

**STONEGATE COMMUNITY ASSOCIATION
2016 ANNUAL HOMEOWNERS MEETING
STONEGATE COMMUNITY CENTER
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
MARCH 24, 2016**

APPROVED MINUTES

Present: Don Levitt, President
David Allen, Vice President
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

Absent: Nancy Ford, Treasurer

Staff: Larry Paprocki, Director
Dolly Singh, Office Manager
Catherine Bryson, Communications Coordinator
Stephanie Castiglia, Administrative Assistant

Also

Present: Sandra Kurlander
Cheryl Weissman

WELCOME & INTRODUCTION

President Levitt called the 2016 Annual Homeowners Meeting to order and thanked the homeowners for their attendance at the meeting. He introduced the Board Members.

President Levitt introduced the Community Association Staff.

QUORUM REQUIREMENT

The first item of business was verification of the quorum requirement. President Levitt advised that the Quorum Requirement has been fulfilled, as 1/10th of the membership (at least 92 members) is present, or has voted. As such, this is a proper and duly called meeting.

APPROVAL OF THE 2015 MINUTES

Ms. Kurlander moved to waive the reading of the 2015 minutes, (furnished to all in attendance) and called for approval as presented. Seconded by Ms. Weissman. The motion passed unanimously.

PRESIDENT'S REPORT

President Levitt reported he would be leaving the Board after completing his fourth year on the Board, this past year as President. Upon completion of a second term the director must step down from the Board. He acknowledged the dedicated service and efforts of the entire Board. He also recognized our committee members, who's planning and recommendations assist the Board in their deliberations. He remarked special recognition goes to our Executive Director, Larry Paprocki, who manages our dedicated administrative staff and maintenance personnel in their duties that promote Stonegate as one Scottsdale's finest planned residential communities. He concluded it has been a pleasure and honor to serve this past year as Board President.

TREASURER'S REPORT

Mr. Schaefer stated that everyone has been sent a copy of the audit balance sheet in the Annual Report. He provided a brief review of the expenditures and income. He advised that there is an operating surplus, based on Revenue Ruling 70-604. He further advised that the Association relied on surplus funds to fund operating expenses in future years and by doing so avoid taxation.

Ms. Kurlander moved the Board approve rolling forward of surplus funds into the next calendar year, 2016, based on Revenue Ruling 70-604 to satisfy the IRS. Seconded by Ms. Weissman. The motion passed unanimously.

SPECIAL RECOGNITION PRESENTATION

Secretary Condon acknowledged the efforts of the retiring Board President Don Levitt and Board Vice President David Allen. Secretary Condon presented the retiring Board President and Vice President with a recognition award for their service.

NOMINATION & CASTING OF BALLOTS

President Levitt introduced the 2016 Board Candidates:

Jim Bissonett
Gene Evans
Ed Katz
Cary Weissman

Vice President Allen recognized the Nomination and Election Committee as follows:

Steven Lipps, Chairman
Derek Fromm
Jean-Claude Moreau
Andrew Ventura

ELECTION RESULTS & CERTIFICATION

Vice President Allen announced the election results of the Board of Directors election and provided certification form for 2016/2017.

Cary Weissman
Gene Evans
Jim Bissonett

ADJOURNMENT

President Levitt thanked everyone for their attendance at the 2016 Annual Homeowners Meeting.

Ms. Weissman moved to adjourn the Stonegate Community Association Annual Meeting at 7:25 p.m. Seconded by Ms. Kurlander. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JANUARY 26, 2016**

APPROVED MINUTES

Present: Don Levitt, President
David Allen, Vice President
Nancy Ford, Treasurer
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

Staff: Larry Paprocki, Director
Stephanie Castiglia, AV

CALL TO ORDER

President Levitt called the meeting of the Stonegate Community Association Board of Directors to order at 6:00 p.m., noting the presence of a quorum.

MINUTES

November 19, 2015 Board Meeting

President Levitt moved the Board approve the November 19, 2015, Board of Directors meeting minutes as presented. The motion passed unanimously.

TREASURER'S REPORT

Ms. Ford reviewed the Association financial statements, as prepared by Association staff, for the period ending December 31, 2015 (Pre Audit). She advised that she has reviewed the bank statements and they are in order. She responded to questions and comments from the Board members regarding the financials.

Mr. Paprocki provided an update on the delinquent accounts. He requested authority to proceed with filing a small claims judgment on a delinquent account.

Mr. Allen stated that it might make sense to file a lien, which would allow the Association the right to foreclose if the account is not brought current. He suggested that Mr. Paprocki look at the public records on this property to see if there are any liens on the property. Mr. Paprocki responded to questions and comments from the Board members

regarding this property. The consensus of the Board was for Mr. Paprocki to use his best judgment. Paprocki stated he would file a lien.

Mr. Schaefer moved the Board accept the Treasurer's report. Seconded by Mr. Weissman. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that Butler and Hansen CPA have completed their fieldwork and the 2015 Audit has been updated. The joint meeting with the Board and Finance Committee has been scheduled for Tuesday, February 16, 2016 at 5:00 p.m.

Mr. Paprocki reported the Association's workers compensation carrier has requested an acknowledgement be signed indicating the policy is for paid employees only and not for volunteers. He responded to questions and comments regarding this request.

Mr. Paprocki stated included in the Board packet is the PMIS contract. He further stated the amount is \$7,600.00, which is less than last year due to the scheduled work to be performed. He noted the 2016 roadway work, updated 10-year roadway plan and cost summary are also included in the Board packet. He responded to questions and comments from the Board members regarding this contract.

Mr. Paprocki provided an update on the East Gate Landscape Enhancements. He stated the design includes the planting of four Date Palms, the addition of two new masonry walls, and to raise an existing wall. The total cost of the Date Palms is \$22,008.00 and for the masonry work \$1,950.00. He further stated the Architectural Committee has reviewed the design and conducted an on-site review. He responded to questions and comments from the Board members regarding the enhancements.

Mr. Paprocki provided an update on the pending insurance claim. He advised that he notified our insurance broker to advise our Directors and Officers carrier of a possible claim regarding polybutylene pipes that were installed by the builder. The owner of Windemere Lot 64 has submitted an invoice, which has been forwarded. He further advised that he does not believe the Association has any liability in this matter.

Mr. Paprocki stated in the Board packet is the draft regarding the updating of the Vehicles and Equipment Rules. He further stated this document should be reviewed by legal counsel. He added it is also his intent to take this draft to the CAI law conference to receive feedback.

BOARD ACTIONS

Approval of 2016 PMIS contract Roadway Project Management & updating Stonegate's 10-Year Roadway Plan

Mr. Paprocki requested Board approval of 2016 PMIS contract for Roadway Project Management and updating Stonegate's 10-year Roadway Plan.

Ms. Ford moved the Board approve the 2016 PMIS contract for Roadway Project Management and updating Stonegate's 10-year Roadway Plan for \$7,600.00. Seconded by Mr. Weissman. The motion passed unanimously.

Approval of 2015 East Gate Landscape Enhancement

Mr. Paprocki requested Board approval of 2016 East Gate Landscape Enhancement.

Ms. Ford moved the Board approve the 2016 East Gate Landscape Enhancement design that includes the planting of four Date Palms, the addition of two new masonry walls, and to raise an existing wall. The total cost of the Date Palms is \$22,008.00 and for the masonry work \$1,950.00. Seconded by Dr. Rhein. The motion passed by a vote of four (4) to zero (0) with Ms. Condon and Mr. Allen abstaining.

COMMITTEE REPORTS

President Levitt noted the committee reports were included in the Board packet for Board members review and comment.

Mr. Paprocki requested feedback on the Ad Hoc Committee's letter regarding amenities.

Ms. Ford stated that the letter should not include dollar amounts. It should be stressed that any project will go before the appropriate committee for review and requires Board approval.

Mr. Allen stated the purpose of the survey is for the residents to give their opinions regarding which amenities they would prefer to see to enhance the community. Once we get the feedback then the Board can make the decision regarding how the money will be spent. Mr. Paprocki advised that any amenity over \$100,000 would require membership vote.

Ms. Ford recommended removing the work out facility from the letter.

Mr. Allen expressed his concern that the letter discusses converting a tennis court into a pickle ball court because that could potentially be taking away a common area amenity that is a vested right and could be a legal issue.

The consensus of the Board was to remove the dollar amounts from the letter. Mr. Paprocki advised he would relay the Board's concerns to the committee.

ADJOURNMENT

Mr. Allen moved the Board adjourn into Executive Session at 7:15 p.m. Seconded by Mr. Schaefer. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
FEBRUARY 25, 2016**

APPROVED MINUTES

Present: Don Levitt, President
David Allen, Vice President
Nancy Ford, Treasurer
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

Staff: Larry Paprocki, Executive Director
Stephanie Castiglia, Administrative Assistant

Also

Present: Sophia Cogan, Regal

CALL TO ORDER

President Levitt called the meeting of the Stonegate Community Association Board of Directors to order at 6:09 p.m., noting the presence of a quorum.

RESIDENT'S FORUM

Sophia Cogan, Regal Lot 27, advised the Board that the Architectural Guidelines were not followed and they never received the disclosure form that required their signature regarding the structure currently being built on the adjacent lot. She stated that she felt that this structure decreases the value of their home and does not think it should be built that close to their home. She further advised the large garage is being built opposite the common wall. The pitched roof of the structure is a concern because rainwater could flood their property.

Mr. Paprocki updated the Board regarding the communication he has had with the Cogan's regarding this structure. Preliminary approval was given in 2014 based on a submitted site plan and a disclosure form that was signed by Lot 27. Final approval was given December 2015 based on site plan and elevation plans. The City of Scottsdale has also approved the freestanding garage addition. The Cogan's do not recall signing the disclosure form. Mr. Paprocki requested staff bring him Lot 28's application, disclosure form and plans so he could review the matter, prior to returning Lot 27's phone call.

During their telephone conversation, he discussed the project disclosing the signature on the form. He then returned the paperwork to staff to re-file. Several days later the Cogan's requested a copy of the signed disclosure form and when he requested the file, staff was unable to locate it. He added this matter was brought to the Architectural Committee at the February 17, 2016 meeting.

Ms. Cogan stated that her husband would not have signed the disclosure without consulting her. Ms. Ford advised Ms. Cogan that the Architectural form is a courtesy.

In response to a question from Mr. Allen, Mr. Paprocki stated the plans were approved by the City of Scottsdale and the structure has a permit.

Ms. Ford suggested that the Cogan's might want to have a conversation with their neighbor to try and mitigate any impact of the structure.

Ms. Cogan stated that they are very disappointed that they were the last to find out about this structure and they are seeking third party assistance to see what their rights are because of the big impact this structure has on their property.

In a response to a question from President Levitt, Mr. Paprocki advised that there are no violations on this structure and the heights and setbacks are based on the City of Scottsdale criteria and the Architectural Committee approval was based on aesthetics.

President Levitt thanked Ms. Cogan for coming before the Board to address her concerns and advised the Board will continue to discuss this matter and get back to her.

In response to questions from President Levitt, Mr. Paprocki stated that staff has spent approximately eight hours looking for the misfiled disclosure form.

Mr. Allen inquired if the homeowner of Lot 28 recalls giving the Cogan's notice. Mr. Paprocki stated that the homeowner recalls sending emails and is in the process of looking for them.

Discussion ensued and the Board members acknowledged the fact that they understood how upsetting the loss of a view can be but there is nothing the Board can do because the adjacent property owner has the right to build the structure. The Board would hope that the neighbors would work together to provide landscaping to soften the impact of the structure. The Board requested Mr. Paprocki send the Cogan's a letter advising them that the Board is unable to take any action.

President Levitt moved the Board direct Mr. Paprocki to send the Cogan's a letter as indicated above. The motion passed by a vote of five to one with Ms. Condon dissenting.

MINUTES

January 26, 2016 Board Meeting

Ms. Ford reviewed her correction to the minutes.

Ms. Ford moved the Board approve the January 26, 2016, Board of Directors meeting minutes as amended. Seconded by Mr. Schaefer. The motion passed unanimously.

TREASURER'S REPORT

2015-Year End Audited Financials

Ms. Ford stated the January and February Association financial statements will be presented at the March Board of Directors meeting. She further stated that Butler and Hansen CPA have completed their fieldwork and the 2015 Audit has been completed and was presented to the Finance Committee at the joint meeting held on February 16, 2016. She responded to questions and comments from the Board members regarding the audit.

Mr. Schaefer moved the Board accept the Treasurer's report. Seconded by Ms Condon. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Insurance Claim Update

Mr. Paprocki reported the resident has not submitted any supporting documents, which would substantiate his claim. He further reported that he sent a letter requesting this documentation.

Property Assessment Lien

Mr. Paprocki reported that he has drafted the lien to be filed on a delinquent account. He further reported that he would suggest the lien be reviewed by legal counsel, as his draft will be the template for future liens.

Mr. Allen suggested that Mr. Paprocki research which attorneys prepare this type of form. The consensus of the Board was to authorize Mr. Paprocki to spend up to \$500.00 for review of this document by legal counsel.

Recreational Area Incidents

Mr. Paprocki reported on the weekend of February 13, 2016, in the community parking lot, an altercation occurred between a Belcourt resident and five youths (one Stonegate minor and four unidentified guests). The resident was attacked after confronting the minors about throwing rocks hitting his home from the parking lot. He further reported

that Scottsdale Police Department responded. The attackers were detained by SPD in Belcourt when they were walking towards the Belcourt resident's home. A police report was issued and it was not available as of Friday, February 19, 2016 when he called records to obtain a copy of the report.

Mr. Paprocki reported on Saturday evening, at approximately 9:00 p.m., he responded to complaints regarding behavior within the pool area. On his arrival, one SPD Officer was on-site and was joined by a second officer shortly afterwards. He further reported that he observed the situation, and requested the officers escort approximately 15 plus minors from the area. A second group was also asked to leave. Approximately 10 individuals were permitted to stay after they were identified and were being polite.

Pool Maintenance

Mr. Paprocki reported that due to high TDS readings on the pool water, he is requesting the pool be closed for two days to partially drain the pool, refill, heat, and chemically balance the water. He further reported this work will make the chemicals used more effective.

East Gate Enhancement Update

Mr. Paprocki reported the masonry work to construct one wall and to raise another is complete and stuccoed. Walls will be painted in two weeks to allow the stucco to cure. He further reported if painted too early, the lime in the concrete (stucco) will burn the paint causing it to peel. He added that the palm trees will be ordered for planting.

COMMITTEE REPORTS

President Levitt noted the committee reports were included in the Board packet for Board members review and comment.

Mr. Paprocki reported that the Spring Fling has been rescheduled to Sunday, April 10, 2016. He further reported the Association has already received sponsorships for this event.

Mr. Paprocki advised the Social Recreational Committee is in agreement that proof of insurance must be presented by the Tennis Pros at Stonegate prior to giving lessons.

Ms. Condon stated that she is in favor of having a Food Truck picnic in September. Mr. Paprocki advised that the Committee was not big on the idea. Ms. Ford requested that Mr. Paprocki relay to the Committee that the Board loves the idea.

Mr. Paprocki provided information on the 10-day notice that was sent to a homeowner.

Mr. Paprocki requested feedback on the Ad Hoc Committee's letter regarding amenities. Ms Ford reviewed her changes to the letter. Discussion ensued and the suggestion was made to do an on-line survey using survey monkey.

Mr. Paprocki advised the Annual Meeting is scheduled for March 24, 2016.

ADJOURNMENT

President Levitt moved the Board adjourn the meeting at 7:30 p.m. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E. MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
MARCH 24, 2016**

APPROVED MINUTES

Present: Don Levitt, President
David Allen, Vice President
Lori Condon, Secretary
Leroy Rhein, Director
Tom Schaefer, Director
Cary Weissman, Director

Absent: Nancy Ford, Treasurer

Staff: Larry Paprocki, Director

CALL TO ORDER

President Levitt called the meeting of the Stonegate Community Association Board of Directors to order at 6:00 p.m., noting the presence of a quorum.

MINUTES

February 25, 2016 Board Meeting

Dr. Rhein reviewed his correction to the minutes.

President Levitt moved the Board approve the February 25, 2016, Board of Directors meeting minutes as amended. Seconded by Dr. Rhein. The motion passed unanimously.

TREASURER'S REPORT

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending February 29, 2015. He advised that he has reviewed the bank statements and they are in order. He responded to questions and comments from the Board members regarding the financials.

Mr. Schaefer stated the Committee discussed the investments and how they want to use cash equity to gain high interest returns. The Finance Committee is recommending \$120,780 to be moved from cash investments to fixed income investments (two

Vanguard and one Fidelity). He responded to questions and comments from the Board members regarding the investments.

Dr. Rhein moved the Board accept the Treasurer's report. Seconded by Ms. Condon. The motion passed unanimously.

Dr. Rhein moved the Board approve the Finance Committee recommendation for \$120,780 to be moved from cash investments to fixed income investments (two Vanguard and one Fidelity). Seconded by Ms. Condon. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that he met with Buddy Hughes last week regarding the Reserve Update and he will be presenting the preliminary report to the Finance Committee and the Physical Property Committee. He reported that the tennis courts are coming to the end of their useful life and they are looking at the cracking on the courts.

Mr. Paprocki provided an update on the City of Scottsdale consideration of the Conditional Use Permit for Hunkapi. He is suggesting that the Conditional Use Permit be reviewed every six months to ensure compliance.

Mr. Paprocki reported that he looked into using Survey Monkey for the amenities survey and the cost would be greater than doing a master mailing.

BOARD ACTIONS

Mr. Paprocki requested the Board approve the purchase of pool lounges and chairs to replace the existing at a total cost of \$10,034.48. He reported this would be a Reserve expense carried over from 2015. He responded to questions and comments from the Board members regarding this request.

Mr. Weissman moved the Board approve the purchase of pool lounges and chairs to replace the existing at a total cost of \$10,034.48. Seconded by Dr. Rhein. The motion passed unanimously.

Mr. Paprocki stated the Physical Property Committee recommends Pinnacle Paving be awarded the 2016 Roadway work. They were the low bid. He further stated they were the contractor that has done roadway work for the past three years. The Committee recognizes Pinnacle Paving's track record in performing a problem free project. He noted that Pinnacle Paving would be resealing Stonegate Circle and Palomino East under warranty at no cost to the Community Association.

President Levitt moved the Board approve awarding Pinnacle Paving the 2016 Roadwork contract. Seconded by Mr. Allen. The motion passed unanimously.

Mr. Paprocki stated the Timarron Tract Declaration Amendment passed and the homeowners will now be responsible to maintain their own properties. He further stated that the document would be executed and recorded.

Let the record reflect that President Levitt signs the document.

Mr. Allen moved that the Board approve the Timarron Tract Declaration Amendment. Seconded by Mr. Schaefer. The motion passed unanimously.

NEW BUSINESS

Mr. Weissman stated at a future date, he would like to discuss putting limits on rentals in the community. Mr. Allen stated that would have to be done through amending the CC&Rs and it is a difficult process. The consensus of the Board was to continue this conversation at a future meeting.

Mr. Allen moved to adjourn the meeting at 6:50 p.m. Seconded by Mr. Weissman. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
APRIL 28, 2016**

APPROVED MINUTES

Present: Nancy Ford, President
Cary Weissman, Vice President
Gene Evans, Secretary
Jim Bissonett, Director
Lori Condon, Director
Leroy Rhein, Director

Absent: Tom Schaefer, Treasurer

Staff: Larry Paprocki, Director
Stephanie Castiglia, Administrative Assistant

CALL TO ORDER

President Ford called the meeting of the Stonegate Community Association Board of Directors to order at 6:00 p.m., noting the presence of a quorum.

MINUTES

March 24, 2016 Executive Session (Confidential)

March 24, 2016 Board Meeting

March 30, 2016 Election of Officers Meeting

Mr. Evans moved the Board approve the March 24, 2016, Executive Session, Board of Directors and Election of Officer meeting minutes as presented. Seconded by Ms. Condon. The motion passed unanimously.

March 24, 2016 Annual Meeting

Mr. Evans moved the Board accept the March 24, 2016, Annual Meeting minutes as amended. Seconded by Ms. Condon. The motion passed unanimously.

TREASURER'S REPORT

Mr. Weissman reviewed the Association financial statements, as prepared by Association staff, for the period ending March 31, 2016. He responded to questions and comments from the Board members regarding the financials.

President Ford reported with the completion of the Timarron change to remove the landscaping responsibility from the Association as of April 20, 2016, it is recommended that both the income and expense budget items be removed from the Stonegate budget for the last eight months of 2016.

Mr. Evans moved the Board accept the Treasurer's report. Seconded by Mr. Weissman. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported there has been power outages in several subdivisions caused by APS replacing a rusted cabinet near Belcourt. APS has requested the Association remove the turf around the cabinet. Paprocki reported that there is approximately 60 feet of turf and he would be removing. The Board suggested removing the least amount of turf as possible and then determine if it looks good.

Mr. Paprocki reported all 15 of the master back flow locations have been tested and 12 passed and 3 failed. He further reported that all would be in compliance with the City of Scottsdale in less than 30 days.

Mr. Paprocki provided an update on the East Gate sign bids. He reported the cost for all signs are \$7,800 and there are two more bids coming in for comparison. He noted the signs would be funded from the Capital fund. He further noted that when he gets the bids he would bring back for Board approval.

Mr. Paprocki reported that a newly planted palm tree at the East Gate is leaning forward, and the contractor at no cost to SCA will put it back in the vertical position.

In response to a question from Mr. Evans, President Ford discussed the difference between Capital and Reserve expenses.

Mr. Paprocki discussed the Creative Man Painting bid for the view fence painting. The bid came in at \$6.75 per linear feet. The estimated cost is \$154,994.21. He reported per the CC&Rs, homeowners will pay half of the cost and a letter will be sent stating their obligation. He further reported he received four bids and Creative Man was the best bid received. He stated this would be a Reserve expenditure. He responded to questions and comments from the Board members.

Mr. Paprocki requested the Board hold an Executive Session directly after this meeting.

BOARD ACTIONS

Investment Request

President Ford stated the Finance Committee is requesting to invest \$40,000 of monies currently in checking accounts into fixed income investments at Vanguard and Fidelity with \$10,000 invested in each of four funds. She advised the checking account monies are not currently earning interest and the monies will not be needed in the near future.

Dr. Rhein moved the Board approve the investment request to invest \$40,000 of monies currently in checking accounts into fixed income investments at Vanguard and Fidelity with \$10,000 invested in each of four funds. Seconded by Mr. Evans. The motion passed unanimously

Remove Timarron's Income and expense budget items from the Stonegate budget.

President Ford stated Timarron's change in landscaping responsibility from the Association to the homeowner becomes effective as of April 30, 2016. The Finance Committee is requesting the Board approve that the income and expense budget items be removed from the Stonegate budget for the remainder of 2016. She further stated that the activity has been terminated and the budget items should therefore be terminated.

Dr. Rhein moved the Board approve that the income and expense budget items for Timarron's landscaping be removed from the Stonegate budget for the last eight months of 2016. Seconded by Mr. Weissman. The motion passed unanimously

Safeguard's Option C for replacement of gate operating electronics.

President Ford stated the Physical Property and Finance Committees have reviewed the three options from Safeguard for the replacement of gate operating electronics and recommend Board approval of Option C.

Dr. Rhein moved the Board approve Option C from Safeguard for the replacement of gate operating electronics. Seconded by Mr. Evans. The motion passed unanimously.

Hughes Reserve Study

President Ford stated the Physical Property and Finance Committees have reviewed the results of the latest Hughes reserve study and recommend Board approval of the results presented. She further stated the committees are also recommending approval of Mr. Paprocki's reallocation of the 2016 reserve-spending plan.

President Ford provided information regarding how the Association uses this report. She also provided information on the importance of this report. She noted that it is a working document.

Mr. Paprocki responded to questions and comments from the Board members regarding this report.

Mr. Evans moved the Board approve Hughes reserve study and approval of Mr. Paprocki's reallocation of the 2016 reserve-spending plan. Seconded by Mr. Bissonett. The motion passed unanimously.

COMMITTEE REPORTS

President Ford noted the committee reports were included in the Board packet for Board members review and comment.

Ms. Condon commented that all of the committee reports are different. She further commented that she felt the reports should follow certain guidelines and should be uniform. She expressed her concern that she does not always know what she is approving.

Mr. Paprocki stated with regard to the architectural committee after they make their decision the homeowner receives a letter that outlines the reasons for the action. He further stated that the Board is accepting the committee's decision; discussion is not reported. Discussion ensued regarding this issue and consensus was to make the headings and present and absent sections of the reports uniform.

President Ford stated that the Nomination and Election Committee is recommending the Association go back to paper ballots because the total number of votes decreased. The consensus of the Board was to go back to paper ballots.

DISCUSSION / NEW BUSINESS

Ms. Condon stated that she felt rather than having key locks at the pool she would suggest having a pad lock and use the resident's lot number to gain access to the pool so that the residents do not have to worry about having a key. Discussion was held and the concern was expressed that one person could give out the number to many people. The consensus was to keep the lock and key access.

ADJOURNMENT

Mr. Weissman moved the Board adjourn the meeting at 7:45 p.m. Seconded by Ms. Condon. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
MAY 23, 2016**

APPROVED MINUTES

Present: Nancy Ford, President
Cary Weissman, Vice President
Tom Schaefer, Treasurer
Gene Evans, Secretary
Jim Bissonett, Director
Lori Condon, Director
Leroy Rhein, Director

Staff: Larry Paprocki, Director
Stephanie Castiglia, Administrative Assistant

Also

Present: Arnie Segal
Sherre Phillips

CALL TO ORDER

President Ford called the meeting of the Stonegate Community Association Board of Directors to order at 6:00 p.m., noting the presence of a quorum.

MINUTES

April 28, 2016 Board Meeting

Mr. Weissman and Ms. Ford reviewed their corrections to the minutes.

Mr. Evans moved the Board approve the April 28, 2016, Board of Directors meeting minutes as amended. Seconded by Mr. Weissman. The motion passed unanimously.

TREASURER'S REPORT

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending April 30, 2015. He advised that he has reviewed the bank statements and they are in order. He responded to questions and comments from the Board members regarding the financials.

Dr. Rhein moved the Board accept the Treasurer's report. Seconded by Mr. Evans. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that there are no 10-Day Enforcement Notice letters pending.

Mr. Paprocki provided an update on the East Gate signage project. He reported that after contacting five signage companies, he has received two bids on the proposed signage at the East Gate. He further reported the bids range from \$7,122 to \$7,840 and that both include installation and tax. He stated based on committee comments and recommendation, changes will require new bids. He requested that the Board review the signage concept to allow him to proceed with obtaining a final bid.

Mr. Paprocki responded to questions and comments from the Board members regarding the East Gate signage project.

Mr. Paprocki provided an update on the VRBO short-term rental settlement agreement. He reported the agreement has been signed and delivered to the Stonegate Community Association attorney of record. He further reported that the resident's access devices have been re-activated. He advised that two months of assessments remain delinquent. The homeowner has not provided a mailing address.

Mr. Paprocki reported all of the access control electronic equipment has been installed and is operational.

Mr. Paprocki provided an update on the progress of the view fence painting and repairs. He reported the recreational area view fence painting has been repaired and painted. He further reported that letters have been sent to homeowners along the equestrian trail advising the painting will begin Monday, May 23, 2016 beginning at the Regent working east towards Windcrest. He advised that the estimated time to complete the initial phase is four weeks. Residents were requested to return the access permission forms and their portion of the shared cost amount. He commented that the repairs, if any, would be billed prior to painting.

Mr. Paprocki reported that the palm tree trimming is ongoing and it is estimated the work will be complete prior to Memorial Day weekend. He further reported that the problems with the lack of cleanup have been addressed with the contractor.

Mr. Paprocki reported that the roadway schedule maps were included in the Board packet. He responded to questions and comments regarding the roadway schedule.

Mr. Paprocki reported that he received an email from a resident requesting the Association consider incorporating a Dog Park in Stonegate. He inquired if the Board would like to have a Physical Property committee to study this issue again.

Ms. Condon provided historical information regarding past research and discussion noting the main concerns being odor problems, barking and loss of home values for the surrounding homes.

Discussion was held and the consensus was to assign this to the Physical Property Committee to review and determine whether it would be viable.

Mr. Weissman moved that the Board assign to the Physical Property Committee to study the issue of whether a Dog Park would be viable in the community. Seconded by Mr. Schaefer. The motion passed unanimously.

Mr. Paprocki reported that Senate Bill 1350 was signed into law. He further reported after reviewing the bill it applies only to Arizona counties and municipalities regarding short-term (vacation) rentals and would not impact community associations.

Mr. Weissman stated he would like to discuss putting limits on rentals in the community. He further stated that there appears to be a significant increase in short-term leases and absentee owners then there has been in the past. Mr. Evans requested that Mr. Paprocki pull data regarding the actual number of rentals in the community and provide that information at the next meeting to determine if there has been a significant increase and whether this issue should be examined.

COMMITTEE REPORTS

President Ford noted the committee reports were included in the Board packet for Board members review and comment.

President Ford requested the Board discuss the Ad Hoc Amenities Survey Committee report. She stated the total number of respondents was 335 households, which is over one-third of the Stonegate Community. She further stated such an impressive response suggests residents have a significant interest regarding amenities.

The Board discussed the workout room noting that if people had more information about the cost and liabilities to the Association they may look at it differently. The Board also discussed taking a tour of these types of facilities in the area.

The Board discussed the merits of pickle ball courts and presented information regarding these types of courts in the area. The Board felt input from out tennis players and pickle ball players should be sought. It was noted that pickle ball is a very social activity.

The consensus of the Board is that the next step would be to set up an ad hoc committee to explore the possibility of a workout room, pickle ball court and splash pad. The Board felt a needs assessment would be required for design and construction costs etcetera. The Board felt that within the committee there should be three very specific groups to study each amenity.

The Board directed Mr. Paprocki to solicit ad hoc committee members from the community. The Board felt that the ad hoc committee should be comprised of members with specific expertise levels.

DISCUSSION / NEW BUSINESS

Mr. Paprocki presented samples of the proposed tile for the community center. He provided information on the proposed transition and borders. He also provided information on the demolition schedule.

ADJOURNMENT

Mr. Weissman moved the Board adjourn the meeting at 7:45 p.m. Seconded by Mr. Evans. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
JUNE 23, 2016**

APPROVED MINUTES

Present: Cary Weissman, Vice President
Tom Schaefer, Treasurer
Gene Evans, Secretary
Jim Bissonett, Director
Lori Condon, Director
Leroy Rhein, Director

Absent: Nancy Ford, President

Staff: Larry Paprocki, Director
Stephanie Castiglia, Administrative Assistant

CALL TO ORDER

Vice President Weissman called the meeting of the Stonegate Community Association Board of Directors to order at 5:00 p.m., noting the presence of a quorum.

MINUTES

**May 23, 2016 Board Meeting
June 06, 2016 Board Meeting**

Vice President Weissman reviewed his corrections to the minutes.

Mr. Evans moved the Board approve the May 23, 2016, Board of Directors meeting minutes as amended. Seconded by Mr. Schaefer. The motion passed unanimously.

Mr. Schaefer moved the Board approve the June 06, 2016, Board of Directors meeting minutes as presented. Seconded by Mr. Evans. The motion passed unanimously.

TREASURER'S REPORT

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending May 31, 2016. He advised that he has reviewed the bank statements and they are in order. He responded to questions and comments from the Board members regarding the financials.

Mr. Evans moved the Board accept the Treasurer's report. Seconded by Mr. Bissonett. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided an update on the 2016 Roadway projects. He reported that the asphalt work was completed at Belcourt, Timarron, Heritage Court and Vintage on Friday, June 17, 2016. He further reported that the notice of substantial completion has been received. He stated that ten percent retention is being held per the contract. He further stated that he has scheduled an inspection with PMIS to provide Pinnacle Paving with a punch-list. He noted that he is anticipating the punch-list will be completed in July when the scheduled work will be performed on Stonegate Circle and Palomino East.

Mr. Paprocki provided an update on the view fence repairs and painting. He reported the view fence repairs and painting have been completed at the homes along the equestrian trail as well as the recreational area. He further reported that the view fences in the wash area between the Retreat and Regent have been repaired and are being painted. The View fences between the Reserve and Heritage Court have been repaired and painting will begin after the Regent work is complete. He added that he would be meeting with our contractors to determine if the view fence project can continue or should the Association wait to restart in the fall due to the high temperatures.

Mr. Paprocki advised that Board action is requested to approve the sign contract so that the proposed signage work can begin for the East Gate Signage project.

Mr. Paprocki provided an update on the rental properties in Stonegate. He reported as of May 24, 2016, the total rental is 65 homes out of 916, which is 7.64 percent. He further reported that the information provided shows the rental total in each subdivision.

Mr. Paprocki responded to questions and comments from the Board members regarding the rental properties in Stonegate. The consensus of the Board is that the number of rentals in Stonegate is reasonable and is not an issue.

Mr. Paprocki provided information regarding the East Gate vehicle accident that occurred on June 16, 2016. He reported that a vehicle exiting the community hit a curb and damaged the masonry wall between the two gates. He further reported that the work to repair the damage to the wall would be completed on Saturday. He stated that he received a copy of the police report today. He further stated that he met with the homeowner and he is aware of his obligation and indicates that his adult son has insurance. He responded to questions and comments from the Board members regarding the accident.

Mr. Paprocki reported that he checked the listings on VRBO and there is one vacation rental shown in Stonegate but the rental is located within Scottsdale Ranch.

Mr. Paprocki stated that there was a request to have the Architectural Guideline rule regarding the trimming of palm trees amended, deleting the due date of June 30th. It was suggested to change palm tree trimming to an annual basis. The Guideline would be

changed to give a time frame for the annual trimming based on the species of palm tree. Paprocki recommended the Architectural Committee draft a guideline addressing this matter, to be reviewed by the Board. He responded to questions and comments from the Board members regarding this request.

Mr. Evans moved the Board accept the Executive Director's report. Seconded by Mr. Bissonett. The motion passed unanimously.

BOARD ACTIONS

East Gate Signage

Mr. Paprocki advised that Board action is requested to approve the proposed sign bid for the east gate signage in the amount of \$6,783.00. He further advised that this is a capital expense. He responded to questions, comments and suggestions from the Board members regarding the proposed sign bid.

Ms. Condon moved the Board approve the capital expense for the sign bid for the east gate signage in the amount of \$6,783.00. Seconded by Mr. Evans. The motion passed unanimously.

At the request of Mr. Evans, Mr. Paprocki explained the difference between a capital and reserve expense.

COMMITTEE REPORTS

Vice President Weissman noted the committee reports were included in the Board packet for Board members review and comment. Mr. Paprocki responded to questions and comments regarding the committee reports.

Mr. Evans moved the Board accept the Committee reports. Seconded by Mr. Schaefer. The motion passed unanimously.

DISCUSSION / NEW BUSINESS

Vice President Weissman inquired if there had been any further discussion regarding the idea of putting boots on cars that are parking overnight. Mr. Paprocki advised that he would present the recommendations of the Rules and Regulations Committee regarding this issue at the next meeting. He further advised that the Committee does not recommend this idea because there are not existing guidelines for this type of procedure and the committee feels it would cause unique problems, including safety issues.

ADJOURNMENT

Mr. Schaefer moved the Board adjourn the meeting 6:00 p.m. Seconded by Mr. Evans. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
AUGUST 22, 2016**

APPROVED MINUTES

Present: Nancy Ford, President
Cary Weissman, Vice President
Tom Schaefer, Treasurer
Gene Evans, Secretary
Jim Bissonett, Director
Lori Condon, Director
Leroy Rhein, Director

Staff: Larry Paprocki, Director
Lora Stacy, Accountant

Also

Present: Scott Carpenter, Carpenter Hazlewood
Kate Merolo, Carpenter Hazlewood

CALL TO ORDER

President Ford called the meeting of the Stonegate Community Association Board of Directors to order at 5:00 p.m., noting the presence of a quorum.

CARPENTER HAZELWOOD PRESENTATION

President Ford stated that Scott Carpenter of Carpenter Hazelwood Attorneys at Law is the firm the Association has engaged to handle one claim. She further stated at the moment SCA is considering whether to use this firm as the Association's general legal counsel. She advised that because it is an open session she would not want to discuss any pending legal issues. She noted that Mr. Paprocki has met with these attorneys and invited them to attend this meeting to allow the Board to meet them and understand how they operate.

Mr. Carpenter provided background information on his legal career. He also provided information on the size of their law firm and how they work with their clients. He stated that he has met with Mr. Paprocki who has explained some of the recent legal issues. He responded to questions and comments from the Board members. Mr. Schaeffer moved the Board use Carpenter Hazelwood as the Association's general counsel. Seconded by Ms. Condon. The motion passed unanimously.

MINUTES

June 23, 2016 Board Meeting

Mr. Bissonett moved the Board approve the June 23, 2016, Board of Directors meeting minutes as presented. Seconded by Dr. Rhein. The motion passed unanimously.

TREASURER'S REPORT

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending July 31, 2016. He advised that he has reviewed the bank statements and they are in order. He responded to questions and comments from the Board members regarding the financials.

Mr. Paprocki reported that Crown Castle, the company that has cell towers for providers on Stonegate property has not paid the August 2015 lease payment. He further reported that he would like authorization to send Crown Castle a letter stating Crown Castle is in default in an attempt to collect the past due payment. He responded to questions from the Board members regarding this issue. The consensus of the Board was to authorize Mr. Paprocki to send a collection letter to Crown Castle.

Mr. Bissonett moved the Board accept the Treasurer's report. Seconded by Mr. Weissman. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided an update on the Reserve Roadway projects. He reported that all of the seal coating has been done in Belcourt, Vintage and Heritage Court. He further reported that the roadway striping was done on Stonegate Circle and Palomino.

Mr. Paprocki provided an updated on the view fence repairs and painting. He reported it is anticipated that the view fence repairs and painting should be complete by the end of September.

Mr. Paprocki reported the East Gate Signage project is complete and he has received very positive comments. He further stated that the landscape project will start shortly and should be complete within a week.

Mr. Paprocki provided information on the three monsoon storms that occurred in a very short period of time in the community. He discussed the damage that resulted from the storms.

Mr. Paprocki provided information on the SCA winter turf conversion schedule for the common area.

Mr. Paprocki reported that he is sending the Community Center floor tile project out to bid. He further reported the intent is to keep the building open as much as possible during the installation. He stated from a remodeling standpoint, he would recommend remodeling the restrooms next and replace the toilets and faucets with energy efficient toilets and faucets.

Mr. Paprocki reported with regard to the annual palm tree trimming that the majority of the trees in the community are in compliance.

Mr. Paprocki reported that a 10-Day Enforcement Notice letter was sent to a homeowner regarding his use of guest parking. He advised that he would like Board approval to advise the homeowner if this issue is not brought into compliance he will be assessed the appropriate fines. He responded to questions and comments from the Board members regarding this homeowner's noncompliance.

Mr. Evans moved the Board direct Mr. Paprocki to advise the homeowner that he is not in compliance with the visitor parking guidelines and the appropriate fines apply. Seconded by Mr. Weissman. The motion passed unanimously.

Mr. Paprocki provided information regarding the recent act of vandalism that occurred in the community with eight cars in the community being egged.

Mr. Paprocki reported that the 2017 Roadway Plan is being worked on and it is his desire to have a draft plan before the Finance Committee and then have a joint meeting with the Board of Directors.

Mr. Paprocki reported that Regal Lot 27 has requested the Community financial statements for the last five years.

BOARD ACTIONS

Tennis Pro, Joshua Cooperman

Mr. Paprocki stated the Social/Recreational Committee is requesting Board approval of new Tennis Pro, Joshua Cooperman, replacing Carl Mickler who has relocated to Tucson. He further stated that Mr. Cooperman's resume was included in the Board packet.

Mr. Evans moved the Board approve the new Tennis Pro, Joshua Cooperman. Seconded by Ms. Condon. The motion passed unanimously.

Architectural Guidelines amendment for annual palm tree trimming

Mr. Paprocki stated the Architectural Committee requests Board approval to amend Architectural Guidelines regarding Annual Palm Tree Maintenance. President Ford requested the Board approve the amendment to the Architectural Guidelines regarding Annual Palm Tree Maintenance. Mr. Weissman moved the Board accept the amendment

regarding the Palm Tree Maintenance. Seconded by Mr. Bissonett. The motion passed unanimously.

COMMITTEE REPORTS

President Ford noted the committee reports were included in the Board packet for Board members review and comment.

DISCUSSION / NEW BUSINESS

Mr. Paprocki stated that he has received information that the Department of Labor has hired auditors to collect penalties from employers that are non-compliant with the Affordable Care Act. He further stated that the Association is required to report on the health care benefits. He added they could hire a company to help the Association determine whether we are in compliance with the law and if we are not in compliance, how to comply. He responded to questions and comments from the Board members regarding this issue. The Board requested a representative from TASC attend the next meeting for a presentation and to answer questions.

ADJOURNMENT

Mr. Schaeffer moved the Board adjourn the meeting 6:40 p.m. Seconded by Mr. Weissman. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
SEPTEMBER 22, 2016**

APPROVED MINUTES

Present: Nancy Ford, President
Cary Weissman, Vice President
Tom Schaefer, Treasurer
Jim Bissonett, Director
Lori Condon, Director
Leroy Rhein, Director

Absent: Gene Evans, Secretary

Staff: Larry Paprocki, Director
Catherine Bryson, Communications

Also

Present: David Hoxworth, TASC Regional Sales Director

CALL TO ORDER

President Ford called the meeting of the Stonegate Community Association Board of Directors to order at 5:00 p.m., noting the presence of a quorum.

TASC PRESENTATION

President Ford introduced David Hoxworth, TASC Regional Sales Director. She stated Mr. Hoxworth will present information on the Affordable Care Act and the penalties through ERISA and how this pertains to Stonegate employees. She further stated this presentation will assist the Board in determining if we should hire a company to help the Association determine whether we are in compliance with the law and if we are not in compliance how to comply.

Mr. Hoxworth presented information regarding the changes for compliance with employee benefits with regard to the Affordable Care Act. He also presented information on the Association's requirements to report on their health care benefits. He also provided information regarding what the Association is required to do to be in compliance with the ERISA requirements

Mr. Hoxworth advised that the Department of Labor has hired auditors to collect penalties from employers who are non-compliant with the Affordable Care Act. He responded to questions and comments from the Board members regarding this matter.

Mr. Hoxworth provided an overview of the services his firm provides to ensure the Association would be in compliance with the Affordable Care Act and the costs for these services.

Mr. Bissonett stated that he would do some research on this firm and report back to the Board. He further stated that they do not want to be in non-compliance but it is important to understand what the requirements really are and where information can be provided.

MINUTES

August 22, 2016 Board Meeting

Mr. Bissonett moved the Board approve the August 22, 2016, Board of Directors meeting minutes as presented. Seconded by Dr. Rhein. The motion passed unanimously.

TREASURER'S REPORT

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending August 31, 2016. He advised that he has reviewed the bank statements and they are in order. He responded to questions and comments from the Board members regarding the financials.

Mr. Weissman moved the Board accept the Treasurer's report. Seconded by Mr. Bissonett. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki reported that a 10-Day Enforcement Notice letter was sent to a Belcourt homeowner dated August 15, 2016 regarding his use of guest designated parking spaces and on-street parking. He further reported that there has been no response and the homeowner continues to not be in compliance with the visitor parking guidelines. He requested the Board find the homeowner in violation with the visitor parking guidelines, which is subject to a \$150.00 fine.

Mr. Weissman moved the Board find the Belcourt homeowner in violation with the visitor parking guidelines, which is subject to a \$150.00 fine. Seconded by Mr. Schaefer. The motion passed unanimously.

Mr. Paprocki advised that two 10-Day Enforcement Notice letters dated September 20, 2016, have been sent to Timarron and Saddleback homeowners. He further advised that no response was received or maintenance work performed after the first letters were mailed.

Mr. Paprocki provided an update on the view fence repairs and painting. He reported that the view fence repairs and painting project has been completed. The 60-Day payment notices have been mailed to residents who have not made payment.

Mr. Paprocki provided an update on the East Gate Signage project reporting the lighting has been added to the new signs. He reported the rough grading has been completed. The shell rock will be installed and the new plant material will be added with the DG being top-dressed.

Mr. Paprocki reported the Recreational Amenities Committee will hold a meeting on Wednesday, September 28th at 10:00 a.m. Ms. Condon suggested that the Committee look at the possibility of an Exercise Station Course because she felt a lot of residents would use it.

Mr. Paprocki reported there has been a Main Gate personnel change. Officer Virgil Nowell has been re-assigned by Safeguard to a different community. He further reported that Virgil has worked the Stonegate post for almost 18 years.

Mr. Paprocki reported the Main Gate barrier arm relay sensor was replaced on the resident entry side due to malfunction. He further reported that a lot of residents were very upset with the delay.

Mr. Paprocki provided an update on the request by a resident of the Community financial statements for the last five years and the applications submitted to the Architectural Committee. He further reported that on September 2, 2016 at 10:00 a.m. at the Stonegate Community Center he provided the requested documents for the homeowners review. Also, provided was a copy of Arizona Revised Statute 33-1805 titled Association financial and other records. Paprocki further reported Mr. Weissman was in attendance to observe the process. Paprocki added that Weissman provided the homeowner with the reports one year at a time.

Mr. Paprocki provided an update on the delinquent accounts.

Mr. Paprocki reported that an investor, Ryan Robson, who flips homes, feels he should not be required to fill out SCA paperwork. He further reported that he has gotten a hold of a homeowner's access card from the prior owner. Paprocki stated that he met with him yesterday and he was advised of the fines for using the access card. He further stated that Robson is coming in tomorrow to return the card.

COMMITTEE REPORTS

President Ford noted the committee reports were included in the Board packet for Board members review and comment.

DISCUSSION / NEW BUSINESS

Mr. Paprocki stated a joint meeting with the Board and Finance Committee will be held on October 12th, 2016 at 4:00 p.m.

Discussion was held regarding the date for the November Board of Directors meeting. It was determined that the Board would not hold a November meeting and the December meeting would be on December 7, 2016 at 5:00 p.m.

ADJOURNMENT

Dr. Rhein moved the Board adjourn the meeting 6:25p.m. Seconded by Mr. Weissman. The motion passed unanimously.

**STONEGATE COMMUNITY ASSOCIATION
11551 E MOUNTAIN VIEW ROAD, SCOTTSDALE, ARIZONA
BOARD OF DIRECTORS MEETING
OCTOBER 25, 2016**

APPROVED MINUTES

Present: Nancy Ford, President
Tom Schaefer, Treasurer
Gene Evans, Secretary
Jim Bissonett, Director
Lori Condon, Director
Leroy Rhein, Director

Absent: Cary Weissman, Vice President

Staff: Larry Paprocki, Director
Catherine Bryson, Communications

CALL TO ORDER

President Ford called the meeting of the Stonegate Community Association Board of Directors to order at 5:00 p.m., noting the presence of a quorum.

MINUTES

September 22, 2016 Board Meeting

Dr. Rhein moved the Board approve the September 22, 2016, Board of Directors meeting minutes as presented. Seconded by Mr. Evans. The motion passed unanimously.

TREASURER'S REPORT

Mr. Schaefer reviewed the Association financial statements, as prepared by Association staff, for the period ending September 30, 2016. He advised that he has reviewed the bank statements and they are in order. He responded to questions and comments from the Board members regarding the financials.

Mr. Bissonett moved the Board accept the Treasurer's report. Seconded by Dr. Rhein. The motion passed unanimously.

2017 Operating Budget

Mr. Schaefer stated the Finance Committee requests Board approval of the 2017 Operating Budget. He further stated that there is no increase from last year's operating budget.

Mr. Evans moved the Board approve the 2017 Operating Budget. Seconded by Dr. Rhein. The motion passed unanimously.

10-Year Roadway Plan

Mr. Schaefer stated the Finance Committee and the Physical Property Committee requests the Board accept the 10-year Roadway Plan.

Mr. Schaefer moved the Board approve the 10-year Roadway Plan. Seconded by Mr. Bissonett. The motion passed unanimously.

30-Year Reserve Plan

Mr. Schaefer stated the Finance Committee and the Physical Property Committee requests the Board accept the 30-Year Reserve Plan.

Mr. Schaefer moved the Board approve the 30-Year Reserve Plan. Seconded by Mr. Evans. The motion passed unanimously.

2017 Operating & Reserve Assessment

Mr. Schaefer reported the Finance Committee requests Board approval for the 2017 Operating & Reserve monthly assessment as follows: \$153.00 Operating and \$35.00 Reserve for total monthly assessment of \$188.00.

The Board discussed the importance of advising the homeowners regarding the reason for the \$10.00 increase so they have a clear understanding.

Mr. Schaefer moved the Board approve the 2017 Operating & Reserve monthly assessment as follows: \$153.00 Operating and \$35.00 Reserve for total monthly assessment of \$188.00. Seconded by Mr. Evans. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Mr. Paprocki provided an update on the arrangements made for Halloween. He reported three Scottsdale Police Department officers will be present using two patrol cars. He further reported two officers will be assigned to the Retreat. The other officer will patrol the rest of Stonegate. He advised that three Safeguard officers will be present. One officer at the Retreat Entry Gate for emergency purposes, one officer will be posted to the East Gate for traffic control and the remaining officer will assist at the Main Gate in processing vehicle entry.

Mr. Paprocki reported that a 10-Day Enforcement Notice letter was sent to Regal Lot 26 dated June 20, 2016. The property is now in compliance and it will soon be going on the market.

Mr. Paprocki provided an update on the view fence repairs and painting. He reported in late September, the project was completed. He further reported the punch list was completed and the 10 percent holdback will be released in October. He advised the homeowners who have not paid their property portion of the view fence cost are being sent notices indicating the outstanding amount owed.

Mr. Paprocki provided an update on the Crown Castle payment. He reported he received a response to his correspondence dated September 27, 2016. He further reported Crown Castle acknowledged the payment was owed and will issue a check for payment. He advised payment should be received within the next two weeks.

Mr. Paprocki provided an update on Regal Lot 2. He reported that the close of escrow is scheduled for October 31st.

Mr. Paprocki provided an update on the property transfer fee challenge. He reported a homeowner questions the legality of Stonegate Community Association Property Transfer Fee, which exist in the recorded 2009 Amended and Restated CC&Rs. He further reported in 2010, Arizona Legislature was passed prohibiting any property transfer payment to a third party. He stated that included in the Board packet is a legal opinion from Carpenter Hazelwood, SCA's legal counsel on this matter. He advised if the Board wishes to discuss the opinion, he would recommend it be done in Executive Session. He further advised that the opinion clearly states that SCA would not be a third party and Property Transfer Fee is an assessment.

In response to questions from President Ford, Mr. Paprocki provided brief updates on the Belcourt homeowner in violation with the visitor parking guidelines and the status of the investor, who flips homes and who had gotten a hold of a homeowner's access card from a prior owner.

Mr. Paprocki stated he would like to hire TASC, a firm to address regulatory filing required by the Labor Department to insure the Association is in compliance with the Healthcare as it applies to ERISA. He further stated there would be a \$100.00 setup fee and \$500.00 annual cost. He responded to questions and comments from the Board members. The consensus of the Board was to move forward with the service.

BOARD ACTIONS

Holiday Party Catering Contract

Mr. Paprocki stated the Social Recreational Committee requests Board approval of the Holiday Party Catering Contract in the amount of \$5,500.00. The holiday party is scheduled for Thursday, December 8, 2016 from 5:30 – 8:00 p.m. He reviewed the menu

prepared by Chef Wolf. He noted that there is not a cost increase this year. Discussion was held regarding gaining additional sponsors for the holiday party.

Mr. Evans moved the Board approve the Holiday Party Catering Contract in the amount of \$5,500.00. Seconded by Dr. Rhein. The motion passed unanimously.

Recreational Amenities, Physical Property & Social Recreational Committee and Community Volunteers request

Mr. Paprocki stated the Recreation Amenities, Physical Property & Social Recreational Committee and Community volunteers request Board approval of up to \$10,000 to contract with a designer who can provide conceptual designs and related options for a workout facility. He responded to questions and comments from the Board members regarding this request.

Mr. Evans moved the Board approve up to \$10,000 to contract with a designer who can provide conceptual designs and related options for a workout facility. Seconded by Mr. Bissonett. The motion passed with Dr. Rhein abstaining.

Ms. Condon requested to look at adding a Pedestrian (Ped) fitness course as another amenity. Mr. Paprocki suggested sending this request to the Physical Property Committee for review.

Ms. Condon moved the Board send to the Physical Property the request to look at adding a Pedestrian (Ped) fitness course as an amenity. Seconded by Mr. Evans. The motion passed with Mr. Bissonett dissenting.

2016-2017 Insurance

Mr. Paprocki requests Board approval to renew the November 2016-2017 Westfield Insurance Package \$19,356 – Annual Premium. He reported the cost difference is \$23 less for renewal. He responded to questions and comments regarding this request.

Mr. Evans moved the Board approve the November 2016-2017 Westfield Insurance Package \$19,356 – Annual Premium. Seconded by Mr. Bissonett. The motion passed unanimously.

COMMITTEE REPORTS

President Ford noted the committee reports were included in the Board packet for Board members review and comment.

Dr. Rhein moved the Board accept the committee reports. Seconded by Mr. Bissonett. The motion passed unanimously.

DISCUSSION / NEW BUSINESS

Mr. Evans stated Pickleball is one of the fastest growing sports and many courts are being converted into four Pickleball courts. He further stated that one tennis court could be converted into four Pickleball courts. He noted that some homeowners who are tennis players may be upset due to the fact we would be taking away one of the tennis courts. He further noted that there has been discussion regarding utilizing the common area between the tennis courts where two Pickleball courts could be built. The Committee recommends the Board move ahead and build two Pickleball courts on the small pad.

Mr. Paprocki provided information on the tennis courts and the reconstruction that needs to be done. He responded to questions and comments from the Board members regarding the tennis courts.

Mr. Bissonett moved the Board approve the recommendation in the Committee report. Seconded by Mr. Schaefer. The motion passed with Mr. Evans abstaining.

Discussion was held regarding the date for the November Board of Directors meeting. It was determined that the Board would not hold a November meeting and the December meeting would be on December 6, 2016 at 5:00 p.m.

ADJOURNMENT

Mr. Evans moved the Board adjourn the meeting 6:45 p.m. Seconded by Ms. Condon. The motion passed unanimously.