ENGLISH GARDENS NUMBER 4 HOMEOWNERS' ASSOCIATION

Minutes of the Special Meeting of the Board of Directors

Tuesday, October 6, 2026 · 6:00 PM Mountain Time · Held by Zoom videoconference

DRAFT — subject to approval by the Board of Directors

1. Call to Order

The meeting was called to order at 6:02 PM without objection. Vaneza Alvarado of Design HOA, the association's managing agent, facilitated the meeting at the Board's request. Management stated that the meeting was open to all owners and that only directors would vote. Management also stated that it was recording the meeting only to prepare these minutes, that the written minutes are the official record, and that the recording is not distributed to the Board or owners.

2. Roll Call and Determination of Quorum

Directors present: Mindyjo Germann and Ray Wieloszynski, by Zoom.

Director absent: Jeff Patterson, President.

Also present: M. Vaneza Alvarado, Design HOA, managing agent. Several owners attended by Zoom and by telephone.

With two of the three directors present, a quorum was established (Bylaws Article VI). In the President's absence, the directors present conducted the meeting.

3. Confirmation of Meeting Notice

The meeting was called a special meeting under Bylaws Article VI, Section 3. Management confirmed that notice was emailed to all three directors on October 1, 2026, more than the two days the Bylaws require. The notice and agenda were sent to owners by PayHOA broadcast on October 1, 2026. Management found that the Zoom link in the notice did not work and, before the meeting, sent owners a corrected link by email and text message.

Owners were invited to submit written comments by 12:00 PM on October 5, 2026. None were received. The agenda referred to financial statements as of August 31, 2026; management presented the September 30, 2026 statements instead.

4. Homeowner Open Forum

Management explained the rules for owner participation. Owners may speak during the open forum and on each agenda item before the Board votes, and comments are limited to three minutes per speaker. Matters better suited to executive session would be deferred. The open forum was moved to later in the meeting and was not held as a separate item. Owner comments were taken during item 9(a), and no other owner comments were offered.

5. Approval of Prior Minutes

Management reported that the draft minutes of the November 6, 2025 Annual Meeting are being finalized with the directors' corrections. They will be presented for approval at the November 10, 2026 Annual Meeting. No action was taken.

6. Financial Report and Management's Report

Financial report as of September 30, 2026 (cash basis)

- **Cash:** $14,750.11, of which $12,718.52 is in the operating account and $2,031.59 is in the reserve account.
- **Receivables:** No past-due accounts (0% delinquency). All 92 lots have paid the 2026 assessment. One account carries a small current charge that is not past due. There are no unpaid bills.
- **Assessment income:** $7,682.28 year to date, which includes the $708 refund described below. The shortfall against budget is a timing difference: many owners paid the 2026 assessment in November and December 2025, and those payments are recorded in 2025.

- **Other income and expenses:** Late fees and interest totaled $109.45. Management fees were nine payments of $446.25, with no additional charges. Tax preparation came in at $175 against a $150 budget. Water (City of Montrose) was $266.67. Liability and D&O insurance was $1,080.
- **Weed control:** $1,416 against a $950 budget. A $708 invoice was paid twice in April. The vendor refunded the duplicate payment on May 8, but the refund was recorded as assessment income. Management posted the correction on October 6, and it will appear in the October financial statements.
- **Reserve contribution:** The $2,000 reserve contribution budgeted for 2026 had not yet been transferred (see item 8(a)).

Director Germann said she is not confident the 2026 weed treatment covered all of the areas the association is responsible for. She will give management a marked plat before the February or March pre-emergent application, and management will obtain quotes. Management and Director Germann discussed increasing the 2027 weed control budget by about 20 to 25 percent.

Management's report

Management summarized its work since November 2025:

- Billed the 2026 assessment to all 92 lots in December 2025; every account has paid.
- Prepared the 2025 year-end financial statements, which the directors approved in January. The 2025 tax return was filed by an outside preparer.
- Has sent the directors a financial packet every month since March 2026.
- Renewed the association's Division of Real Estate registration and filed the Secretary of State periodic report. Renewed the liability and D&O insurance in May.
- Handled four compliance matters under the state's notice-and-cure process and processed architectural requests with the committee.
- Helped Neighborhood Watch with its welcome letter and contact list.
- Submitted a speed signage request to the City of Montrose in January, reserved the November 10 meeting room in July, and prepared the proposed 2027 budget.

7. Committee Reports

Architectural Control Committee. Management reported, and the directors agreed, that the committee reviewed this year's applications and issued written decisions through management, including a playhouse relocation and a shed in the spring. No applications are pending.

Neighborhood Watch. A resident reported a vehicle break-in in the neighborhood on the night of September 23. Residents are reminded to lock their vehicles and not leave valuables or garage door openers in them. Suspicious activity should be reported to the Montrose Police Department, and emergencies or crimes in progress to 911. The association and management do not provide security or surveillance.

8. Old Business

a. 2026 Reserve Contribution

> **Motion:** Mindyjo Germann moved that management transfer the $2,000 reserve contribution budgeted for 2026 from the operating account to the reserve account.
>
> **Second:** Ray Wieloszynski. **Result:** Passed without objection.

Management requested the motion to complete the transfer no later than October 31, 2026; it will appear in the next monthly financial statements. Owner comment on this motion was invited after the vote. No owner comments were received.

b. Governing Documents Update

Management reported that its review found several association policies do not reflect 2025 Colorado legislation. It recommended updating at least the collection policy and the covenant enforcement policy, and asked the Board to consider funding the work from the legal budget line or at management's rate for out-of-scope work (see item 9(a)).

The assessment due date is set by the Declaration, and changing it would require owner approval under the Declaration. Management does not recommend a change. The 2026 assessment was invoiced on December 18, 2025 and was due January 30, 2026.

In response to directors' questions, management explained that the governance policies Colorado law requires are adopted by the Board at a properly noticed Board meeting, and do not require an owner vote or certified mailing. Management will send the Board a summary of the policies recommended for update in 2027. No action was taken.

c. Follow-Up Items from the 2025 Annual Meeting

This item was not taken up separately. Management's report noted that the speed signage request was submitted to the City of Montrose in January 2026. During item 9(a), the directors confirmed that the association does not provide snow removal.

9. New Business

a. 2027 Operating Budget and Annual Assessment

Management presented its proposed 2027 budget (PayHOA "Budget 2027 Draft," generated October 6, 2026). Total income was $11,535: assessments of $11,500 (92 lots at $125 per lot, up $20 from $105) plus $35 of bank interest. The Board reviewed the budget line by line and revised it as follows:

Line	Proposed	Revised	Discussion
DORA registration and SOS periodic report	25	69	Management reported that the combined actual cost is $69.
Water, City of Montrose	550	400	Water paid in 2026 to date is $266.67. The 2025 total of $590.98 included a one-time bill caused by a leak.
Irrigation inspection and repair (new line)	—	1,000	To have the drip irrigation system at the retention pond inspected and repaired if needed. The system is about 24 years old. Management advised that a planned expense like this belongs in the operating budget rather than being paid from reserves.
Reserve contribution	2,000	1,000	Reduced to fund the irrigation line. Reserves will be about $4,000 after the 2026 transfer.
All other lines			Unchanged: management fee 5,700; weed control 1,000; insurance 1,200; legal 300; tax preparation 200; postage and printing 250; contingency 310. The weed control increase discussed under item 6 was not applied.
Totals as shown at the meeting			**Income 11,535. Expenses and reserve contribution 11,429. Surplus 106. Assessment unchanged at 125 per lot.**

Other points discussed:

- **Legal.** The $300 line covers outside counsel's review of about one policy. Management quoted its rate for policy updates as $65 an hour or $250 a policy. It reported that Altitude, the outside counsel management works with, expects to charge about $375 a policy in 2027, and that at least three policies should be updated.
- **Collections.** Management explained how late fees and collection costs work under the collection policy, which is part of the policy update. Legal costs arise only if an account is referred to counsel for a lien, at about 120 days past due. The directors noted that owners have historically paid on time and found the legal line adequate.
- **Tax preparation, postage and contingency.** Tax preparation is budgeted at $200; the 2025 return cost $175. Postage and printing covers about two first-class mailings to all owners, including the required annual meeting and budget mailing, which will include the owner contact update sheet. The contingency line is about $26 a month for unexpected costs.
- **Reserves.** The directors described the association's limited common assets: mailbox pads, plantings at the retention pond and drainage area, and the drip irrigation system. A past drainage repair near a cul-de-sac cost about $900, and the area has not flooded since.

- **Backflow testing.** Director Wieloszynski reported that the irrigation system is a manual on/off system without a backflow preventer, and that the City has not required one. No budget line was added.

Owner comment. Management invited owner comment before any Board action. One owner, participating by chat because his audio was not working, asked whether state law limits how much assessments may increase from year to year. He commented that a 20 percent increase seemed high, even though the dollar amount is small. Management responded that Colorado law does not cap annual assessment increases, and that owners may reject the budget at the ratification meeting by a majority of all owners. Management then reviewed the assessment provisions of the governing documents during the meeting and found no percentage limit on increases. A director noted that the association's dues are low compared with other communities. The owner then stated that he supported the increase. No other owner comments were offered.

> **Motion:** Mindyjo Germann moved that the proposed 2027 budget be adopted.
> **Second:** Ray Wieloszynski. **Result:** Passed without objection.

b. 2027 Management Agreement

No change to proposed line amount of $5700.

c. Reserve Study Policy

Management stated that a paid reserve study does not appear warranted at this time, because the association has few common area assets beyond the irrigation system and its water and weed control costs. No action was taken.

d. November 10, 2026 Annual and Budget Ratification Meeting

Management reported that the owner mailing, planned for about October 8, will include the meeting notice, agenda, proxy and nomination form. The draft 2025 Annual Meeting minutes will be updated with the directors' corrections, which a director will send by October 7. Management stated that it will send the proposed agenda to the Board to review and approve before mailing, and that the agenda will include any new business raised by owners. Owners may send agenda requests to management by the date given in the notice. No motion was made.

Board seats. Management read the Bylaws provisions on the number of directors (three) and their staggered terms. It will confirm each director's current term to the Board in writing before the meeting. Director Germann said she would be happy to step aside if another owner wished to serve, noting that owners have not volunteered. Management asked that a director contact the President to confirm his plans. The directors suggested contacting owners who have previously offered to serve. Owners interested in serving may return the nomination form.

e. Owner Contact and Rental Information Update

Management reported that the association must periodically ask owners for current contact information, and that the Owner Contact and Rental Information Update Sheet will be included in the annual meeting mailing. A director asked about owners who do not use email. Management stated that owners who ask may receive the full annual meeting packet by first-class mail.

10. Board Direction to Management and Next Meeting

Management stated that it expects the Board to hold four meetings a year. No regular meeting schedule was adopted. The next scheduled meeting is the Annual and Budget Ratification Meeting on Tuesday, November 10, 2026, at 6:00 PM, at Montrose Christian Church, Fellowship Hall, 2351 Sunnyside Road, Montrose. Action items are listed at the end of these minutes.

11. Adjournment

Ray Wieloszynski moved to adjourn the open meeting. There was no objection, and the open meeting adjourned at 7:08 PM. Management thanked the owners who attended and advised that the Board would meet in executive session.

12. Executive Session

After the open meeting adjourned, Directors Germann and Wieloszynski met with management in executive session from about 7:09 PM to 7:28 PM. The general subject was a pending covenant enforcement matter involving an individual owner, a matter whose disclosure would be an unwarranted invasion of individual privacy (C.R.S. § 38-33.3-308(4)(e)).

The directors and management also discussed general administrative matters: a director's suggestion, which management accepted, to add a Neighborhood Watch participation line to the owner contact update sheet; a 2027 compliance calendar and a return to quarterly meetings; and topics for the policy review, including trash container storage and trailer and recreational vehicle parking. No motion was made and no rule was adopted in executive session.

Action Items

#	Item	Responsible	Due
1	Transfer the 2026 reserve contribution of $2,000 from operating to reserve (item 8(a)).	Management	October 31, 2026
2	Send corrections to the draft 2025 Annual Meeting minutes; management updates the draft.	A director; management	October 7, 2026
3	Send the proposed November 10 notice and agenda to the Board for review and approval.	Management	Before the mailing
4	Add a Neighborhood Watch participation line to the owner contact update sheet.	Management	Before the mailing
5	Confirm each director's current term.	Management	Before the mailing
6	Contact the President about his plans to continue serving.	A director	Before November 10
7	Send the Board a summary of the policies recommended for update in 2027.	Management	Next Board meeting
8	Prepare a 2027 compliance calendar.	Management	Next Board meeting
9	Provide a marked plat of weed control areas, and obtain weed control quotes.	Director Germann; management	Before the February/March 2027 application
10	Place an irrigation system inspection on a future agenda.	Management	2027 season

Respectfully submitted by M. Vaneza Alvarado, Community Manager, Design HOA, Managing Agent