AMERICAN VILLAGE SUBDIVISION PROPERTY OWNERS ASSOCIATION, INC.

(American Village I)

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, September 10, 2026

DRAFT — FOR BOARD REVIEW

Meeting	Regular meeting of the Board of Directors, held by Zoom (Meeting ID 970 650 8044)
Date and time	Thursday, September 10, 2026 — called to order 5:32 p.m. MT; adjourned 6:56 p.m. MT
Directors present	Doug Hollister, President (presiding); Joyce Synnestvedt, Secretary/Treasurer (by telephone); Amber Wagner, Member at Large
Directors absent	Michael Gabrielli, Vice President (excused — no response to the President's call and text message)
Also present	M. Vaneza Alvarado, Design HOA, Managing Agent (facilitator and recording secretary)
Owners present	None
Quorum	Established — 3 of 4 seated directors. The Board consists of five seats with one vacancy; the Bylaws standard is a majority of all directors.
Recording	The meeting was recorded by Zoom for minute-taking purposes.

1. CALL TO ORDER

President Doug Hollister called the September 10, 2026 regular meeting of the Board of Directors of American Village Subdivision Property Owners Association, Inc. to order at 5:32 p.m. Mountain Time. The managing agent confirmed that the meeting was being recorded for minute-taking purposes.

2. ROLL CALL AND DETERMINATION OF QUORUM

The managing agent called the roll. Directors Hollister, Synnestvedt and Wagner were present; Director Gabrielli was not present. The President reported that he had left Director Gabrielli a voice message and a text message and had received no response.

The President clarified for the record that the Board consists of five seats, one of which is currently vacant, leaving four seated directors. With three of four seated directors participating, a quorum of the Board was present under the Bylaws standard of a majority of all directors. Also present was M. Vaneza Alvarado of Design HOA, managing agent. No homeowners were present.

3. CONFIRMATION OF MEETING NOTICE

The managing agent reported that notice of the meeting, with the agenda attached, was distributed to all owners by PayHOA broadcast on Tuesday, September 8, 2026, and that the date and time of the meeting had also been confirmed on the record at the Board's August 13, 2026 meeting.

The managing agent further reported that neither the Bylaws nor the Colorado Common Interest Ownership Act prescribes a mandatory minimum day count for notice of a regular board meeting, and that the September 8 broadcast satisfied the two-day minimum the Colorado Revised Nonprofit Corporation Act establishes for special meetings of

the board (C.R.S. § 7-128-203), which management applies as its working standard. The managing agent acknowledged that the posting reminder had been missed on her task list and that the President had prompted the distribution.

President Hollister stated for the record that he received the notice through PayHOA on September 8, 2026. No director objected to proceeding. The Board confirmed notice and proceeded with business.

4. HOMEOWNER OPEN FORUM

No homeowners were present for the meeting and no owner comment was offered. The open forum was noted and no forum period was held.

For the record, the managing agent restated the Board's practice that owners are entitled to address the Board on Association business, and in particular on any item on which the Board proposes to take action, for approximately three minutes per owner. No action was taken under this item.

5. APPROVAL OF MINUTES — AUGUST 13, 2026 REGULAR MEETING

The managing agent reported that the draft minutes of the August 13, 2026 regular meeting were circulated to the Board on August 17, 2026; that President Hollister confirmed on August 29, 2026 that the draft contained no factual errors; and that the Secretary executed the minutes electronically, which were confirmed and filed on August 31, 2026.

The managing agent asked whether any director objected to noting the August 13, 2026 minutes as approved. President Hollister stated that he did not object. Secretary/Treasurer Synnestvedt stated that she did not object. Director Wagner indicated her assent. The minutes of the August 13, 2026 regular meeting were noted as approved as presented.

6. MANAGEMENT STATUS REPORT

The managing agent delivered the management report covering the period since the August 13, 2026 meeting.

Completed since August 13, 2026

- The Chipeta Room at the Ute Indian Museum has been reserved and paid for the October 14, 2026 annual meeting.
- The August 2026 financial packet was delivered to the Board earlier in the week, with both bank accounts reconciled.
- The Green & Bearit mowing invoices for August and September were approved by the Board and paid.
- Enforcement notices were issued to six properties. All but one owner has paid the certified mailing cost invoiced with the notice.
- The Board was notified on September 3, 2026 that the City of Montrose water autopay would carry 2026 water spending above the $3,600 budgeted for the year.
- The September 10 meeting notice and the 2027 draft budget were circulated to owners and directors on September 8, 2026.
- The $45.00 account adjustment directed by the Board at the August 13, 2026 meeting has been posted.

Open and carried forward

- Reinspection photographs. Management had been unable to match two reinspection photographs to roster addresses. The President provided the addresses during the meeting (recorded in the confidential executive session minutes).

- Weed control vendor scope and treatment map. Not advanced. Management intended to address this with Vice President Gabrielli, who was not present, and will follow up by email to the Vice President and the full Board.
- Delinquent account audit. The audit of the Association's single significantly delinquent account remains in progress. Management consulted Association counsel (Altitude Community Law) at management's own expense, not at the expense of the Association or the Board, and received counsel's guidance on the date of the meeting.

Counsel guidance — late charges, mailing costs and enforcement service fees

The managing agent reported to the Board on guidance received from Association counsel regarding charges assessed to owners in connection with delinquencies and enforcement notices. The substance reported was as follows:

- Amounts previously budgeted and billed to owners as "late fees" were not collectible by the Association, and such charges historically applied on a recurring monthly basis will be removed from owner accounts.
- The Association may recover from a responsible owner the actual cost of certified mailing of an enforcement notice. Management's postal service account reduces that actual cost to under $10.00 per certified mailing, against roughly $27.00 at retail.
- The Association may not charge an owner for the production of an accounting or records statement.
- Management may charge the Association a service fee of $30.00 per enforcement notice for production, tracking and reconciliation of the notice, and the Association may in turn charge that service fee to the responsible owner, so that the enforcement process is cost-neutral to the Association.
- The Association may charge interest on delinquent amounts at the statutory rate.

Accordingly, the budget line previously captioned "late fees" has been re-captioned "Enforcement Service Fees," and the 2027 budget presents offsetting revenue and expense lines for both certified mailing costs and enforcement service fees. The managing agent noted that the revenue and expense estimates are based on approximately fifteen enforcement efforts per year and are conservative.

Management note for the record: management will obtain counsel's guidance in writing and confirm the controlling statutory citations (C.R.S. § 38-33.3-209.5 and § 38-33.3-316.3) and the Association's adopted collections policy before the corrected charges are posted and before the revised fee treatment is applied to any owner account.

Discussion then moved to an individual owner account. The record of that discussion appears under Item 7 below.

7. EXECUTIVE SESSION

During the management report the discussion turned to the account of an individual owner and to enforcement matters affecting identified properties. President Hollister observed on the record that the Board was, in substance, in executive session for that discussion, and the managing agent confirmed that the discussion would be recorded in the executive session record and would not be included in the minutes distributed to owners.

Entered	Approximately 5:45 p.m. MT
Returned to open session	Approximately 5:51 p.m. MT, confirmed on the record by the President at approximately 5:54 p.m. MT
Statutory basis	C.R.S. § 38-33.3-308(4)(b) (matters involving individual owners, including enforcement) and § 38-33.3-308(4)(d) (investigative proceedings concerning alleged criminal or civil misconduct / individual owner account matters), together with the receipt of legal advice under § 38-33.3-308(4)(a)

General subject	The status and audit of one delinquent owner account, including charges identified by counsel as not collectible, and the identification and status of properties subject to trailer and storage-building enforcement
Action taken	No formal action was taken in executive session. The detail of the discussion is recorded in separate confidential executive session minutes retained by the Association and not distributed to owners.

Following the return to open session, and without reference to any individual owner or property, the Board's direction to management was that management is to (a) remove from Association accounts those charges counsel has identified as not collectible; (b) offer the affected owner a payment plan of not less than eighteen months as required by C.R.S. § 38-33.3-316.3; and (c) allow the owner a period of forty-five days to bring the account current before further collection action is presented to the Board for decision.

Management note for the record: no motion was made to enter or to exit executive session, and the direction described above was reached by consensus rather than by a recorded vote. Management recommends that the Board ratify this direction by motion at its next regular meeting, and that future executive sessions be opened and closed by motion, so that the record is complete under C.R.S. § 38-33.3-308(4).

8. AUGUST 2026 FINANCIAL REPORT

The managing agent presented the August 2026 financial packet, previously delivered to the Board with both bank accounts reconciled.

The managing agent highlighted accounts receivable of $2,672.47 and explained that the figure is materially larger than the Association's actual collection exposure, because substantially the entire balance is attributable to a single delinquent account. The aging report confirms the same amount carried in the 90-day-and-over category. The managing agent reported that she identified nothing exceptional on review of the August statements.

The managing agent invited questions on the August 2026 financials. President Hollister, Director Wagner and Secretary/Treasurer Synnestvedt each stated that they had no questions. The August 2026 financial report was received. No action was taken.

9. PROPOSED 2027 BUDGET AND ANNUAL ASSESSMENT

The managing agent presented the 2027 draft budget circulated on September 8, 2026 and advised the Board that, on closer review of the expense assumptions, management no longer recommended holding the annual assessment flat at $213.00 per lot. The Board reviewed the budget line by line on screen and directed the following changes.

Line changes directed by the Board

Budget line	Draft	Adopted	Basis of the change
Water — City of Montrose	$3,600	$7,500	2025 actual water expense was $6,640 against $3,600 budgeted; 2026 spending is at approximately $3,500 through early September with the heavy irrigation months already incurred. The President reported that Project 7, the regional water treatment authority, has implemented a 3% base increase plus a $0.25 per 1,000 gallon pass-through charge to fund a new treatment plant, and that this is the first year of that increase. The President stated that $3,600 is not appropriate and that a

Budget line	Draft	Adopted	Basis of the change
			minimum of $7,000 would be required; the Board set the line at $7,500.
Electricity — DMEA	$400	$500	The President reported a DMEA average bill increase of approximately 7.5% effective earlier in 2026. Actual spending is $314.77 against $400 budgeted with several months remaining in the year. $500 provides headroom for further rate movement.
Fertilizer & weed control	$2,000	$2,500	Increased by $500 to absorb the scope previously assigned to the maintenance facilitator line, on the Board's direction to contract open-area weed control to a vendor under a written scope.
Maintenance facilitator	$1,200	$0	Line removed. See discussion below.
Backflow testing	$85	$120	The President reported the 2026 cost was approximately $110 and that a further increase is expected.
DORA & SOS filings	$44	$69	Two annual filings are required; the budgeted amount did not reflect the actual filing cost.
Insurance — GL & D&O	$1,000	$1,000	Held. Current premium is approximately $896 and has been below $1,000 for several years.
Tax preparation	$180	$275	Increased on management's advice; the Association's tax preparer's fee is expected to rise.
Lien & legal fees	$600	$600	Held as a conservative contingency for lien filings and counsel inquiries.

New offsetting revenue and expense lines

Consistent with counsel's guidance reported under Item 6, the budget adds a revenue line for certified mailing cost recovery of $277.20 and a revenue line for enforcement service fee recovery of $450.00, each fully offset by an expense line in the same amount. Both are based on approximately fifteen enforcement efforts per year. The managing agent advised the Board that this estimate is conservative for a community of 121 lots and that the Association will not profit from enforcement activity under this treatment.

Maintenance facilitator line

The managing agent asked the Board to explain the $1,200 maintenance facilitator line. The President advised that the line was intended to compensate an individual to inspect and manage weeds in the common areas, that his understanding was that the prior president and Director Gabrielli had agreed Director Gabrielli would perform that role, and that no service request or invoice had ever been submitted against the line. Nothing has been charged to the line in 2026.

The President raised the possibility of soliciting a resident at the annual meeting to perform the work for compensation. Director Wagner responded that recruiting a resident to perform weeding on a paid basis was unlikely to succeed given the difficulty of recruiting directors. The managing agent recommended instead engaging a vendor under a written contract with a defined scope of work and price, to avoid the difficulty of managing a service relationship with a resident. Director Wagner and Secretary/Treasurer Synnestvedt agreed. The Board directed that the maintenance facilitator line be removed and that the fertilizer and weed control line be increased by $500 to $2,500 to fund a contracted scope covering the walkways and common open areas, which the President advised are not within the current landscaping vendor's scope.

Annual assessment

The Board considered the per-lot assessment against the revised expense figures. The managing agent noted that the Association holds sufficient operating cash to absorb a deficit in the range of $500 to $2,000, but that the corrected water and electricity assumptions produced a larger shortfall at the current $213 rate. Working models at $227 and $250 per lot were reviewed on screen.

Secretary/Treasurer Synnestvedt asked what the Association would pay if it were unable to seat a board and had to be operated by a third party. The managing agent advised that management currently costs $750 per month and that a receivership or conservatorship arrangement for a 121-lot association would in her estimate not be less than $2,000 per month in fees alone, and that the Association's reserve balance would be consumed quickly. The Board agreed that this comparison should be included in the messaging to owners on board recruitment at the annual meeting.

Director Wagner stated that an increase to $250 per lot was acceptable and not unreasonable in light of documented utility increases that owners can independently verify, noting the increase amounts to approximately $37 per year. Secretary/Treasurer Synnestvedt stated that she supported $250. President Hollister concurred, subject to the Board being able to explain the basis for the increase to the membership.

The Board set the 2027 annual assessment at $250.00 per lot, an increase of $37.00 per lot over the 2026 assessment of $213.00.

Motion — adoption of the 2027 proposed budget

MOTION: Moved by President Hollister, seconded by Director Wagner, to adopt the proposed 2027 budget with total revenue of $33,097.20 and total expenses of $28,398.20, including a reserve contribution of $2,000.00 to be deposited in October 2027, and to set the 2027 annual assessment at $250.00 per lot, consisting of $30,250.00 in operating assessments, subject to ratification by the owners at the meeting to be held October 14, 2026 pursuant to C.R.S. § 38-33.3-303(4).

Vote: Carried unanimously, 3–0. Hollister — aye. Wagner — aye. Synnestvedt — aye. No director voted nay and no director abstained. Director Gabrielli was absent.

Management note for the record: in stating the motion the managing agent first read total revenue as $33,097.20 and then as $33,997.20. The figure of $33,097.20 is the correct total and is the figure that reconciles to total expenses of $28,398.20 and the net surplus of $4,699.00 shown on the adopted budget worksheet. The budget as settled and generated September 11, 2026 confirms these figures.

10. RESERVE AND CAPITAL PLANNING

The managing agent reported the reserve account balance at $27,235.74, held at Alpine Bank, and noted that the balance equates to roughly seven months of Association operating expenses.

The President stated his understanding that the purpose of the reserve is to provide a buffer against a catastrophic failure of Association infrastructure, which consists of the open space irrigation system. He advised that if the entire irrigation system required replacement, $27,000 would not be sufficient, noting that an irrigation controller alone is approximately $1,500 and each valve approximately $300. The managing agent agreed that the reserve appears undercapitalized relative to that exposure and advised that the Association should establish a list of its capital assets with useful lives so that a funding target can be set.

The President proposed that the Association not increase the reserve contribution above $2,000 until the Board can define the reserve's purpose and establish a supported funding target, explaining that he had previously served an association that held substantial reserves with no defined purpose and that he did not wish to collect funds without a

documented basis. Secretary/Treasurer Synnestvedt and Director Wagner agreed. The Board also agreed that reserve funds should not be drawn to cover operating expenses such as water, which are annual operating costs.

The Board directed that the 2027 reserve contribution remain at $2,000.00, presented as a separate component, to be deposited in October 2027.

President Hollister undertook to contact a local irrigation supply company to obtain the specifications of the Association's irrigation system — outlet types, controller type, approximate linear footage and number of sprinklers — and a materials-only replacement estimate at current prices, so that the Board can present owners with a defined reserve purpose, an estimated replacement cost for materials and contract labor, the current reserve balance, the shortfall, and a plan for funding the reserve to an adequate level. The managing agent confirmed that presenting this information to owners is a Board obligation and recommended obtaining more than one vendor estimate.

The managing agent noted that if the Association ends 2027 with the projected surplus, the Board may by further action transfer an additional amount to the reserve account at that time.

11. OCTOBER 14, 2026 ANNUAL MEETING AND BUDGET RATIFICATION PACKET

The managing agent reported that management will assemble the annual meeting and budget ratification packet, which will contain the notice and agenda, the proposed 2027 budget as adopted, prior annual meeting minutes, a proxy form, nomination and candidate materials, secret ballot instructions, meeting procedures, and an owner contact update request.

Meeting format

The Board confirmed that the annual meeting will be held in person at the Chipeta Room, Ute Indian Museum, Montrose, Colorado, with a Zoom option available for owners who cannot attend in person. The managing agent confirmed she will attend in person. Regular board meetings will continue to be held by Zoom.

Distribution timing

The managing agent stated a goal of delivering the packet to owners by mail and email on or before Monday, September 14, 2026, subject to the Board's review of the assembled packet, and noted that distribution must occur not less than 10 and not more than 50 days before the meeting, which provides scheduling flexibility. The Board agreed the packet should be distributed as soon as it is reviewed and approved, given the importance of achieving quorum.

Member quorum requirement

The managing agent stated a working quorum of 25 represented votes on 121 voting lots, calculated at 20%. President Hollister stated he believed the figure was 45. Director Wagner stated she believed the requirement was 33%. Applying 34%, the Board calculated 41.14 votes, rounded up to 42. The managing agent undertook to verify the correct quorum percentage against the Bylaws and to correct the figure in the packet and the minutes. The President confirmed the Association has achieved quorum at each of the past two annual meetings.

Rental and management company information

The managing agent proposed adding to the contact update form a question asking whether the lot is tenant-occupied and, if so, identifying the owner's property management company. Secretary/Treasurer Synnestvedt supported the proposal, citing a tenant across the street from her who was unaware of local bear activity and was leaving trash containers out.

The Board directed that the Association record the owner's property management company rather than individual tenant contact information. President Hollister advised against recording tenants directly because tenancies change frequently and maintaining that information would create an administrative burden and a risk of notices reaching former tenants, and that a management company bears the responsibility to convey Association communications to its tenant. The managing agent agreed and noted PayHOA supports ancillary email addresses for this purpose.

MOTION: No motion was made under this item. The Board gave direction by consensus that the packet be assembled as described and circulated to the Board for review, and that management distribute it upon the Board's approval. Management recommends that the Board's approval of the packet be recorded by motion, or by written action of the Board under C.R.S. § 7-128-202, before distribution.

12. OWNER ROSTER, MAILING CONTROLS AND PAYHOA

The managing agent reported 121 voting lots on the roster and two recent ownership changes processed since the last meeting. President Hollister reported that three or four additional homes in the community are currently listed for sale.

The managing agent confirmed that owner notices and collection communications are directed only to intended recipients, addressing a concern the President raised at the August 13, 2026 meeting following a mailing error in which American Village owners received another association's annual meeting notices. The managing agent reported she has raised the matter with PayHOA and has built additional time into the distribution schedule to confirm the mailing before release.

Stale enforcement entries

President Hollister requested that the enforcement section of the PayHOA portal be cleaned up, noting that entries remain open from the prior year relating to trash containers, and that the Association is not in a position to pursue fines on those aged entries. The Board directed management to close out the stale enforcement entries.

Board use of the PayHOA broadcast — bear awareness notice

President Hollister advised that he had used his PayHOA access to send a community broadcast regarding bear activity and securing trash containers, referencing Colorado Parks and Wildlife guidance, and asked whether doing so had exceeded his role. The managing agent confirmed the Board's access is intended for exactly that purpose, that management does not offer emergency broadcast messaging, and that she encourages directors to issue timely community messaging directly. The managing agent asked only that messaging which implies an enforcement obligation be tied back to the covenants, bylaws or adopted policies so that owners can see the basis for the request.

13. NEXT STEPS AND DEADLINES

Item	Description	Target date
Annual packet to Board	Management to assemble the packet, including the adopted 2027 budget summary, and circulate it to the Board for review	Week of Sept 14, 2026
Distribution to owners	Mail and email to all owners upon Board approval; statutory window is not less than 10 nor more than 50 days before the meeting	As soon as approved
Annual meeting and budget ratification	In person, Chipeta Room, Ute Indian Museum, with Zoom option	Oct 14, 2026

The managing agent noted that the previously contemplated October 7 date for finalizing meeting administration materials provides insufficient margin and that these materials will be prepared earlier.

14. ADJOURNMENT

President Hollister asked whether any director had further business. Secretary/Treasurer Synnestvedt and Director Wagner each indicated they did not.

MOTION: Moved by President Hollister, seconded by Secretary/Treasurer Synnestvedt, that the September 10, 2026 meeting of the Board of Directors of American Village Subdivision Property Owners Association, Inc. be adjourned at 6:56 p.m. MT.

Vote: Carried unanimously, 3–0. There being no further business, the meeting was adjourned at 6:56 p.m. Mountain Time.

Certification

The foregoing minutes were prepared by M. Vaneza Alvarado of Design HOA, managing agent, from the Zoom recording of the September 10, 2026 meeting, and are submitted to the Board of Directors for review and approval.

_____	_____
Joyce Synnestvedt, Secretary/Treasurer	Date

Approved by the Board of Directors on _____, 2026.

Confidential executive session minutes for this meeting are maintained separately and are not distributed to owners.