sent out, that did appear to properly address the requirements for the hearing to be held. After a final review and discussion, the Board was in agreement that if this matter cannot be otherwise resolved that a rescheduled hearing regarding the exterior paint applied on the owner's home would be provided. One homeowner was in attendance to discuss a recent parking violation letter she had received and felt that the current parking covenant may be vague. The Board addressed the owner's comments and gave some suggestions on helping the Association when an extenuating circumstance may happen by contacting the management company and letting them know of the situation.

OFFICER REPORTS

RECORD OF PROCEEDINGS:

The first item of business was to review the September 24, 2012, October 9, 2012, October 30, 2012, November 7, 2012 and November 12, 2012 record of proceedings. Upon final review, motion was made, seconded and with no public comment unanimously passed to approve all the record of proceedings as written and presented.

FINANCIAL REPORT REVIEW:

The unaudited financial and delinquency reports through December 31, 2012 were reviewed by the Board. Upon final review, motion was made and seconded and with no public comment, unanimously passed to accept and file for audit the financial and delinquency reports for the months ending through December 31, 2012.

LEGAL UPDATES:

The Board reviewed the status of all legal actions that are currently in place and/or pending action with various homes in the community.

COMMITTEE REPORTS:

Modifications Committee: The Board reviewed the information submitted by volunteers for the Modifications Committee. Upon review, a motion was made, seconded and without public comment, unanimously passed to acknowledge Bill Cira, David LaFontaine, David Marshall and Sean Donlin as previously recognized and continuing members of the Committee and to appoint Julie Pfankuch to the Committee for 2013.

HOMEOWNER APPEAL:

The owners at 16453 Stonefeld Place submitted a written appeal to the Board of Directors to request a variance for the unapproved paint colors scheme they applied to the exterior garage doors of their home. After a lengthy discussion, a motion was made, seconded and with no public comment unanimously passed that although the decision of the Modifications Committee was fair and reasonable based upon the current policies of the Community-wide Standards, in this case the Board felt that the paint scheme applied to the garage doors was not unreasonable based upon the current colors applied to the exterior of the home and thereby agreed to grant a contingent variance to the owner.

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COMMITTEE REPORTS CONTINUED:

SALAD Committee: The Board reviewed the information submitted by volunteers for the SALAD Committee. Upon review, a motion was made, seconded and without public comment, unanimously passed to acknowledge Rob Gremminger and Mary Lou Lane as previously recognized and continuing members of the Committee and to appoint Gary Armentrout and Chris Spyke to the Committee for 2013. The Board also requested that management contact Mr. Channing O'Dell to offer an appointment on the SALAD Committee for 2013.

AdHoc Unified Community Trash Service Committee: Mr. Eames requested the Board's consideration in considering asking the current members of the Committee to consider continuing in more of a role as advisors in monitoring the new unified community trash service program. After final review and discussion, the Board agreed that it would be of great benefit to the membership as a whole to ask the current Committee members if they would be willing to serve in an advisory role and requested management to contact the current Committee members about continuing on the Committee for 2013.

MANAGEMENT REPORT:

Mark Eames reviewed the correspondence sent out and received for the month. Mark went on to update the Board on the status of all legal activity involving the Association and members in violation of the covenants to the Board of Directors. The Board gave direction to Mr. Eames for responses to several letters of concern, comments pending hearings and/or appeals to the Owners Association.

ADJOURNMENT:

Motion was made and seconded and in having no public comment unanimously passed to adjourn at 7:56 p.m. The next regularly scheduled meeting of the Board was tentatively set for March 18, 2013 at 6:00 p.m.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 18th day of March 2013.

STONEGATE VILLAGE BOARD OF DIRECTORS

By 

Secretary/Authorized Agent

**RECORD OF PROCEEDINGS OF THE
STONEGATE VILLAGE BOARD OF DIRECTORS MEETING
MARCH 25, 2013**

MEETING CALLED TO ORDER:

The Board of Directors for the Stonegate Village Owners Association, Inc., met at the Stonegate Community Center on March 25, 2013. Present were: Dave Marshall, Tom McHenry, Debbie Tidler, Frank Silici and Sean Donlin. Also, in attendance were Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Marshall called the meeting to order at 6:00 p.m. and noted that there was a quorum.

DISCLOSURE OF POTENTIAL CONFLICT INTEREST:

Director Marshall noted that the general disclosure statements for those Board members present at the meeting have been filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

HOMEOWNER PUBLIC FORUM:

There were not any homeowners in attendance for the meeting.

OFFICER REPORTS

RECORD OF PROCEEDINGS:

The first item of business was to review the January 28, 2013 record of proceedings. Upon final review, motion was made, seconded and with no public comment unanimously passed to approve the record of proceedings of January 28, 2013 as written and presented.

FINANCIAL REPORT REVIEW:

The unaudited financial and delinquency reports through February 28, 2013 were reviewed by the Board. Upon final review, motion was made and seconded and with no public comment, unanimously passed to accept and file for audit the financial and delinquency reports for the months ending through February 28, 2013.

Homeowner Request to Remove Penalties: A homeowner on Longford Way submitted a request to remove a parking penalty from their account, stating that they had violated the parking covenant due to their garage door being broken. Upon review, the Board did not feel that the owner provided enough information to make a decision on the request and it appears the owner is continuing to violate the parking covenants and has not made any changes to their process and have not repaired the garage door yet.

LEGAL UPDATES:

The Board reviewed the status of all legal actions that are currently in place and/or pending action with various homes in the community.

RATIFICATION OF ELECTRONIC CONSENTS:

Upon review, a motion was made, seconded and without public comment, unanimously passed to ratify the electronic consent votes received by the Board last month to adjust two homeowners accounts and the revised Restrictive Covenant Agreement for a homeowner on Stonebriar Lane.

COMMITTEE REPORTS:

Modifications Committee: Mark Eames discussed a situation at Keystone Estates where an owner was denied to install a fence over the landscape easement and has retained an attorney to pursue installing the fence she would like on her lot. Mr. Eames has communicated with the owners attorney and met with the Keystone Estates Board President regarding this matter and will keep the Board posted on any updates.

SALAD Committee: There was not an official report for the meeting.

AdHoc Unified Community Trash Service Committee: The Board discussed a few comments they have received from neighbors in the community regarding the new trash service commencing April 1, 2013. Many of the comments relate to recycling and the toters. Director Tidler noted that when you call the Stonegate hotline at The Garbage Man, it does not indicate that it is a dedicated line for Stonegate residents and requested that management contact The Garbage Man to ask them to change the recording so that it is Stonegate specific.

Stonegate Village Owners Association

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MANAGEMENT REPORT:

Mark Eames reviewed the correspondence sent out and received for the month. Mark went on to update the Board on the status of all legal activity involving the Association and members in violation of the covenants to the Board of Directors. The Board gave direction to Mr. Eames for responses to several letters of concern, comments pending hearings and/or appeals to the Owners Association. Mr. Eames also reported that the three (3) sub-association reimbursement agreements for the unified trash service have been executed by the Board President as previously discussed and authorized by the Board of Directors.

NEW BUSINESS:

Mark Eames asked the Board what they would like to do for the May meeting since it would fall on a holiday. The Board determined that the next meeting will be held on April 22, 2013 and they would not meet in May unless a special meeting was required and would resume the regular meeting schedule in June.

ADJOURNMENT:

Motion was made and seconded and in having no public comment unanimously passed to adjourn at 7:20 p.m. The next regularly scheduled meeting of the Board was tentatively set for April 22, 2013 at 6:00 p.m.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 22nd day of April 2013.

STONEGATE VILLAGE BOARD OF DIRECTORS

By 

Secretary/Authorized Agent

**RECORD OF PROCEEDINGS OF THE
STONEGATE VILLAGE BOARD OF DIRECTORS MEETING
APRIL 22, 2013**

MEETING CALLED TO ORDER:

The Board of Directors for the Stonegate Village Owners Association, Inc., met at the Stonegate Community Center on April 22, 2013. Present were: Tom McHenry, Debbie Tidler, Frank Silici and Sean Donlin. Also, in attendance were Jessica Moser and Mark L. Eames, PCAM with PCMS. Director McHenry called the meeting to order at 6:00 p.m. and noted that there was a quorum.

DISCLOSURE OF POTENTIAL CONFLICT INTEREST:

Director McHenry noted that the general disclosure statements for those Board members present at the meeting have been filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

HOMEOWNER PUBLIC FORUM:

There were not any homeowners in attendance for the meeting.

OFFICER REPORTS

RECORD OF PROCEEDINGS:

The first item of business was to review the March 25, 2013 record of proceedings. Upon final review, motion was made, seconded and with no public comment unanimously passed to approve the record of proceedings of March 25, 2013 as written and presented.

FINANCIAL REPORT REVIEW:

The unaudited financial and delinquency reports through March 31, 2013 were reviewed by the Board. Upon final review, motion was made and seconded and with no public comment, unanimously passed to accept and file for audit the financial and delinquency reports for the months ending through March 31, 2013.

LEGAL UPDATES:

The Board reviewed the status of all legal actions that are currently in place and/or pending action with various homes in the community.

HOMEOWNER HEARING:

Homeowner on Carnelian Place requested a hearing with the Board of Directors regarding the condition of the paint on the exterior of his home. The homeowner was not able to be in attendance for the meeting, but did meet with Mr. Eames previously to provide his information for the hearing. The Board of Directors reviewed the information presented and each Board Member also went by the home to evaluate the condition of the paint on the exterior of the home. Based upon the information presented and the onsite visual inspection of the home, a motion was made, seconded and without public comment, unanimously passed to allow the homeowner a final extension until July 1, 2013 to have the exterior of the home repainted.

COMMITTEE REPORTS:

Modifications Committee: There was not an official report for the meeting.

SALAD Committee: There was not an official report for the meeting.

AdHoc Unified Community Trash Service Committee: The Board discussed a few comments they have received from neighbors in the community regarding the new trash service that commenced April 1, 2013.

MANAGEMENT REPORT:

Mark Eames reviewed the correspondence sent out and received for the month. Mark went on to update the Board on the status of all legal activity involving the Association and members in violation of the covenants to the Board of Directors. The Board gave direction to Mr. Eames for responses to several letters of concern, comments pending hearings and/or appeals to the Owners Association. Mr. Eames provided information on a community document shredding day to the Board of Directors tentatively scheduled in June 2013.

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UNFINISHED BUSINESS:

Bob Rhodes with The Garbage Man was in attendance for the meeting and provided the Board with an update on how the community trash service is going so far. A few comments received from homeowners were discussed with Mr. Rhodes which he will be following up on. Overall, it seems that the service is working out well and the Board thanked Mr. Rhodes for his efforts. It was discussed that a large item pick up day will be scheduled in conjunction with the community shredding day. Notice of both events will be placed in the May and June issues of the Stonegate Messenger.

NEW BUSINESS:

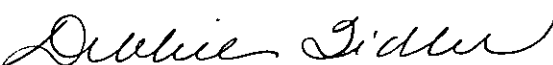
Ratification of Electronic Consent: Upon review, a motion was made, seconded and without public comment, unanimously passed to ratify the electronic consent votes received by the Board last month to approve sending a letter to an owner in Keystone Estates regarding a fence matter.

ADJOURNMENT:

Motion was made and seconded and in having no public comment unanimously passed to adjourn at 7:20 p.m. The next regularly scheduled meeting of the Board was tentatively set for June 24, 2013 at 6:00 p.m.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 24th day of June 2013.

STONEGATE VILLAGE BOARD OF DIRECTORS

By 

Secretary/Authorized Agent

**RECORD OF PROCEEDINGS OF THE
STONEGATE VILLAGE BOARD OF DIRECTORS MEETING
JUNE 24, 2013**

MEETING CALLED TO ORDER:

The Board of Directors for the Stonegate Village Owners Association, Inc., met at the Stonegate Community Center on June 24, 2013. Present were: Dave Marshall, Tom McHenry, Debbie Tidler, Frank Silici and Sean Donlin. Also, in attendance were Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Marshall called the meeting to order at 6:03 p.m. and noted that there was a quorum.

DISCLOSURE OF POTENTIAL CONFLICT INTEREST:

Director Marshall noted that the general disclosure statements for those Board members present at the meeting have been filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

HOMEOWNER PUBLIC FORUM:

There were three homeowners in attendance for their hearings.

OFFICER REPORTS

RECORD OF PROCEEDINGS:

The first item of business was to review the April 22, 2013 record of proceedings. Upon final review, motion was made, seconded and with no public comment unanimously passed to approve the record of proceedings of April 22, 2013 as written and presented.

FINANCIAL REPORT REVIEW:

The unaudited financial and delinquency reports through May 31, 2013 were reviewed by the Board. Upon final review, motion was made and seconded and with no public comment, unanimously passed to accept and file for audit the financial and delinquency reports for the months ending through May 31, 2013.

Two Homeowner Requests to Remove Penalties: A homeowner on Longford Way submitted a request to remove parking penalties from their account, stating that their tenant has corrected the problem with the commercial vehicle being parked onsite. Upon review, a motion was made, seconded and without public comment, unanimously passed to place the fines in abeyance through December 31, 2013 and if there are no further violations of the parking covenant, the penalties will be permanently removed from the owners account.

A homeowner on Feldspar Court submitted a request to remove penalties from their account that were applied for a fence maintenance concern as the fence has been repaired and power washed. Upon review, a motion was made, seconded and without public comment, unanimously passed to place the fines in abeyance through December 31, 2013 and if the fence continues to be maintained per the guidelines, the penalties will be permanently removed from the owners account.

LEGAL UPDATES:

The Board reviewed the status of all legal actions that are currently in place and/or pending action with various homes in the community.

HOMEOWNER HEARINGS:

Stoneflower Drive: Homeowners were in attendance for their hearing regarding parking and noted that they have three handicap people living in the home and need to always have access for a vehicle to leave which prohibits them from parking in driveway on occasion. Upon review, a motion was made, seconded and without public comment, unanimously passed that based upon the Fair Housing Act for Disabled Americans, the Association would be required to acknowledge that one vehicle could be parked in front of the home as may be needed contingent that the handicap sticker is visible and must be after 5:00 p.m.

Woodruff Way: Homeowner was in attendance for hearing and the Board provided clarification on the parking covenant. The owner noted that moving forward, he would make sure to only park on the street if the garage and driveway are full and if there is a time when the vehicle has to be on the street, he will notify the management company office.

Tracery Court: Owner was not in attendance for the hearing regarding parking. The Board reviewed the information submitted and requested that management sent the owner a notice to advise them that they will have 90 days to get their garage cleaned out so that another vehicle can be parked in the garage.

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COMMITTEE REPORTS:

Modifications Committee: Julie Pfankuch resigned her position on the Modifications Committee and the Board requested that management get in touch with the other volunteer who signed up to join this committee from the 2012 Annual Meeting to see if they still had an interest in volunteering.

SALAD Committee: The Board reviewed the Town of Parker Zoning map and discussion ensued regarding various projects surrounding the community.

AdHoc Unified Community Trash Service Committee: The Board discussed a few comments they have received from neighbors in the community regarding the new trash service that commenced April 1, 2013.

MANAGEMENT REPORT:

Mark Eames reviewed the correspondence sent out and received for the month. Mark went on to update the Board on the status of all legal activity involving the Association and members in violation of the covenants to the Board of Directors. The Board gave direction to Mr. Eames for responses to several letters of concern, comments pending hearings and/or appeals to the Owners Association.

UNFINISHED BUSINESS:

The Board of Directors discussed the recent document shredding day and large item pick up that was scheduled on June 15, 2013. Overall, the comments received were very positive and the Board would like to continue with this program in the future.

ADJOURNMENT:

Motion was made and seconded and in having no public comment unanimously passed to adjourn at 8:15 p.m. The next regularly scheduled meeting of the Board was tentatively set for August 26, 2013 at 6:00 p.m.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 26th day of August 2013.

STONEGATE VILLAGE BOARD OF DIRECTORS

By 

Secretary/Authorized Agent

**RECORD OF PROCEEDINGS OF THE
STONEGATE VILLAGE BOARD OF DIRECTORS MEETING
AUGUST 26, 2013**

MEETING CALLED TO ORDER:

The Board of Directors for the Stonegate Village Owners Association, Inc., met at the Stonegate Community Center on August 26, 2013. Present were: Dave Marshall, Tom McHenry, Debbie Tidler, Frank Silici and Sean Donlin. Also, in attendance were Jessica Moser and Mark L. Eames, PCAM with PCMS. Director Marshall called the meeting to order at 6:00 p.m. and noted that there was a quorum.

DISCLOSURE OF POTENTIAL CONFLICT INTEREST:

Director Marshall noted that the general disclosure statements for those Board members present at the meeting have been filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

HOMEOWNER PUBLIC FORUM:

There was one homeowners in attendance for the meeting to discuss concerns with a neighbors deck that was replaced behind their home. See noted under New Business.

OFFICER REPORTS

RECORD OF PROCEEDINGS:

The first item of business was to review the June 24, 2013 record of proceedings. Upon final review, motion was made, seconded and with no public comment unanimously passed to approve the record of proceedings of June 24, 2013 as amended.

FINANCIAL REPORT REVIEW:

The unaudited financial and delinquency reports through July 31, 2013 were reviewed by the Board. Upon final review, motion was made and seconded and with no public comment, unanimously passed to accept and file for audit the financial and delinquency reports for the months ending through July 31, 2013.

LEGAL UPDATES:

The Board reviewed the status of all legal actions that are currently in place and/or pending action with various homes in the community.

COMMITTEE REPORTS:

Modifications Committee: The Board reviewed a request from the Keystone Estates Owners Association Board of Directors to look at taking on the Modification Review for their sub-association and they provided several suggestions on what they feel should be changed in the guidelines to include their specific filings rules on various items such as fencing, landscaping and air conditioning units. After discussion, it was determined that the Owners Association would continue providing reviews on submittals for the sub-association based on the current Community-wide Standards document that has been approved for the community.

SALAD Committee: No official report.

AdHoc Unified Community Trash Service Committee: No official report.

MANAGEMENT REPORT:

Mark Eames reviewed the correspondence sent out and received for the month. Mark went on to update the Board on the status of all legal activity involving the Association and members in violation of the covenants to the Board of Directors. The Board gave direction to Mr. Eames for responses to several letters of concern, comments pending hearings and/or appeals to the Owners Association.

NEW BUSINESS:

2014 Proposed Budget: Mr. Eames and Director Silici discussed the proposed 2014 budget. Upon final review, a motion was made, seconded and without public comment unanimously passed to approve the 2014 annual assessment at \$176.00, billed quarterly at \$44.00 (Attachment A). This year each owner will also receive a credit of \$16.00 annually, as the projected budgeted carry-over was in excess of necessary funding for the 2014 budget. The credit will be applied to each owners account quarterly on their assessment billing statement.

Stonegate Village Owners Association
Board of Directors Meeting
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NEW BUSINESS CONTINUED:

Annual Meeting Preparation: It was noted that the Annual Meeting is scheduled for November 7, 2013 at the Parker Fieldhouse at 6:00 p.m. and notice of the meeting will be mailed to all owners of record by October 16, 2013.

House Bill 1276 & Senate Bill 183 Updates: Mr. Eames reviewed the draft HB1276 Collection Policy update as provided by the Association's legal counsel with the Board of Directors. After discussion, this business matter was tabled until the next meeting.

Deck Installation Concern on Stone Creek Court: The Board of Directors had a lengthy discussion with the homeowner in attendance for the meeting regarding her concerns with a deck that was re-constructed behind her home on Stone Creek Court. The owners feels the new deck is higher then the previous deck. The Board of Directors noted that from what was submitted by the homeowner and approved by the Modifications Committee, there is no indication that the deck would be any higher, but based upon the concern the Association would follow up accordingly Management was directed to speak to the Association's legal counsel to gain their input on this matter. No action will be taken on this matter at this time.

ADJOURNMENT:

Motion was made and seconded and in having no public comment unanimously passed to adjourn at 7:49 p.m. The next regularly scheduled meeting of the Board was tentatively set for September 23, 2013 at 6:00 p.m.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 23rd day of September 2013.

STONEGATE VILLAGE BOARD OF DIRECTORS

By 

Secretary/Authorized Agent

Attachment A

**Stonegate Village Owners Association
2013 Approved Budget, 2013 Estimated Actuals,
2014 Operations Budget and Narrative**

CATEGORY	2013 Approved	2013 Est. Actual	2014 Proposed
Revenues			
Assessments	\$535,548	\$472,463	\$604,208
Legal Fees	\$7,000	\$5,600	\$6,500
Late Fees	\$3,000	\$3,200	\$3,000
Interest/Other Income	\$4,000	\$17,800	\$6,000
Parcel One Refuse Assessment	\$9,300	\$9,300	\$0
Carry-Over Funds	\$86,646	\$132,560	\$83,204
Owner's Credit on Carry-Over Funds	\$0	\$0	-\$54,928
Accounts Receivable Contingency	-\$23,439	-\$12,400	-\$14,400
Total Receipts	\$622,055	\$628,523	\$633,584
Operational Expenses			
Holiday Lighting	\$32,000	\$30,750	\$32,000
Legal Fees	\$16,500	\$17,800	\$18,000
Insurance Premium	\$5,200	\$4,720	\$5,350
General Administration	\$32,550	\$33,450	\$32,250
Committee Administration	\$7,000	\$5,900	\$6,500
Professional Fees	\$94,400	\$92,800	\$94,400
Notice Board/Other Communication	\$3,000	\$2,400	\$2,800
Audit/Income Tax	\$1,700	\$1,400	\$1,600
Unified Trash/Recycling Services	\$350,805	\$282,292	\$370,884
Parcel One Refuse/Admin. Exp.	\$9,300	\$5,890	\$0
Social Activities Director (PT)	\$11,600	\$11,510	\$11,800
Social/Recreational Committee	\$58,000	\$55,700	\$58,000
Total Operation, Community Services and Social/Recreational Expenses	\$622,055	\$544,612	\$633,584
Projected Net Income (Loss)	\$0	\$83,911	\$0

OPERATING REVENUES NARRATIVE

Homeowner Assessments

Budgetary estimate is based upon 3433 homes being assessed \$176.00 annually, billed quarterly at \$44.00. The assessment rate for 2014 is not increasing from 2013, but reflects the additional three (3) months of costs associated with the Unified Community Trash/Recycling Program that commenced April 1, 2013 and was therefore only assessed to the members for the nine (9) months in 2013 that the new service was provided. For 2014, the owners will be receiving a credit on their assessments of \$16.00 annually, as the projected budgeted carry-over was in excess of necessary funding for the 2014 budget. The credit will be applied to each owners account quarterly on their assessment billing statement.

Income Categories Legal, Late Fees, and Interest Income

Legal fee reimbursements, Late fee, fine revenue, interest earned estimates are based upon historical data from previous year's data. Legal income is based upon projected costs associated with either assessment collection and/or covenant enforcement which the Association would seek to be reimbursed for costs from the owner.

Parcel One Refuse Assessment

This income category was previously utilized for those members in the Cornerstone Terrace area that were receiving trash services, as members of Parcel One. Effective April 1, 2013 these members were included in the community Unified Trash/Unified Services.

Carry-over Funds

Historically the Owners Association has carried over to the following budget year all carry-over funds from the previous year to help offset operational costs in the coming year's budget which in turn helps off-set those expense costs to its members.

OPERATING REVENUES NARRATIVE CONTINUED

Owner's Credit on Carry-Over Funds

Historically the Owners Association has carried over to the following budget year all carry-over funds from the previous year to help offset operational costs in the coming year's budget which in turn helps off-set those expense costs to its members. The Associations carryover funds for 2012 into 2013 exceeded the budgeted projections and therefore the Board of Directors has authorized that each owner receive their proportionate share of this excess carry-over as a credit on their 2014 assessments. See notes under Homeowners Assessments in this narrative.

Accounts Receivable Contingency

This budget category is established from actual previous year's documentation to address from a cash flow perspective potential loss of income by the Association for members that for one reason or another are not paying their assessments in a timely manner or at all in 2014.

OPERATING EXPENSES NARRATIVE

Holiday Decorations

Budget figure reflects the estimated costs associated with purchasing as necessary and installing decorations on the main monuments in the community owned by the Association for the holiday season. All proposed holiday lighting must be approved by the Board.

Legal-General

This budget category includes estimated costs associated with all general legal processes and opinions initiated by the Board of Directors for the benefit of the Association members, along with estimated costs associated with all types of potential legal covenants enforcement activities for the benefit of the Association members

Insurance

Budget estimate includes costs associated with maintaining the general liability, hazard and Director and Officer insurance policies for the Association. This figure does not include required and currently maintained insurance costs associated with those homeowners that are also a part of Stonegate.

General Administration

Budget estimate includes costs for copies, letterhead postage, faxes, envelopes, banking service charges, subscriptions and memberships, meeting location expenses, and assessment payment billings for four (4) quarters during the year for assessments including the unified trash/recycling program, along with a variety of other office type supplies that may be utilized by the Owners Association through its Board of Directors.

Committee Administration

Budget estimate includes costs for paper, postage, faxes, envelopes, along with a variety of other office type supplies that may be utilized by the Owners Association through its appointed Committees.

Professional Fees

Estimated costs associated with outside professional services to be utilized by the Owners Association that include but are not necessarily limited to, consulting services as may be directed by the Board, costs associated with management and accounting, community courtesy patrol, and basic contracted services for vacated homes that may not be being maintained (all associated vacant home maintenance costs will be billed back to the owner).

Notice Board/Other Communications

Estimated costs associated with maintaining the Owners Association seven (7) notice boards, including those costs associated with the announcements that are placed within the boards.

Audit, Tax Preparation

This budget category includes estimated costs associated with the preparation of the 2013 audit and tax return for the Association.

Unified Trash/Recycling Services

Budgeted figure includes all trash removal for all single family homes in the Association. The contract was executed in 2013, which guaranteed the rate through 2016.

Social Committee Volunteer Coordinator (PT)

Budget figures reflect the continued support of a part time Social Committee Volunteer Coordinator whose responsibilities include booking and pricing the activities, finding vendors, advertising the event, inviting correct pocket neighborhoods and overall neighborhoods, ordering food, arranging activities, setting the place the event will be held at, working with vendors when they arrive and setting up and cleaning up the event. Facilitates the events to ensure all goes as planned. Works within budget and may need to solicit discounts and special offers/pricing to stay within neighborhood budgets and guidelines.

Social/Recreational Activities

Budget figures reflect the continued support of the Board of Directors of a social/recreational budget for the Association to continue to convey a sense of "community" to the neighborhood and its respective members. This budgetary line item requires the continued organization and participation of volunteer homeowners.

**RECORD OF PROCEEDINGS OF THE
STONEGATE VILLAGE BOARD OF DIRECTORS MEETING
SEPTEMBER 23, 2013**

MEETING CALLED TO ORDER:

The Board of Directors for the Stonegate Village Owners Association, Inc., met at the Stonegate Community Center on September 23, 2013. Present were: Dave Marshall, Tom McHenry, Debbie Tidler, Frank Silici and Sean Donlin. Also, in attendance was Mark L. Eames, PCAM with PCMS. Director Marshall called the meeting to order at 6:00 p.m. and noted that there was a quorum.

DISCLOSURE OF POTENTIAL CONFLICT INTEREST:

Director Marshall noted that the general disclosure statements for those Board members present at the meeting have been filed on behalf of the members of the Board of Directors as required by Colorado State Statute and are maintained as part of the Association corporate files.

HOMEOWNER PUBLIC FORUM:

There were no public forum matters to come before the Board.

OFFICER REPORTS

RECORD OF PROCEEDINGS:

The first item of business was to review the August 26, 2013 record of proceedings. Upon final review, motion was made, seconded and with no public comment unanimously passed to approve the record of proceedings of August 26, 2013 as presented.

FINANCIAL REPORT REVIEW:

The unaudited financial and delinquency reports through August 30, 2013 were reviewed by the Board. Upon final review, motion was made and seconded and with no public comment, unanimously passed to accept and file for audit the financial and delinquency reports for the months ending through August 30, 2013.

LEGAL UPDATES:

The Board reviewed the status of all legal actions that are currently in place and/or pending action with various homes in the community.

COMMITTEE REPORTS:

Modifications Committee: No official report.

SALAD Committee: The Board briefly reviewed and discussed the referral for the Challenger Park site. No further action was taken on the referral.

AdHoc Unified Community Trash Service Committee: Mr. Eames reviewed the written comments that were sent to his office related to various inquiries regarding trash disposal services for the past month. All the reported inquiries had been forwarded to the service contactor for review and corrective action.

MANAGEMENT REPORT:

Mark Eames reviewed the correspondence sent out and received for the month. Mark went on to update the Board on the status of all legal activity involving the Association and members in violation of the covenants to the Board of Directors. The Board gave direction to Mr. Eames for responses to several letters of concern, comments pending hearings and/or appeals to the Owners Association.

UNFINISHED BUSINESS :

House Bill 1276 & Senate Bill 183 Updates: Mr. Eames reviewed the draft policies for HB1276 Collection Policy and Senate Bill 183, Water Conservation and Drought Mitigation. Upon a final discussion, motion was made, seconded and with no public comment unanimously passed to approve both resolutions and authorize the President of the Board to execute both resolutions as written and presented (Attachment A).

Deck Installation Concern on Stone Creek Court: The Board of Directors had additional discussion regarding concerns brought to their attention at the last meeting regarding a neighbors concern with a deck that was re-constructed behind her home on Stone Creek Court. Mr. Eames provided the Board with some additional information regarding the new deck that would appear to indicate that the deck may have been constructed slightly higher than the previous deck. After discussion, the Board directed management to contact the owner of the home on Stone Creek Court with the Associations additional finding of facts and report back to the Board at their next meeting.

Stonegate Village Owners Association
Board of Directors Meeting
September 23, 2013
Page 2

NEW BUSINESS:

Director McHenry noted that many of our community members have expressed an interest as to how we can "help out" our fellow Colorado flood victims. After a lengthy discussion it was agreed that the Board of Directors felt strongly that the Owners Association should look at pooling its resource to not only help organize, but also financially support a Stonegate Matching Funds and Food Drive Event to support the Food Bank of the Rockies. The Board directed management to contact all our various Stonegate operating organizations and professional service vendors to solicit their support and to look at setting up a food donation and financial support drive to be held at the Stonegate Village Community Center/Pool Parking Lot. For those community member that financially donate to this event, the Owners Association would agree to utilize a portion of the Owners Association 2013 social events budget as a matching funds donation to this very worthy cause. Motion was made, second and with no public comment, unanimously passed to move forward with this proposed project as identified above, with a maximum cap on the matching funds portion of the event to not exceed \$ 10,000.00.

ADJOURNMENT:

Motion was made and seconded and in having no public comment unanimously passed to adjourn at 7:49 p.m. The next regularly scheduled meeting of the Board was tentatively set for November 7, 2013 at 7:00 p.m.

IN WITNESS WHEREOF, the foregoing has been duly executed by the Board of Directors as of the 7th day of November 2013.

STONEGATE VILLAGE BOARD OF DIRECTORS

By *Diana J. Tidwell*

Secretary/Authorized Agent

COLLECTION POLICIES AND PROCEDURES

The following policies and procedures were adopted by resolution of the Board of Directors of Stonegate Village Owners Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board. These policies and procedures will supersede any existing collection procedures upon the effective date below.

- 1.1 The assessments (sometimes called dues or maintenance fees) which are currently billed quarterly are due and payable in advance on the first day of the month of each quarter (the due date), and are delinquent if not paid on the due date, and incur a late charge and bear interest from the date of delinquency if not paid on or before 30 days after the due date.
- 1.2 Special assessments are due on the date(s) specified in the special assessment.
- 1.3 The Association shall impose on a monthly basis, a \$10.00 per month late charge for each Owner who fails to timely pay his/her annual assessment within 30 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association may impose interest from the date due at a rate of 3% per month on the amount owed for each Owner who fails to timely pay their annual assessment within 30 days of the due date.
- 1.4 The Association will charge the owner the Association's direct costs as a result of a returned or rejected check or other instrument, plus the Association's \$20.00 returned check charge.
- 1.5 After the assessment payment is delinquent, the Association or the Manager will send a **Reminder Notice** to the owner (at the address of the unit/lot unless owner has provided written notice to the Association of a different owner address) that the payment is delinquent and the owner must pay the assessment plus applicable charges and interest.
- 1.6 After the **Reminder Notice**, the Association or the Manager will send a **Notice of Delinquency** to the owner address described above in the form attached or form substantially similar to the attached.
- 1.7 In the event the delinquent balance is not paid in full, the Board may accelerate the remainder of the Common Expense Assessment, suspend the Member's voting rights, and/or suspend the Member's use of the Common Element/Area facilities until the account is paid in full, provided notice and an opportunity to be heard is provided to the Owner at least 15 days prior to the acceleration of the assessment and/or suspension of privileges.

Notices shall be in writing and delivered to the Owner, via U.S. Mail first class postage prepaid, addressed to the property subject to the assessment obligation. The Association, upon the written request of the Owner delivered to the Association personally or by certified mail, return receipt, postage prepaid, will mail the notice of delinquency to another address as set forth in the Owner's written request.

- 1.8 If the owner intends to satisfy the entire debt to the Association by restrictive endorsement on a check or money order for an amount less than the full balance then due on the owner's account, that check or money order must be delivered to the Association or its managing agent personally or by prepaid certified mail, return receipt requested.
- 1.9 An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:
 - (a) Attorney fees and legal costs
 - (b) Association costs and expenses
 - (c) Late charges
 - (d) Interest
 - (e) Fines
 - (f) Utilities, storage
 - (g) Garage or carport fees
 - (h) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

- 1.10 The Association has the right to evaluate each delinquency on a case-by-case basis and take action on each case based on the Board's good faith business judgment.

Generally alleging a failure of the Association to maintain the Common Elements/Area or generally alleging a failure of the Association to comply with provisions of the Association's governing documents shall not constitute a defense or set-off of the lawfully imposed assessments.

In the event a Court of competent jurisdiction finds a provision of this collection policy void or otherwise unenforceable, the other provisions shall remain in full effect.

These policies and procedures were adopted this 23rd day of September 2013, by resolution of the Board of Directors of Stonegate Village Owners Association, Inc. These policies and procedures shall become effective January 1, 2014.

By Harjee Marshall
Its President

Notice of Delinquency

Stonegate Village Owners Association, Inc.

Date: _____, 20____

Regarding: address _____ in the above Association

Dear Owner:

This is notice that you are delinquent in payment of your assessments as shown in the accounting on the attached ledger.

Options:

- (1) CURE DATE. **The delinquency must be cured on or before 30 days after the date on this Notice of Delinquency**

OR

- (2) PAYMENT PLAN. **Owner must enter into a written payment plan acceptable to the Association.** The payment plan must permit the owner to pay off the deficiency, including a reasonable administrative fee, in equal installments over a period of at least six months, in addition to paying the regular assessments due over the period of the payment plan.

The Association is not obligated to negotiate a payment plan if the owner has previously entered into a payment plan and has failed to comply with the payment plan, if the owner does not occupy the unit, or if the owner acquired the unit as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien on the unit.

To enter into a **payment plan**, please contact:

PCMS, Mark Eames

At contact information : Phone: 303 224-0004

Email: corpoffice@pcms.net

Regular mail: 7208 South Tucson Way #125

OR

- (3) **COLLECTION ACTION.** If you do not pay the total amount due or enter into a payment plan acceptable to the Association on or before the Cure Date above, or, after having entered into a payment plan, you fail to pay an installment under the payment plan or to remain current with regular assessments as they come due within the period of the payment plan, the Association will turn over your account to a law firm or collection agency for collection. The Association may file a lawsuit against you, the Association may sue to have the court appoint a receiver for your property, the Association may foreclose on its lien against your property if the assessments and charges equal or exceed six months of common expense assessments and the Board has voted by recorded vote to file the foreclosure action, and the Association may pursue other remedies available to it under Colorado law.

General Provisions.

An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:

- (a) Attorney fees and legal costs
- (b) Association costs and expenses
- (c) Late charges
- (d) Interest
- (e) Fines
- (f) Utilities, storage
- (g) Garage or carport fees
- (h) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

From the time your **account is turned over to the law firm**, you must communicate only with the law firm to pay or settle the account. You must pay all late charges, interest, costs of collection, and attorney fees incurred by the Association.

STONEGATE VILLAGE OWNERS ASSOCIATION, INC.

POLICY

WATER CONSERVATION AND DROUGHT MITIGATION

Stonegate Village Owners Association, Inc. ("Stonegate") has encouraged the use of drought-tolerant vegetative landscaping for years. The standards and guidelines for utilizing and maintaining drought-tolerant elements to landscape, and to implement xeriscaping on lots within the community are set forth in the Stonegate Community-Wide Standards Document ("Community-Wide Standards").

Restrictive covenants, declarations, bylaws, policies, or rules and regulations can no longer prohibit or limit xeriscaping or drought-tolerant vegetative landscapes or require cultivated vegetation that consists wholly or partially of turf grass.

"Xeriscape" means the combined application of the seven principles of landscape planning and design, soil analysis and improvement, hydro zoning of plants, use of practical turf areas, uses of mulches, irrigation efficiency, and appropriate maintenance under C.R.S. § 38-35.7-107(1)(a)(III)(A).

"Turf" means a covering of mowed vegetation, usually turf grass, growing intimately with an upper soil stratum of intermingled roots and stems.

"Turf grass" means continuous plant coverage consisting of nonnative grasses or grasses that have not been hybridized for arid conditions which, when regularly mowed, form a dense growth of leaf blades and roots.

The Association's Board of Directors may not impose any procedural steps or financial burdens upon the unit owner seeking approval of an owner's xeriscaping request. However, the lot owner must comply with the requirements and standards set forth in the Community-Wide Standards.

The procedural steps for xeriscaping a lot within the Stonegate Village community do not include requirements of an architect's stamp, pre-approval by board retained architect, water usage history/analysis, or landscape change fees.

The Association's Board of Directors may take enforcement action against a lot owner for violations of this policy pursuant to the Association's Enforcement Policy.

If the lot owner allows existing landscaping to die during a period of water restrictions issued by the water supplying authority, enforcement action shall be suspended.

Lot owners must utilize the water necessary, within the watering restrictions declared by the water supplying authority, to maintain the landscaping.

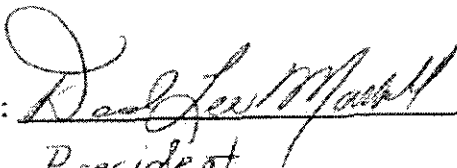
Once the drought emergency ends and watering restrictions are lifted, the unit owner shall be given a reasonable and practical opportunity considering the local growing seasons to reseed and revive turf grass before being required to replace it with new sod.

Nothing in this policy supersedes any county or city subdivision regulation.

This Rule on Water Conservation and Drought Mitigation was passed by a majority of a quorum of the Board at its meeting on September 23, 2013.

Effective January 1, 2014

Stonegate Village Owners Association, Inc.

By: 
Its President

STONEGATE VILLAGE OWNERS ASSOCIATION, INC.
ANNUAL MEMBERS MEETING MINUTES
NOVEMBER 7, 2013

CALL TO ORDER

The meeting was called to order at 6:07 p.m. by Dave Marshall, Stonegate Village Owners Association President. Notice was given to all members in accordance with the Bylaws of the Association. Mr. Marshall noted that we did have a quorum to conduct the meeting. Mark L. Eames of PCMS was also present.

Mr. Marshall introduced the current Board Members:

Dave Marshall - President
Tom McHenry - Vice-President
Debbie Tidler - Secretary
Frank Silici - Treasurer
Sean Donlin - 2nd Vice-President

Mr. Marshall introduced Mark Eames with PCMS, the managing agent for the Association and advised that Mark would run the remainder of the meeting.

APPROVAL OF THE 2012 ANNUAL MEETING MINUTES

Mr. Eames asked the homeowners in attendance to review the 2012 Annual Meeting Minutes, if they had not already done so. Copies were made available to all homeowners present. Motion was made and seconded to approve the minutes as written and presented. The minutes were unanimously approved as presented.

OFFICER AND COMMITTEE REPORTS

Mr. Eames identified each Committee currently in place at Stonegate as follows:

Social/Recreation Committee
Modifications Committee
Surrounding Area Land Advisory Division Committee (SALAD)
AdHoc Unified Trash Service Committee

Mark Eames recognized the current volunteer members of all Committee's and provided a brief description of their purpose and how they function. He strongly encouraged homeowners to volunteer to serve on the Committee's as a way to strengthen their community.

STATE OF THE ASSOCIATION

The following highlights were provided regarding the various business activities of the Association.

Modifications Committee: This Committee continues to be very active and handled several hundred modification requests this past year and worked with numerous homeowners in resolving concerns related to decisions made regarding their modification applications/decisions.

Social Committee: Put together several social events during the year, which constituted hundreds of hours of volunteer time by the members.

Board of Directors: Published 11 newsletters which constituted hundreds of hours of production time (excluding printing and mailing), implemented the community Unified Trash Service which commenced April 1, 2013, coordinated a Food Drive to assist Colorado Flood victims and continued to strive to create a better community for all homeowners in Stonegate.

2013 FINANCIAL REPORT AND 2014 BUDGET RATIFICATION

Mr. Eames reviewed the 2013 financial condition of the Association and then presented the 2014 Budget. Key points discussed were as follows:

- Mr. Eames reviewed the budget line-by-line with the members and explained how the budget amounts were established by the Board.
- It was noted that the assessment rate for 2014 will be \$176.00 annually and will continue to be billed quarterly. The assessment rate for 2014 is not increasing from 2013, but reflects the additional three (3) months of costs associated with the Unified Community Trash/Recycling program that commenced April 1, 2013 and was therefore only assessed to members for the nine (9) months in 2013 that the new service was provided.

Due to less than a majority of the homeowners being in attendance either by person or by proxy, the 2014 budget was ratified as presented. The assessment will be \$176.00 annually, billed quarterly for the 2014 assessment year. For 2014, the owners will be receiving a credit on their assessments of \$16.00 annually, as the projected carry-over was in excess of necessary funding for the 2014 budget. The credit will be applied to each owners account quarterly on their assessment billing statement.

NEW BUSINESS

Mr. Eames reviewed and took questions from the floor regarding various public interest items in the community, including several Metropolitan District items which were referred back to each respective District and concerns expressed about trespassing in the Keystone Estates sub-association.

HOMEOWNER ITEMS RELATED TO ASSOCIATION BUSINESS

Mark opened the floor to general questions.

ADJOURNMENT

There being no further business, the meeting was adjourned at 6:55 p.m.