

**THE SHORES AT THE HIGHLANDS
BOARD OF DIRECTORS MEETING
January 8, 2021**

I. CALL TO ORDER

Larry Abston called the video conference meeting to order at 4:30 p.m. Derek Guemmer recorded the minutes of this meeting.

II. ROLL CALL

Board members Larry Abston, Derek Guemmer and Mike Bauer were present. Representing Basic Property Management was Eric Nicholds.

III. APPROVE PREVIOUS MEETING MINUTES

Motion: Larry Abston moved to approve the December 30, 2019 Board Meeting minutes as presented. Derek Guemmer seconded and the motion carried.

IV. 2021 BUDGET AND FINANCIAL/INSURANCE MATTERS

Prior to inclusion in the Annual Meeting materials distributed in early December 2020, the Board had reviewed and reached consensus on the 2021 Budget. The owners ratified the 2021 Budget at the Annual Meeting on December 28, 2020.

Refer to the minutes to the HOA Annual Meeting held on December 28, 2020 for discussion of 2020 financial results and 2021 Budget considerations. Larry Abston highlighted that there were no major changes to operating activities and no major improvement projects anticipated in 2021. Given the full build out of the 56 units in the community, future service costs would primarily be inflationary.

Larry Abston reported that Basic Property Management was planning to change the banking relationship from Alpine Bank to Alliance Associates during early 2021 for all its managed associations, in part to provide enhanced owner and Board online features. Eric Nicholds indicated that Alliance primarily works with and supports HOAs.

In addition, the CDs totaling \$70,000 entered last year for 12 months at 1.6% have matured and Larry reported that he had instructed BPM to renew and increase the amount invested in CDs to \$95,000 as there is no near-term need for these funds.

Larry Abston reported on a review of the HOA's insurance coverage after the Annual Meeting. In light of the change to the HOA's Second Amended and Restarted Declarations (the "Declarations"; expected to be finalized and filed in early 2021) for owners to be responsible to maintain, repair and insure the driveway they use to access their unit to the point that it connects with the road, the insurance agent recommends we increase Specific Property limits from \$2,500 to \$75,000 to cover (i) the HOA's likely responsibility for driveway easements on HOA common area and (ii) Red Quill Lane. Legal counsel has advised that the HOA would be primarily responsible in instances of overlapping coverage with a homeowner.

Considering the risks associated with the river trail and other common area assets, the insurance agent recommended increasing the Umbrella policy from \$2 million to \$15 million. The agent indicated that this Umbrella coverage is on top of (i) General Liability coverage of \$2 million per occurrence/ \$4 million in aggregate and (ii) the \$2 million per occurrence coverage for Director and Officers. The insurance agent agreed to provide clear plain English written acknowledgement that Specific Property under the insurance policy covers the river trail, driveway easements, Red Quill Lane, trash and recycling building, and other common area assets.

Motion: Larry Abston moved for the Board to approve the 2021 Budget, with no changes from the 2021 Budget presented at the Annual Meeting on December 28, 2020 except to increase the budget for (i) insurance costs of \$1,250 for the increased Specific Property insurance and Umbrella coverage described above and (ii) legal costs of \$2,750 to complete the update and filing of the Declarations as well as to update the Bylaws and policies as described below. Mike Bauer seconded and the motion carried.

Motion: Larry Abston moved for Basic Property Management to change the banking relationship from Alpine Bank to Alliance Associates during 2021. Derek Guemmer seconded and the motion carried.

Motion: Larry Abston motioned that the authorized Alpine Bank signers be modified to include Larry Abston, Derek Guemmer and Mike Bauer. Derek Guemmer seconded and the motion carried.

Motion: Larry moved for Board approval for the investment of \$95,000 of HOA cash funds into CDs for a period not exceeding 12 months. Derek Guemmer seconded and the motion carried.

Further discussion was held regarding the future accumulation of cash funds and the purpose of the cash reserves, including the routine maintenance of the trash and recycling building, including periodic painting and cleaning, and the eventual need to do major repair or replacement of Red Quill Lane. Eric Nicholds advised against reducing monthly dues.

V. DECLARATIONS, BYLAWS AND POLICIES OF THE HOA

Larry Abston reviewed the process for distributing a final version of the Second Amended and Restated Declarations (“Declarations”) as discussed at the Annual Meeting. The Board will continue to work with Lindsay Smith and the Declarant to distribute the Declarations to owners for them to submit a formal ballot using a return envelope. The Board expects to mail the Declarations and ballot by mid-January 2021 and upon achieving 67% (39 of our 56 units) affirmative votes will proceed with filing and recording with Summit County. Refer to the minutes to the HOA Annual Meeting held on December 28, 2020 for further information.

Following filing the Declarations, the Board will continue to work with Lindsay Smith in 2021 to update and approve the Bylaws and then update and approve specific policies.

VI. ELECTION OF OFFICERS

Larry Abston motioned to approve the Officers as follows:

- Larry Abston – President and Treasurer (Board term expires 2021)
- Mike Bauer – Vice President (Board term expires 2023)
- Derek Guemmer – Secretary (Board term expires 2022)

Mike Bauer seconded and the motion carried.

VII. OPEN DISCUSSION AND ACTION ITEMS

Discussion was held on a variety of topics, including follow up on comments from the recently completed Annual Meeting and approach to developing an owner directory.

Additional action items identified included:

1. Tour property in the spring to identify asphalt repairs and exterior staining needs – Basic Property Management.
2. Create and maintain an owner contact list and property map with owner names – Larry Abston and Basic Property Management.
3. Create poster related to recycling protocols (e.g., no bagged recycling, no glass, no plastic packaging or bags, and no food residue items including stained pizza boxes) – Derek Guemmer and Basic Property Management.
4. Create guidelines regarding the use of the Trash and Recycling building for use in rental contracts and for posting in units for reference by renters – Larry Abston, Derek Guemmer and Basic Property Management.
5. Explore having a glass recycling container installed – Larry Abston and Basic Property Management.
6. Monitor and evaluate swallow mitigation needs and solutions – Larry Abston.
7. Identify the property management companies used by owners for short term rentals to understand trash and COVID-19 protocols – TBD.

VIII. ADJOURNMENT

Motion: Larry Abston moved to adjourn the meeting at 5:15 p.m.

Approved By: _____
Board Member Signature

Date: _____

**THE SHORES AT THE HIGHLANDS
ANNUAL HOMEOWNER ASSOCIATION MEETING
December 29, 2021**

I. CALL TO ORDER

President Larry Abston called the Zoom video conference meeting to order at 3:05 p.m.

II. ROLL CALL & PROXIES

Board members participating were: Larry Abston, Mike Bauer, and Derek Guemmer

Owners participating were:

Kevin Aul	Larry Willhite & Elaine Gelvin
Kristin Callan	Debbie & Wesley Campbell
Michael Batts	Jerry & Joyce Gray
Walter Heimer	Pat Hensley
Randy Howell	Paul Hubbell
Pam & Andrew Karpen	Ingrid Kasaks
Dana & Joanne LePere	Harry Lerner
Lyle & Linda Maul	Dan McNerney
Charles Miller	Emily Nelson
David Phillips	Andy Sredojevic
Pat Talty	Bryan Teets

Gary Nicholds and Eric Nicholds participated representing Basic Property Management (BPM). Erika Krainz of Summit Management Resources was recording secretary.

The owners represented in person and six proxies received achieved a quorum of over 20%.

III. VERIFICATION OF NOTICE

Gary Nicholds verified that notice of the meeting was sent at least 30 days prior to the meeting.

IV. APPROVAL OF 2020 ANNUAL MEETING MINUTES

Motion: Pat Hensley moved to approve the December 28, 2020 Annual Meeting minutes as presented. Harry Lerner seconded and the motion carried.

V. YEAR-TO-DATE FINANCIAL REPORT

A. Review of 2021 Financials

Larry Abston reported that the HOA is in a strong financial position with about \$200,000 in cash, including \$95,000 in CDs. Dues have remained \$275/month for the past five years. Larry reminded the attendees the assets that the HOA owns and maintains, including Red Quill Lane (private road since it does not meet Town of Breckenridge (TOB) street standards), the Trash and Recycling Building, and other common areas. Summer services include landscaping, trimming, mowing, and tree fertilization. Winter services include snow plowing and shoveling to the front door. Trash pick-up and recycling is provided year-round.

During late 2021, Red Quill Lane was crack sealed and seal coated. Restoration work was also done to help grow native grasses to stabilize the steep slope at the southern end of the river trail.

B. Ratify 2022 Budget

Larry Abston reviewed the primary components of the 2022 Budget, indicating that the core services are consistent with prior years. While costs (primarily labor and materials) are increasing for most services, no change in the monthly dues is needed to provide adequate Reserve funding.

There are no major projects planned for 2022. Minor projects may include tree replacement by the trash building, hydro mulching, upgrading the trails along the river with crushed granite, and evaluating options to create a defined trail along the north portion of the river. There may be some updating and clean up of the trash building, including painting the garage door.

Motion: Dana LePere moved to ratify the 2022 Budget. Pat Talty seconded and the motion carried.

VI. BOARD REPORT

Larry Abston referred to the December 2021 Newsletter and highlighted the following:

1. After discussion at the 2020 Annual Meeting, the Second Amended and Restated Declaration was sent to the owners in February. It was approved by at least 66% of the owners and was filed in April 2021. The Second Amended and Restated Declaration primarily removed unnecessary references to the developer (since the developer completed buildout of the 56 units in 2020) and clarified maintenance and ownership responsibilities for unit driveways.
2. In mid-2022, legal counsel assisted in administratively updating other HOA governing documents including the Bylaws and the nine required good governance Policies. The Board-approved revised Amended and Restated Bylaws and related Policies are posted on the BPM website. In 2022, plan to administratively update the HOA's Rules and Regulations.
3. In November 2021, the TOB enacted a cap on Short Term Rental (STR) licenses. On behalf of the owners, Larry submitted letters and spoke at a TOB meeting against the cap. Owners without a current STR license will have apply on a wait list basis (likely to take five or more years of attrition to receive a license). Summit County has a compliance hotline to report and resolve STR violations. Owners can also report issues to BPM for them to contact the owner responsible for the renters.
4. BPM recently began using new electronic platform with an owner account login and password that allows owners access to their HOA financial transaction history. The Owners Directory and other HOA information will be posted on this site. Pam Karpen volunteered to maintain the Owners Directory.
5. New email addresses are being established for HOA and Board members correspondence.
6. Owners were encouraged to adhere to our recycling and trash protocols and to avoid contamination of the recycling bins with regular household garbage. The blue bins are for clean paper, aluminum cans, and plastic bottles. The brown recycling bin is for glass only. Cardboard boxes should be stacked against the inside rear wall. The frequency of pickups has been increased to avoid overflow conditions during peak periods.

7. Owners should plan to repaint the exterior of their units about every five years and re-seal their driveways about every three years.
8. The drainage ditches must remain clear and open.
9. Owners should provide their garage code to BPM so access can be provided to Neils Lunceford to activate (spring) and deactivate (fall) each unit's irrigation system.
10. HOA Rules and Regulations specify that all exterior lighting must be not of such brightness to cause a nuisance to a neighboring unit. Installed external lighting should be directed downward and other exterior and tree lights should operate on a timer. Holiday lights should be put up and taken down within a reasonable time around the holidays. Owners were encouraged to use reasonable judgment to help maintain a dark sky environment in our community.
11. River access is available to all owners and guests.
12. Owners considering future major landscaping or hardscaping projects should contact Neils Lunceford or other contractor early for project design and scheduling.
13. All exterior modifications must be pre-approved by the Board, including landscaping, hardscaping, painting, patios, solar panels, swallow mitigation, and driveway repairs.
14. Welk Resort has been acquired by Marriott (to be rebranded) and they still anticipate proceeding with Phase II of development. A separate market-based and workforce housing project is progressing to the south of the Welk Resort on the Stanley Miller property.

Larry then opened the meeting to questions and comments from owners including:

1. Pat Hensley asked about the build of a cash balance and the goal for Reserve funding. Larry Abston said the Board assesses the Reserve funding annually. The goal is to build up funds for future maintenance and replacement of the Red Quill Lane asphalt, the Trash Building and other common area assets. Larry Abston indicated that the Board plans to conduct and document a formal Reserve Study that considers the timing, nature and inflation of expenditures and the projected annual accumulation of Reserve funds.
2. Michael Batts inquired about the protocols for snow plowing and shoveling. Larry Abston explained that Treeline plows the driveways and Red Quill Lane with a small Bobcat, stopping about three feet from the garage door to avoid damage. Clear Path shovels unit sidewalks to the front doors, entrances to the Trash building, and around mailboxes. The general rule is to clear snow after about 4" of accumulation.
3. Ingrid Kasaks asked about the bright lights emitted by the Welk Resort. Larry Abston said he spoke to Welk Resort earlier this summer about some of the directional lights on the barn that were shining in the window of a home and that it has been resolved. It was noted that there is still a light shining off the barn or from a parking lot light over the wetlands.

VII. BASIC PROPERTY MANAGEMENT REPORT

No significant matters to report. BPM commented on items during the preceding Board reports and open discussion period.

VIII. OLD BUSINESS

There was no Old Business.

IX. NEW BUSINESS

There was no New Business.

X. ELECTION OF DIRECTOR

Larry Abston's three-year Board term expires and he is willing to run for re-election. No other nominations were received.

Motion: Larry Willhite moved to elect Larry Abston to the Board by acclamation. Harry Lerner seconded and the motion carried.

XI. NEXT ANNUAL MEETING DATE

The next Annual Meeting was scheduled for Wednesday, December 28, 2022 at 3:00 p.m.

XII. ADJOURNMENT

Motion: Larry Abston moved to adjourn at 3:46 p.m.

Approved By: _____

Board Member Signature
Larry Abston, President

Date: _____