

THE SHORES AT THE HIGHLANDS

MINUTES OF DIRECTORS MEETING


November 30, 2023

The undersigned, being all the directors of THE SHORES AT THE HIGHLANDS ASSOCIATION, INC., a Colorado nonprofit corporation (the "Corporation"), hereby agree that the following constitute the minutes of the Board meeting held on November 30, 2023:

1. The Board reviewed and discussed the 2023 year-to-date financial results and the proposed 2024 Budget based on similar services, including bi-weekly mows, with increased vendor costs due to inflation and labor challenges. Larry highlighted that all service contracts for 2024 have been signed except for the annual umbrella insurance coverage which is expected from the insurance agent in mid-December. The Board approved the 2024 Budget reflecting the planned common area services and non-recurring expenditures as well as unspecified contingency. The Board also approved the 2024 Budget and the HOA's balance sheet as of November 30, 2023 be included in the upcoming Annual Meeting materials. The Owners will be asked to ratify the 2024 Budget at the Annual Meeting.
2. As advised by the HOA's accountant for HOA non-profit accounting, the Board agreed to reclass approximately \$100,000 (or more as advised by the accountant), from Retained Earnings (representing the operating surplus accumulated from prior years) to the Reserve equity account (representing the expected future obligations to replace or maintain common area assets, particularly the road surface and bed of Red Quill Lane, consistent with the HOA's preliminary Reserve Study). The Owners will be asked to ratify this reclass at the Annual Meeting.
3. Larry reported on the maturity dates and amounts of the three CDs held by the HOA. The next CD maturity will be in February 2024 at which time it will be renewed, along with additional available funds based on the projected near-term cash needs. The CDs renewing in 2024 are expected to be at higher rates given the market's recent increase in interest rates.
4. The Board discussed the content of the December 2023 Newsletter to be included in the Annual Meeting materials, highlighting specifics from the external lighting policy and describing the recent river trail improvements.
5. Due to the expiration of Mike Bauer's three-year Board term, the Board discussed the need to fill an open Director position at the Annual Meeting. Mike agreed to stand for re-election for another term.
6. The Board discussed other topics, including the leaking trash dumpster, ways to improve proper recycling, and adding private property signage on the river trail. The contract with Timberline expires in March and we should discuss our service expectations with Timberline for renewal or consider bids from other trash and recycling pickup service providers.

7. The Board discussed the status of outstanding governance actions, including the need to finalize the update of the HOA's Rules and Regulations and prepare and document a formal Reserve Study.
8. Finally, the Board reviewed the contents of the Annual Meeting package to be distributed to Owners on or around December 5th via USPS and email. Larry indicated that the Notice of the Annual Meeting had previously been timely communicated to Owners.

DIRECTORS:



Larry Abston



Mike Bauer



Thomas Patch