

The Shores at the Highlands Quarterly Board Meeting Quarterly Meeting Minutes May 31, 2016

Call to Order Directors Meeting

The meeting was called to order at 10:30 AM on May 31, 2016 in The Shores model unit Breckenridge, CO.

Roll Call

Directors

- Larry Willhite
- Brian Muszynski
- Garrett Simon via proxy

Homeowners in Attendance:

- Unit 211 Dan McNerney
- Unit 308 Meg Vanderlaan
- Unit 308 John Vanderlaan
- Unit 275 Larry Abston

Others in Attendance:

• Gary Nicholds, Basic Property Management

In Attendance by Phone:

- Unit 209 Kevin Fitzgerald
- Unit 295 Jim Vanderhout

Acceptance of 2015 Meeting Minutes

- 1. Review December 2015 Annual Meeting Minutes
 - a. Will be officially adopted at the 2016 annual meeting

Report of Management

- 1. Gary Nicholds, Basic Property Management
 - a. Review of budget:
 - a. On track, no updates
 - i. Budget comparison and 2016 budget review
 - ii. Dues collection accounts receivable
 - iii. Reserve amount
 - iv. Accounts payable
 - b. Landscaping
 - a. HOA will start up irrigation
 - b. Landscape contract signed
 - c. Ongoing discussion about who pays for trees if they die on an individual lot
 - i. HOA or homeowner



- 1. Need to confirm how the declarations read
- c. Trash update
 - a. Current: 6 yard dumpster, picked up 1x / week, and is bear proof
 - b. Revised: New easier to open trash container was delivered in June
 - c. Recycling: A new recycling bin with single stream collection was delivered in June
 - Will monitor if by having recycling it reduces need for weekly pick-up of trash
 - d. Future: Will continue to discuss where permanent trash facility will go
 - i. We can also move the temporary dumpsters into a 'test' location
- d. Home maintenance schedule follow up
 - a. Painting / staining frequency
 - i. Home colors
 - 1. Gary to keep a data base of all homes / stain colors
 - a. New homes
 - b. Existing homes

- e. Other
 - a. Question about solar options for individual homes
 - i. Company we spoke to that does off-site panel farm is still looking for a site in Summit County
 - 1. No new updates
 - b. Please notify Gary if you see any parking issues, people parking on the street, etc.
 - i. None
 - c. Issue with General Contractor's dog
 - i. Was resolved
 - d. Design review process
 - i. All exterior changes / improvements need to go through the HOA Design Review
 - ii. Gary will notify homeowners if they are out of compliance regarding non-approved exterior modifications
 - e. Discuss idea for HOA annual picnic
 - f. Red Quill Lane
 - i. There was a question from Steve Fay about a re-plat narrowing the road
 - He later acknowledged that upon further review nothing had changed
 - g. Street lights
 - i. 2/3 are connected
 - ii. All are a town requirement
 - iii. 1 will need to be electrified
 - 1. Someone mentioned there was one additional to be confirmed

Open items from previous meeting

- 1. Brent Johnson USAA member
 - a. Fire Safe Community, forest fire safe, USAA will provide discount on home insurance as will other providers
 - b. Driveways
 - i. HOA will start driveway sealing



- 1. Gary will coordinate bulk rate and timing
 - a. Game plan to have complete a week before July 4th weekend
- 2. Discussion about extending a homeowner's driveway
 - a. Design review submittal

Report of Developer

- 1. River work complete and report sent out to HOA
 - Restoration project completed
- 2. Development
 - o Phase I
 - Sold out
 - o Phase II
 - Lot 10 Berm
 - One home available
 - Lot 25 River
 - Two river units available, construction completion is scheduled for this fall
 - o Phase III
 - Single-family homes have begun
 - Four single-family homes under construction, 3 are pre-sold
 - o Developer referral incentive for making referrals for a new unit that closes

Next quarterly board meeting will be September 13, 2016 at 10am



The Shores at the Highlands Quarterly Board Meeting Quarterly Meeting Minutes September 13, 2016

Call to Order Directors Meeting

The meeting was called to order at 10:30 AM on September 13, 2016 in The Shores model unit Breckenridge, CO.

Roll Call

Directors

- Larry Willhite
- Brian Muszynski
- Garrett Simon

Homeowners in Attendance:

- Unit 345 Gerry Osborn
- Unit 295 Jim and Pat Vanderhout

Others in Attendance:

- Gary Nicholds, Basic Property Management
- Margarita Sherman, Basic Property Management
- Bill, Basic Property Management
- Tim Glasco, Neils Lunceford

In Attendance by Phone:

- Unit 59 Charles Miller
- Unit 275 Larry Abston
- Unit 209 Kevin Fitzgerald

Acceptance of May 2016 Meeting Minutes

1. Accepted May 2016 Meeting Minutes

Report of Management

- 1. Gary Nicholds, Basic Property Management
 - a. Review of financials:
 - a. Financials comparison and 2016 review
 - i. Budget through August 2016
 - 1. Revenue and expenses on budget
 - a. Variances just due to seasonality and none of the \$15,000 contingency has been used
 - ii. Margarita asked LGA to break out snow plowing and snow shoveling to track each item separately
 - b. Dues collection accounts receivable
 - i. Nothing pending



- c. Reserve amount
 - i. \$23,000 will be updated at the end of the year
- d. Accounts payable
 - i. Nothing pending
- b. Home maintenance schedule follow up
 - a. Painting / staining frequency / Database
 - i. Bill has created a binder with specification, timing and photos
 - ii. Will add a note about intended dates to re-stain
 - iii. Will also track delinquency of those needing to stain that have not yet done
 - 1. 229/239 is on this list
 - a. Had not been able make contact with the Yow's
 - i. Also missing metal caps on their beams Gary to see if painter can do
 - b. Gary got bids and will request payment from the homeowners
- c. Landscaping
 - a. Tim Glasco provided an update
 - i. Berm weeding has continued with Gary's day labor and Tim's supervision
 - 1. 25% complete
 - a. Will continue work with hand weeding
 - Hand weeding will keep the flowers and the brightness on the berm
 - ii. Can start to budget this weeding going forward
 - 1. As you maintain, there will be less ongoing maintenance
 - b. Homeowner is responsible to pay for trees if they die on an individual lot
 - c. Gary to monitor homeowners whose irrigation systems are not working and trees are dying
 - i. Gary to send a blanket letter to all homeowners and note the way landscaping management works per the Declarations and what remedy's will be taken if a homeowner does not keep their system up and running
- d. Trash update
 - a. Trash / Recycling
 - i. New easier to open trash container is in place
 - ii. A new recycling bin with single stream collection is in place
 - b. Gary will monitor demand and set a calendar to increase and decrease frequency based on annual use
 - c. Future: Will continue to discuss where permanent trash facility will go
 - i. We can also move the temporary dumpsters into a 'test' location
- e. Driveways
 - a. HOA will start driveway sealing
 - b. Gary will coordinate bulk rate and timing
 - c. Game plan to have complete a week before July 4th weekend
- 2. Other
 - a. Solar options



- a. Are homeowners interested in developing this further?
- b. Design review process
 - a. All exterior changes / improvements need to go through the HOA Design Review
 - b. Gary will notify homeowners via a letter if they are out of compliance regarding non-approved exterior modifications
- c. Discuss idea for HOA annual picnic
- d. Street lights
 - a. 2/3 are connected
 - b. All are a town requirement
 - c. 1 more will need to be electrified
 - d. 1 is just a base that is not connected
- e. Brent Johnson USAA member
 - a. Fire Safe Community, forest fire safe, USAA will provide discount on home insurance as will other providers

Report of Developer

- 1. Development
 - Phase I
 - Sold out
 - Phase II
 - Lot 10 Berm
 - One home available
 - Lot 25 River
 - Two river units available, construction completion is scheduled for this fall
 - New model unit
 - Phase III
 - Single-family homes have begun
 - Four single-family homes under construction, 3 are pre-sold
- 2. Developer referral incentive for making referrals for a new unit that closes

Next board meeting will be the annual homeowner meeting December 22, 2016

THE SHORES AT BRECKENRIDGE BOARD OF DIRECTORS MEETING December 13, 2016

I. CALL TO ORDER AND ROLL CALL

Brian Muszynski called the meeting to order at 11:04 a.m. via teleconference.

Board members present were Larry Willhite, Garrett Simon and Brian Muszynski.

Owner Larry Abston (#275) and Tim Glasco and Don Clark of Neils Lunceford were guests at the meeting.

Gary Nicholds and Margarita Sherman participated representing Basic Property Management. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. DETERMINATION OF QUORUM

Brian Muszynski confirmed a quorum.

III. LANDSCAPING UPDATE

Margarita Sherman has broken out the Landscaping budget into three sections for Berm Landscaping (flowers and seeding), Association Landscaping (pruning) and Irrigation (berm and Association). The berm is a new amenity and was funded by the developer, along with the flowers at the property sign. The Association is responsible for starting up and blowing out the irrigation system in the spring and fall.

The total 2017 landscaping budget is \$38,745. The actual expense for 2016 was \$37,706 for Neils Lunceford and Mountain Temp Services, who worked on the berm. The 2017 landscaping budget is basically the same as 2016 with the addition of \$600 for pruning.

The Neils Lunceford proposal for the berm was reviewed. The total for the berm was \$16,840. The Association landscaping proposal was \$8,905.

- 1. Berm deep root feeding \$3,900 (355 trees x \$1,950 x 2 times).
- 2. Fertilize perennials and plants around entrance \$495 (\$165 x 3).
- 3. Pruning trees and shrubs on berm \$1,950.
- 4. Flower reseeding \$1,565
- 5. Overseeding grasses \$880.
- 6. Spring cleanup of perennials \$675
- 7. Check wiring and strapping of trees \$1,750.
- 8. Weeding \$1,200 (30 hours x \$40/hour).
- 9 Winterization of evergreens \$750.
- 10. Fall cleanup of perennial beds \$675.
- 11. Weed spraying and deep root feeding of newly planted shrubs on berm \$3,000.

The Shores at Breckenridge Board of Directors Meeting 12/13/16 Page 2 of 3

Irrigation work would be on a time and materials basis at \$25/zone to activate and \$30/zone to deactivate. The irrigation cost for the berm last year was \$1,615. The irrigation costs for the Association were \$3,000 for activation for 23 homes, \$3,000 for midseason check and \$1,650 for deactivation.

It should be possible to eliminate some of these costs after a few years when the plantings on the berm have matured. The strapping expense will not last more than three seasons maximum and there will be a credit for the stakes.

All the trees on the berm are on a drip system. The sprinkler system is used to irrigate the grass and flowers. The grass on the berm is a reclamation grass that is conducive to wildflowers growing in between. The grass by the homes is a turf type grass with a mixture of Canadian bluegrass, perennial rye and fescue and is not conducive to growth of other plants. The amount of water going to the grass areas can be monitored and reduced once the grass is established. Tim Glasco recommended concentrating the wildflowers by the entrance to reduce maintenance and water use. There was a considerable amount of irrigation needed last year when the plantings were new, but the need for irrigation should diminish as the plantings mature.

Tim Glasco was asked to provide an implementation strategy, a summary of how it will affect the 2017 Budget, a list of the items that will be removed from the proposal after 2017 and to help with budgeting for the new homes.

Gary Nicholds was asked to schedule a follow up call with Tim Glasco by the end of the week to go through the revised proposal for implementation in the budget. A summary will be provided at the Annual Meeting.

IV. 2017 BUDGET

The highlights of the proposed 2017 Budget were reviewed:

- 1. Operating Dues the budget assumes 23 units plus four units closing in the summer of 2017. Brian Muszynski said that as of July 1st, Unit 10A (90 Red Quill Lane) was completed and brought into the Association as a developer-owned unit. Unit 10B was sold and closed June 23rd. The developer should have been paying full dues for Unit 10A as of July 1st. Margarita Sherman was asked to generate an invoice. Unit 10A is now under contract and is scheduled to close in January. The plat for Lots 25A and 25C (189 and 205 Shores Lane) should be recorded before the end of the year. The developer will be paying full dues for those two units effective January 1st. Margarita will change the budget assumption from 23 to 26 homes plus the four units closing in the summer. She will also adjust the developer contribution on the land.
- 2. Management Fees Margarita Sherman will adjust the fee based on the updated number of homes.
- 3. Meeting Expenses a new line item for \$800 was added for meeting and meeting minutes expenses.
- 4. Legal/Professional Services \$1,000. There is a monthly fee for website support and additional fees for making changes or adding information. Margarita Sherman was directed to reduce this line item to \$150.

The Shores at Breckenridge Board of Directors Meeting 12/13/16 Page 3 of 3

- 5. Snow Removal the provider will be asked to separate the contract into separate line items for plowing and shoveling.
- 6. Trash Removal a set schedule for pick-ups will be negotiated with the trash removal company.
- 7. Water & Sewer reduce from \$3,500 to \$3,000.
- 8. Landscaping reduce from \$38,795 to \$37,000.

The original draft budget resulted in a small deficit. The addition of the new homes and reductions to the Landscaping budget should balance the budget or provide a slight surplus. The budget will be ratified at the Annual Meeting.

For 2016 the Reserve contribution was \$6,881 (10% of total revenue). The year-end Reserve balance is projected to be about \$23,000. The 2017 Budget includes the same level of Reserve funding. The Association is projected to end 2016 with a deficit of \$6,337.

Margarita Sherman will provide a revised version of the 2017 Budget and year-end Reserve Fund projection for Board review.

V. SET NEXT MEETING DATE

The Annual Meeting will be held December 22, 2016.

VI. ADJOURNMENT

Brian Muszynski made a motion to adjourn at 12:30 p.m.

| Approved By: | | Date: | |
|--------------|------------------------|-------|--|
| | Board Member Signature | | |

THE SHORES AT THE HIGHLANDS ANNUAL HOMEOWNER ASSOCIATION MEETING December 22, 2016

I. CALL TO ORDER AND ROLL CALL

Brian Muszynski called the meeting to order at 11:04 a.m.

Board members present were Larry Willhite, Garrett Simon and Brian Muszynski.

Owners present were Larry & Elaine Abston, Carla Aul, Jolene Christensen, David Greenman, Steve Fay, Diana & Walt Heimer, Dan McNerney and John & Meg VanderLaan. Brent Johnson and Jim Vanderhout participated via teleconference.

Gary Nicholds, Jason Blarjeski and Margarita Sherman were present representing Basic Property Management. Erika Krainz of Summit Management Resources was recording secretary.

II. VERIFICATION OF NOTICE

Brian Muszynski confirmed that notice was sent.

III. APPROVAL OF 2015 ANNUAL MEETING MINUTES

The December 18, 2015 Annual and September 2016 Board Meeting minutes were approved as presented.

IV. MANAGEMENT REPORT

- A. 2017 Budget Review
 - 1. Dues \$92,400 based on scheduled closings and new homes coming on line next year.
 - 2. Developer Contribution \$1,500.
 - 3. Contract Management Fees \$6,700 for the management company.
 - 4. Landscaping \$32,267. The developer invested over \$500,000 in the property sign, lights and berm last year. Last year's budget for landscaping was \$18,000 but expenses were significantly higher due to berm maintenance, deep root feeding and irrigation. The \$15,000 Contingency was used to cover some of the overage. There are some landscaping costs that will be eliminated after the first few years as the plantings mature. A \$1,100 overcharge will be refunded. The developer will be taking responsibility for some of the mowing and owners can schedule additional service at their own expense. The Association is responsible for the cost of starting up and shutting down the irrigation system but individual owners are responsible for any necessary repairs. Going forward there will be fewer wildflowers and more focus on grasses and trees on the berm with flowers at the entry. This will result in savings in irrigation and weeding. Owners were asked to

communicate with Margarita Sherman if they have mowing or irrigation invoices that they feel might be a developer responsibility. A mid-season irrigation inspection was provided last year at a cost of \$3,000. This inspection is not budgeted in 2017. An email will be sent in June offering owners the option to have an irrigation inspection upon request. The cost will be reimbursed by the Association. Neils Lunceford has indicated that the new homes must have a mid-season inspection since the trees are under warranty.

- 5. Plowing increased for next year to account for more homes being completed. Owners can contract individually to have their back patios shoveled.
- 6. Trash Removal increased based on more homes.

Brian Muszynski made a motion to approve the 2017 Budget. Larry Willhite seconded and the motion carried unanimously.

B. Owner Delinquencies

Margarita Sherman said there were a couple of delinquent owners. She encouraged all owners to sign up for ACH (automatic dues payment).

C. Reserve Fund

The Reserve balance is projected to be \$28,495 at the beginning of 2017.

V. GENERAL DISCUSSION

A. Trash Update

The new dumpsters that were installed are easier to open. The permanent dumpster location will be identified as the community is built out. Garrett Simon said he would select a location by the end of 2017. The dumpster location is not specified on the Master Plan. An owner by the pond indicated he did not want the dumpster located near his property. Owners were encouraged to call management if they notice the dumpster overflowing.

B. Driveways

Driveway sealing is not included the 2017 Budget. The asphalt contractor did not feel much work was needed. Some crack sealing may be done. Owners can seal coat at their own expense if desired.

C. Solar Options

The Board will continue to consider solar and will work with a third party vendor. There are some new technologies in development. The Declarations do not prohibit the installation of solar panels.

D. Design Review Committee

Owners must request Design Review Committee approval for exterior changes (hot tubs, patios, walls, etc.). The management company is responsible for notifying owners if their property is out of compliance.

The Shores at The Highlands Annual Homeowner Association Meeting 12/22/16 Page 3 of 3

E. HOA Annual Picnic

Brian Muszynski suggested budgeting for an owner picnic since the owner social events are no longer being combined with sales events. The cost for a picnic would be approximately \$700.

F. USAA Fire Safety

Brent Johnson said the forms for fire certification are in process. The Fire Department will need to assess the property. Owners should check with their insurance carrier to determine if there is an option for a premium discount based on fire safety education.

G. Highway and Parking Update

The highway modification is expected to be completed by the end of 2017. All spaces on Main Street and lots are now pay parking. There is an app called Passport Parking that can be used to pay the fee.

VI. DEVELOPER UPDATE

Garrett Simon said he was building and selling as fast as possible. The last residence in 10 is under contract and scheduled to close in January. Both sides of this residence are on the market. There will be increased focus on the berm and pond lots next summer. The goal is to start another 10 homes next year. Four single family homes are currently under construction, four have sold and a fifth is being started. Phase I has sold out, there is one home remaining in Phase II and four of the five homes in Phase III have presold. He is working on an incentive program for referrals.

A decision was made to leave the trail more natural to discourage use by the public.

VII. ADJOURNMENT

Brian Muszynski made a motion to adjourn at 12:08 p.m.

| | | _ | |
|----------------|------------------------|-------|--|
| Approved By: _ | | Date: | |
| | Board Member Signature | | |