RIVER'S EDGE AT SOUTHMONT SUBDIVISION
PROPERTY OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING MINUTES

Tuesday, September 15, 2026 · Third Quarter Regular Meeting

DRAFT FOR BOARD REVIEW

MEETING TIME 6:13 p.m. to 7:26 p.m. (Mountain Time)

LOCATION Zoom videoconference

DIRECTORS PRESENT Ben Jensen, President; Andrew Carrel, Vice President; Robin Thompson, Secretary and Treasurer **DIRECTORS ABSENT** Kirk Kiloh; Lydia Manders

MANAGEMENT M. Vaneza Alvarado, Design HOA

OWNER ATTENDANCE Five owners and committee members attended: Worthy Cummings and Dan Campbell (Irrigation Committee), Connie Blome, Mr. and Mrs. Saunders, and Lynn Campbell

1. Call to Order, Notice, and Quorum

Management opened the meeting, identified itself as the Association's managing agent, and confirmed that President Ben Jensen was available to preside. On motion by Vice President Andrew Carrel, seconded by Secretary and Treasurer Robin Thompson, the meeting was called to order at 6:13 p.m. Three of five seated directors were present and a quorum was established under Bylaws Article V, Section 5.6. Directors participating by videoconference were deemed present pursuant to C.R.S. § 7-128-201(2). Management advised that the meeting was being recorded solely to assist with preparation of the minutes.

Notice. Management stated for the record that Bylaws Article I, Section 1.2 provides a floor of not less than ten days' notice to owners, that notice of this meeting was issued on the day of the meeting, and that the notice therefore did not satisfy that floor. Management advised that the defect was not fatal and that the Board intended to proceed in order to preserve the statutory budget timeline supporting the October 15, 2026 annual meeting under C.R.S. § 38-33.3-303(4). Management further advised that all actions taken at this meeting would be placed on the annual meeting agenda for ratification, that no further regular Board meeting was anticipated before that date, and that any owner objection received in the interim would be presented to the Board.

Communications. Management noted a lapse in communication between management and the Board, observed that management acts on behalf of and at the direction of the Board, and requested that correspondence be limited to a single subject per email thread, with new subjects begun on new threads, so that Board direction can be tracked reliably.

2. Approval of Prior Meeting Minutes

The Board reviewed the draft minutes of the July 10, 2025 regular Board meeting, which management had distributed the same day. No factual corrections were proposed.

> **MOTION:** Approve the July 10, 2025 Board meeting minutes as presented. *Moved by Ben Jensen; seconded by Andrew Carrel. Motion carried.*

3. Owner Correspondence and Community Standards

President Jensen reported that water availability had been a recurring issue through the summer, that a watering schedule had been implemented, and that no further inquiries or complaints regarding water had been received since. Several complaints regarding yard conditions had been received and are being addressed directly and on an ongoing basis. President Jensen advised the community of increased bear activity attributable to drought conditions and asked that owners secure refuse containers.

Management reported that owner correspondence received in August raised overgrown weeds and unscreened garbage containers, and reviewed the enforcement sequence: a first written notice to cure carrying no fine other than the cost of certified mailing, a second notice thereafter, and fines subject to a statutory aggregate cap of $500 per violation.

4. Management Report

Insurance. The current State Farm policy expires January 20, 2027. Management has observed general increases in association premiums and advised the Board to anticipate an increase at renewal.

Architectural review. The Board addressed three ARB applications in addition to one miscellaneous request. Management reported that the ARB has been addressing submissions diligently.

Records and accounts. Management does not hold statements for the Association's Edward Jones certificate of

deposit and reported that the mailing address of record requires updating. President Jensen agreed to provide that information to Management so that the address is corrected and statements can be delivered to Managment.

5. August 2026 Financial Review

Total cash, all accounts **$33,162.91** Operating, reserve, and Edward Jones certificate of deposit

Reported net **$8,232.81** Special-assessment cash received against capital work not yet performed; not an operating surplus

Accounts receivable, July 31 **$4,157.77** Prior reporting period

Accounts receivable, current **$3,403.00** A reduction of more than $750 in approximately fifteen days Aged 90 days or more **$866.25** Management advised this is the point at which the Board should direct enforcement

2026 Special Irrigation Assessment — collected

2026 Special Irrigation Assessment — outstanding **$12,666.00** **Budgeted at $20,034.00**

$7,717.00 **Collection direction deferred to Board follow-up**

Secretary and Treasurer Thompson observed that the outstanding special-assessment balance is a material amount, that Phase 1 of the irrigation project has been completed, and that those amounts need to be collected. Management advised that it would follow up with the Board by email to obtain direction on collection of delinquent assessments.

6. Irrigation Line Capital Project

Phase 1 — complete. The Irrigation Committee reported that Phase 1 is complete and the contractor has been paid in full. Management reported that $11,130.56 had been charged against the $20,500.00 budgeted for irrigation in 2026, leaving approximately $9,369.44 unexpended.

> **MOTION:** Allocate the unexpended 2026 irrigation funds of approximately $9,369.44 to the Irrigation Committee to apply toward Phase 2 as the Committee sees fit. *Moved by Ben Jensen; seconded by Robin Thompson. Motion carried without objection.*

Vice President Carrel observed that the south system appears to be the priority.

Phase 2 — scope. The Committee reported that Phase 2 consists of installing approximately twenty cleanouts across the north and south systems at an estimated $850 each, or approximately $17,000 to $20,400, together with an initial jetting of both systems estimated at approximately $4,800, for a conservative total of approximately $23,500. The Committee explained that the current constraint is a distribution problem caused by sediment accumulation reducing volume, rather than a water-supply shortage, and that modifications previously made to the south system corrected shortages at the upper properties without affecting downstream owners.

The Committee advised that owners will need to be notified of potential disturbance, that cleanout placement must remain flexible because of existing landscaping, and that the system engineer will not release complete drawings, though the contractor performing the work may be able to produce a better pipe layout map. The Committee will contact the contractor to revisit and re-quote Phase 2 in advance of the annual meeting.

7. 2027 Budget and Assessments

Management presented the draft 2027 budget and recommended that the Board adopt the maximum assessment increase permitted without a vote of the membership — five percent under Declaration Article III, Section 6. President Jensen noted that no increase had been taken in approximately three years while the costs of water, insurance and operations generally had risen. **The Board confirmed that the Association has 53 assessable lots.**

The Board discussed the 2027 special irrigation assessment. President Jensen observed that because Phase 1 came in below expectation and approximately $9,369 carries forward, the amount required from a 2027 special assessment is correspondingly reduced. Management calculated the reduced amount at $273.58 per lot across 53 lots, producing $14,499.74 toward the approximately $23,500 Phase 2 estimate, compared with $377.36 per lot assessed in 2026.

2027 budget as adopted Amount

Regular annual assessments **$16,069.07** 53 lots × $303.19

Special irrigation assessment **$14,499.74** 53 lots × $273.58

Landscape maintenance billing, adjoining association **$800.00** Maximum collectible

Water reimbursement **$800.00** Reimbursed by adjoining property owner Interest income **$40.00**

Total projected revenue $32,208.81

Total projected expenses $37,262.00 Includes Phase 2 capital project

Projected net ($5,053.19) To be funded from reserves or the certificate of deposit as required

MOTION: Adopt the 2027 budget as presented, reflecting total projected revenue of $32,208.81 and total projected expenses of $37,262.00, with the regular annual assessment set at $303.19 per lot and a special irrigation assessment of $273.58 per lot across 53 lots, any shortfall to be funded by transfer from the Association's reserve account or certificate of deposit. *Moved by Ben Jensen; seconded by Robin Thompson. Motion carried.*

Vice President Carrel confirmed his concurrence and noted his understanding that the special assessment amount may be adjusted should the Phase 2 re-quotation differ materially. Management advised that any such adjustment would require either a further open meeting before the annual meeting or the written consent of all directors. The adopted budget will be presented to the owners for ratification at the annual meeting of October 15, 2026 pursuant to C.R.S. § 38-33.3-303(4).

Management note for the Board. Declaration Article III, Section 4 requires the affirmative vote of owners holding two-thirds of all votes to approve a special assessment. Budget ratification under C.R.S. § 38-33.3-303(4) is a separate mechanism under which owners reject a budget by majority vote. Management will therefore present the 2027 special irrigation assessment to the membership as a separate two-thirds vote at the annual meeting, independent of budget ratification, and will confirm the mechanics with Association counsel before the annual meeting packet is mailed.

8. Annual Meeting, Board and Committee Vacancies

Management confirmed that the annual meeting of the membership is set for Thursday, October 15, 2026 at 6:00 p.m. at the Grace Community Church Youth Auditorium, 16731 Woodgate Road, Montrose, and that the venue has been confirmed and paid. The Association has 53 voting lots; a twenty percent member quorum under Bylaws Article IV, Section 4.6 therefore requires at least eleven votes represented in person or by valid proxy.

The terms of President Jensen and Vice President Carrel conclude at the annual meeting, leaving two Board seats to be filled. The Irrigation Committee advised that Worthy Cummings and Dan Campbell intend to step down following this season, leaving two Committee seats to be filled; both indicated a willingness to remain available as a resource to their successors. No nominations were made at this meeting.

Management advised that the Board may operate with as few as three directors under Bylaws Article V, Section 5.1, but that quorum requires three directors present with no proxy voting under Section 5.6, leaving no margin for absence. Management further advised that an association unable to seat a functioning board may be placed under outside conservatorship, that professional fees for an association of this size would be substantial, and that the cost would fall on owners through increased assessments. Management encouraged the Board and committees to conduct personal outreach among owners, and will include notice of both the Board and Irrigation Committee vacancies in the annual meeting packet.

9. Matters Deferred

The following agenda items were presented but not acted upon and are carried forward to the next meeting or to Board direction between meetings:

- Curative motion formally ratifying actions taken on shortened notice
- Standing communications and agenda practice
- Adoption of the 2026–2027 Association Compliance Calendar and the 2027 quarterly meeting schedule — management requested additional Board review before ratification
- Adoption of the restated Covenant and Rule Enforcement Policy (Policy #5) conforming to C.R.S. § 38-33.3-209.5
- Authorization of covenant enforcement action on the open landscaping and weed matter
- Authorization of a community-standards compliance review
- Direction on collection of delinquent assessments, including the 2026 Special Irrigation Assessment
- Director nominations

10. Executive Session

No executive session was held. President Jensen had left the meeting before the item was reached. Management advised that it would follow up with the Board regarding any matter requiring executive session under C.R.S. § 38-33.3-308(4)(e), and identified delinquent owner accounts as the likely subject.

11. Adjournment

MOTION: Adjourn the meeting. *Moved by Andrew Carrel; seconded by Robin Thompson. Motion carried. The meeting adjourned at 7:26 p.m.*

Management invited owners to direct any question to the Board through management at info@DesignHOA.com. The next regular meeting of the Board is proposed for January 2027 under the compliance calendar presented at this meeting.

Approval
These minutes remain in draft form until approved by the Board of Directors.

Approved by the Board on:

Secretary / Authorized Officer: