

THE SHORES AT THE HIGHLANDS

MINUTES OF DIRECTORS MEETING

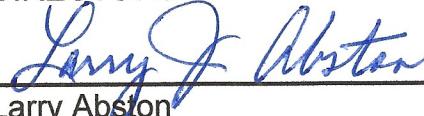
November 20, 2025

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 20, 2025:

1. The Board reviewed and discussed the preliminary and expected full year 2025 financial results. Larry then reviewed the updated Reserve Study including data related to future maintenance and repair of Red Quill Lane. Based on the expected nature and timing of Reserve expenditures and the pace of building Reserve funds (including investment income net of taxes), the Board approved beginning in 2026 to reduce the allocation of monthly dues to the Reserve from 10% to 8% and to fund Common Area asset improvements and maintenance from the Reserve funds. The Board then reviewed the operating portion of the proposed 2026 Budget that is based on services similar to the prior year, including bi-weekly mows, and increased vendor costs due to inflation and labor challenges. Larry noted that contracts for 2026 services were in place, except for the amount of the annual umbrella insurance coverage (expected from agent in mid-December). The Board unanimously approved the 2026 Budget, including the operating services and Reserve expenditures. Larry highlighted that the 2026 Budget maintains monthly dues at the same amount as in 2025.
2. The Board approved inclusion of the 2026 Budget along with the year-to-date financial results and the balance sheet as of November 30, 2025 in the upcoming Annual Meeting materials. The Owners will be asked to ratify the 2026 Budget at the Annual Meeting.
3. Larry discussed adequacy of forecasted cash position through December to cover expenditures, including the mid December payment to receive a price discount for Neils Lunceford services for summer 2026.
4. Larry reported on the maturity dates and amounts of the HOA's three CD investments. The Board agreed to fully renew the CDs based on the adequacy of the projected near-term Reserve cash. The yield on CD renewals is expected to be lower as interest rates continue to decline.
5. The Board discussed the content of the December 2025 Newsletter to be included in the Annual Meeting materials, highlighting the external lighting policy (including TOB's Dark Sky certification and planned enforcement of holiday lighting), trash and recycling protocols, and planned Common Area maintenance in 2026, including painting the Trash and Recycling Building and refreshing the river trail.
6. Due to the upcoming expiration of Tom Patch's three-year Board term, the Board discussed the need to fill an open Director position at the Annual Meeting. Tom agreed to stand for re-election for another term.

7. The Board discussed other topics, including ways to improve adherence to the communicated trash and recycling protocols and how Owners can protect their aspen trees from the beavers present along the river.
8. The Board approved a new Collection Policy that was revised by legal counsel to comply with recently enacted State of Colorado legislation, including the new requirement to annually request contact information from Owners. Discussion was held on other needed governance actions, including ongoing refinement of the Reserve Study and updating the Rules and Regulations.
9. 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. The recycling postcard will be included in the USPS mailing. Larry indicated that the Notice of the Annual Meeting had previously been timely communicated to Owners.

DIRECTORS:


Larry Abston
Larry Abston

Mike Bauer

Thomas Patch