

**THE SHORES AT THE HIGHLANDS
BOARD OF DIRECTORS MEETING
April 3, 2025**

I. CALL TO ORDER

Larry Abston called the 2025 administrative and organizational meeting of the HOA Board to order at 3:00 p.m. MST via Zoom videoconferencing. Larry Abston recorded the minutes of this meeting.

II. ROLL CALL

Board members Larry Abston, Mike Bauer and Tom Patch were present.

III. APPROVE PREVIOUS MEETING MINUTES

The minutes of the 2024 administrative and organizational meeting of the HOA Board held on January 8, 2024, were previously unanimously approved by Tom Patch and Mike Bauer.

IV. ELECTION OF OFFICERS

Larry Abston motioned to approve the Officers as follows:

Larry Abston – President and Treasurer (Board term expires 2027)

Mike Bauer – Vice President (Board term expires 2026)

Tom Patch – Secretary (Board term expires 2025)

Mike Bauer and Tom Patch unanimously approved.

V. 2025 BUDGET AND FINANCIAL MATTERS

Prior to inclusion in the materials distributed to the Owners in advance of the HOA Annual Meeting held on December 30, 2024, the Board reviewed and reached consensus on the 2025 Budget at its meeting on November 26, 2024. This included having reached contractual agreement with service providers for their services going into 2025 as well as assessing the adequacy of the HOA's insurance coverage and including an estimate of the expected insurance premium. Larry briefly discussed that the subsequently received invoice of the HOA's umbrella insurance premium for 2025 was in line with the estimate included in the 2025 Budget. Larry noted that no modification to the 2025 Budget was warranted.

For the year ended December 31, 2024, the HOA had net cash inflow of \$15,369 and Operating and Reserve cash and investments on December 31, 2024 of \$296,042, including Reserve cash of \$235,422 invested in CDs earning about 4%. Refer to the minutes of the December 30, 2024 HOA Annual Meeting for discussion of the 2024 financial results and 2025 Budget considerations, including that: there is no change in HOA dues in 2025, services provided by the HOA will be the same as in 2024, and certain identified maintenance expenditures will be incurred in 2025.

Discussion was held regarding the purpose and ongoing accumulation of Reserve funds to repair, maintain, and replace, as necessary, the road surface of Red Quill Lane, the Trash and Recycling Building, and other Common Area assets. Based on the forecasted costs and timing in the latest Reserve Study, adequate Reserve funds are being sourced from the annual monthly dues (10% assigned to Reserve). However, a significant change in the cost or timing of such expenditures for HOA Common Area assets could warrant a change in future monthly dues or a change in the percentage of dues assigned to the Reserve fund. While dues have remained the same for at least the past ten years with no special assessments, the Board will continue to annually assess the monthly dues needed to cover both the ongoing Operating costs and Reserve fund. It was mentioned at the last Annual Meeting that the Board may need to increase HOA dues in the future for (1) cost increases of existing services and/or (2) the need to accelerate the accumulation of Reserve funds based on changes in the condition of Common Area assets and/or the pace, timing, and amount of needed Reserve funds to prudently repair, maintain, or replace Common Area assets. Therefore, in addition to continuing to monitor and negotiate cost effective contracts (including executing multi-year agreements when possible) for the HOA's basic Operating services, the Board will solicit cost estimates and seek professional advice to update and document a Reserve Study in 2025 that assesses the expected future costs, timing of expenditures, and pace of accumulation of funds needed to repair, maintain, and replace the HOA's Common Area assets.

Specific to the HOA's cash and investment balances, Larry reported that a CD of \$31,200 matured on February 22, 2025 and was renewed with a term ending August 20, 2025 earning 4%. Larry advised that he expects to renew a second CD of about \$43,000 that matures on May 13, 2025. Larry noted that the larger third CD for about \$162,000 matures on December 15, 2025. Larry commented on the need to have sufficient cash in mid-December 2025 to pay Neils Lunceford to receive the early pay discount for the Summer 2026 landscaping and irrigation (estimated to be about \$55,000).

Larry also reported to the Board the income tax paid by the HOA in 2023 and 2024 and the projected amount owed in 2025 for Federal and Colorado income taxes. Despite the HOA being a nonprofit, the higher interest earned (due to higher invested balances and higher interest rates) from investing cash in CDs is deemed non-operating and taxable.

V. DISCUSSION OF OWNER IMPROVEMENT REQUESTS

Discussion was held about various requests and inquiries from Owners since the Annual Meeting. In particular, discussion was held regarding an Owner's preapproval request to install a small air conditioning unit on the exterior of their house. Since this item represented the first such request by an Owner, the Board fully discussed the potential noise and appearance nuisance issues, the manufacturer's noise and size specs of the air conditioning unit, and the HOA's requirements for the Owner to mitigate or minimize the potential issues (and adhere to Town of Breckenridge (TOB) permits and rules). TOB Code allows 55 decibels max between 7 am and 11 pm and 50 decibels max between 11 pm and 7 am). The Board agreed, like other external modifications or improvements, that the approval or denial decision would be on a case by case since the close proximity of homes in the neighborhood could create a unique nuisance issue for a neighbor.

VI. OPEN DISCUSSION AND ACTION ITEMS

Discussion was held on a variety of topics, including comments from the most recent Annual Meeting, new matters, and other Owner correspondence. The following are new and carryforward items needing action by the Board in 2025:

1. Update the required Reserve Study, including soliciting cost and useful life estimates to repair, maintain, and replace the Red Quill road surface.
2. Update the HOA's Rules and Regulations to be consistent with our Declarations and Policies, Common Area assets and HOA provided services, and to address or clarify specific Policies or matters.
3. Engage paving contractor to fill cracks and reseal Red Quill Lane during summer 2025, including allowing Owners the opportunity to concurrently reseal their driveways.
4. Perform river trail improvements, including applying additional crushed stone to stabilize and maintain the river trail.
5. Contact TOB Streets about installing a partial shield on the bright streetlight that is on all night at the corner of Shores Lane and Red Quill.
6. Contact Neils Lunceford to inquire about ways to protect aspen tree trunks from damage during landscape trimming.
7. Inquire of notices received by some Owners for noncompliance with TOB light ordinance. Apparently, exterior lighting must be downward focused with bulb not protruding from a sconce and the fixture shade opaque.
8. Request TOB Streets (Scott Jackman) inspect and fill cracks and reseal the asphalt pavement of Shores Lane.

Basic Property Management (BPM) will take the following actions:

1. BPM to obtain garage access permission and the garage codes from the Owners of our 56 units for irrigation system activation and deactivation. BPM to timely communicate to Neils Lunceford the garage codes for each unit. BPM will timely notify Larry Abston regarding any nonresponsive Owner.
2. BPM to arrange for floor of the Trash and Recycling Building to be cleaned.
3. BPM to timely post HOA governing documents, meeting minutes, Owner Directory, and Owner financial account information on the HOA's portal.
4. Kerry Hartnett (BPM) and Larry Abston to maintain an accurate Owners Directory for use by Owners and BPM for mailing and contact purposes.
5. BPM to identify and contact Owners of homes in need of re-painting/staining.

VII. ADJOURNMENT

Motion: The meeting was adjourned at 4:15 p.m.

Approved By: _____



Board Member Signature
Larry Abston, President

Date: _____



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

Mike Bauer

Thomas Patch

**THE SHORES AT THE HIGHLANDS
ANNUAL HOMEOWNER ASSOCIATION MEETING
December 30, 2025**

I. CALL TO ORDER

The meeting was called to order at 3:05 p.m. in the Basic Property Management conference room and via videoconference.

II. ROLL CALL & PROXIES

Board members participating were:

Larry Abston, President, 275 Shores (present)

Mike Bauer, 235 Shores

Tom Patch, 175 Shores

Owners participating were:

Jerry Gray, 288 Shores

Walter Heimer, 178 Shores

Randall Howell, 163 Shores

Eric Kantor, 247 Shores

Ingrid Kasaks, 26 Red Quill

Steve Leonard, 299 Shores

Dana LePere, 344 Shores

Dan McNerney, 211 Shores

Charles Miller, 59 Red Quill

Paul Nowicki, 159 Shores

Autumn Ray, 147 Shores

Andy & Maggie Sredojevic, 200 Shores

Jim Vanderhout, 295 Shores

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

With owners represented in person and proxies received, a quorum was confirmed.

III. VERIFICATION OF NOTICE

Larry Abston verified that notice of the meeting was sent at least 30 days prior to the meeting.

IV. APPROVAL OF 2024 ANNUAL MEETING MINUTES

Motion: Dana LePere moved to approve the December 30, 2025 Annual Meeting minutes as presented. Charles Miller seconded and the motion carried.

V. YEAR-TO-DATE FINANCIAL REPORT

Larry Abston reported that Red Quill was resealed this year. The contractor provided recommendations for maintaining and repairing the road and this information was used to recalculate the Reserve Study. It was originally assumed that Red Quill would have to be completely replaced down to the road base at some point in the future but the asphalt vendor indicated that it should not be necessary if there is proper maintenance. Without this expense, the

pace of Reserve saving can be slowed and the Reserve contribution allocation was reduced from 10% to 8%. The Association is also benefitting from investment of the Reserve cash in CDs that are earning about 4%, resulting in additional income of around \$10,000 annually. Multi-year agreements for the trash removal and property management have been implemented with minimal increases. The biggest challenge in the past three years has been property insurance, with some carriers refusing to issue policies for condominium complexes with high values. The insurance premium cost for The Shores for the coming year is basically flat.

Projects planned in 2026 include repair and maintenance of the trail, and repainting and cleaning out the dumpster enclosure. There was a suggestion to power wash the dumpster enclosure floor annually.

Overall, the Association is in a strong financial position with \$250,000 in Reserve CDs and separate bank accounts for Reserve and Operating.

A. Ratify the 2026 Budget

Larry Abston reported that the 2026 Budget includes no change to services and no dues increase.

Motion: Dana LePere moved to ratify the 2026 Budget. Walter Heimer seconded and the motion carried.

VI. BASIC PROPERTY MANAGEMENT REPORT

Eric Nicholds reported that BPM will be switching to a new property management software system called Vantaca next year. The functionality will be similar to the existing system but it will be more user friendly. Owners will be able to submit service requests through the online portal, access all Association documents and view their account information. There will be a community calendar with important dates. Owners are reminded to ensure their contact information is up to date.

VII. BOARD REPORTS

Larry Abston reviewed the following highlights:

1. Activated and blew out the irrigation system.
2. Obtained garage codes from owners.
3. There was great owner participation (about 80%) in the driveway resealing when Red Quill was resealed.
4. Some owners have added air conditioning and oxygen systems to their homes. Owners are required to obtain Board approval prior to these types of installations.
5. Owners can request additional postcards that outline proper use of the dumpster for posting in their home for renters.
6. Homes that needed staining were identified and the owners were notified.

VIII. OLD BUSINESS

There was no old business.

IX. NEW BUSINESS

Walter Heimer commented that he has heard some type of low volume alarm intermittently by the berm. Larry Abston will follow up.

Walter Heimer requested that the landscaper be asked to check the irrigation system after using the string trimmer to ensure the lines have not been damaged or severed. Larry Abston will discuss this with the landscaping contractor.

Eric Kantor asked about the number of rentals in the neighborhood. Larry Abston believes there are 10 – 12 short-term rentals and three long-term rentals. The Town can provide the number of active rental permits.

X. ELECTION OF DIRECTOR

The term of Tom Patch expired and he was willing to run again. There were no other nominations and Tom Patch was re-elected to the Board by acclamation for a three-year term.

XI. SET NEXT MEETING DATE

The next Annual Meeting was scheduled for Wednesday, December 30, 2026 at 3:00 p.m.

XII. ADJOURNMENT

Motion: Dana LePere moved to adjourn at 3:48 p.m. Walter Heimer seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature

**THE SHORES AT THE HIGHLANDS
BOARD OF DIRECTORS MEETING
December 31, 2025**

I. CALL TO ORDER

Larry Abston called the 2026 administrative and organizational meeting of the HOA Board to order at 11:00 a.m. MST via video conferencing. Larry Abston recorded the minutes of this meeting.

II. ROLL CALL

Board members Larry Abston, Mike Bauer and Tom Patch were present.

III. APPROVE PREVIOUS MEETING MINUTES

The minutes of the 2025 administrative and organizational meeting of the HOA Board held on April 3, 2025, were previously unanimously approved by Tom Patch and Mike Bauer. The minutes of the Board meeting held on November 20, 2025 were referred to.

IV. ELECTION OF OFFICERS

Larry Abston motioned to approve the Officers as follows:

Larry Abston – President and Treasurer (Board term expires 2027)

Mike Bauer – Vice President (Board term expires 2026)

Tom Patch – Secretary (Board term expires 2028)

Mike Bauer and Tom Patch unanimously approved.

V. 2026 BUDGET AND FINANCIAL MATTERS

Prior to inclusion in the materials distributed to the Owners in advance of the HOA Annual Meeting held on December 30, 2025, the Board reviewed and reached consensus on the 2026 Budget at its meeting on November 20, 2025. This included having reached contractual agreement with service providers going into 2026 as well as assessing the adequacy of the HOA's insurance coverage and including an estimate of the expected insurance premiums. Larry briefly discussed that the subsequently received invoice of the HOA's general liability and umbrella insurance premiums for 2026 was less than the estimate included in the 2026 Budget. Larry recommended no modification to the 2026 Budget.

As discussed at the HOA Annual Meeting, the Board briefly discussed there is no change in the HOA dues in 2026 and the services provided by the HOA will be the same as in 2025. Discussion was held about the planned improvements and maintenance for 2026. Larry discussed the expected timing of soliciting and negotiating service contracts for 2027 (to occur primarily in October 2026) and preparation of the 2027 Budget (in November 2026).

Larry discussed the low Operating cash balance to start 2026 and the forecasted build of cash during the year as dues inflows exceed expenditures each month, particularly since the summer landscaping and irrigation services were prepaid in December 2025. Larry will monitor the Operating cash balance during the year to maintain adequate cash to pay contracted services, including having sufficient cash available in December 2026 to prepay the 2027 Neils Lunceford landscaping and irrigation contracts (estimated to be about \$55,000).

Specific to the Reserve funds, Larry commented that he does not anticipate any significant adjustments needed to the Reserve Study this year since it was updated in Fall 2025. Larry plans to reinvest each of the Reserve CDs upon their staggered maturity dates since there is not expected to be a need for these funds in the near term. The allocated 8% of monthly dues in 2026 to the Reserve will be adequate to cover any new and the planned maintenance of Common Area assets in 2026 as well as achieve the needed ongoing pace of building the Reserve fund. Larry commented that the decline in CD yields experienced in 2025 is expected to continue into 2026 consistent with ongoing Fed interest rate cuts. Larry also reminded the Board that despite the HOA being a nonprofit, the interest earned on CD investments is deemed non-operating and is therefore taxable.

VI. OPEN DISCUSSION AND ACTION ITEMS

Discussion was held on a variety of topics, including comments and observations from yesterday's Annual Meeting and other Owner feedback. As an overall observation, in order to facilitate Owner access and improve attendance at next year's Zoom meeting, it was recommended that a reminder be sent to all Owners with an embedded live link one week prior to and the day of the Annual Meeting.

The following are new and carryforward items needing action by the Board in 2026:

1. Update the HOA's Rules and Regulations to be consistent with our Declarations and Policies, existing Common Area assets and HOA provided services, and to address or clarify specific Policies or matters.
2. Perform river trail improvements, including applying additional crushed stone to stabilize and maintain the river trail.
3. Contact the Ranahan to request they install an entrance sign at their first turn in from Shores Lane to avoid the frequent guests that mistakenly enter the neighborhood and need to turn around.
4. Contact Neils Lunceford to inquire about ways to protect aspen tree trunks and irrigation emitters from damage during landscape trimming.
5. Evaluate, enhance, and replace surface drain covers in the neighborhood to ensure they are securely attached. Replace any damaged covers.
6. Request TOB Streets (Scott Jackman) inspect and fill cracks and reseal the asphalt pavement of Shores Lane or consider other cooperative solutions to maintain Shores Lane.
7. Explore design or replacement options to allow for proper fit and closing of the man door of the Trash and Recycling Building.

