

SHOCK HILL OVERLOOK POA

SPECIAL HOMEOWNER MEETING MINUTES

Tuesday, August 17th, 2021 – 3:30 PM MDT

Remote via GoToMeeting

Shock Hill Overlook Board of Directors

- Katy Wright
- Ken Lawrence
- Karen Brand

Alpine Edge Representatives

- Steven Frumess – General Manager
- Brett Gunhus – HOA Manager

Arrow Insurance Representative

- Erica Baum

I. Welcome

A. Determine Quorum

Ken Lawrence began by calling the meeting to order at 3:35 PM (MDT) and the motion was seconded by Bobby Cotton. The following members were in attendance via GoToMeeting: Tracey Hardin, Gerrit Jan Vaheets, Sally Putt, Gregory Ruckman, Jeff Shew, Andrew Robbins, Bobby and Lindsay Cotton, Matt Kuhnel, John Wilson, Stephen Brand, Ken Lawrence, Mike Wright, and Erica Baum with Arrow Insurance. Katy Wright and Karen Brand attended the meeting in person at the AE offices.

Bobby Cotton appointed his proxy to Board President Katy Wright, and David Cooper appointed his proxy to Cody Wilson. All other owners who turned in proxies were present at the meeting, so their proxies were revoked.

B. Notice of Meeting

Brett reviewed the Notice of Meeting which was previously distributed to all members via email and through physical mail by way of USPS on Saturday, August 7th, by CCIOA guidelines for special meeting owner notice.

C. Statement of Purpose

Ken Lawrence addressed the purpose of the meeting and stated that he started working on the process of increasing the scope of required HOA insurance coverage since the summer of 2019. He further explained the Declaration that requires each owner to have their own insurance coverage is not effective in the case of a catastrophic event. Although one insurance company for the entire HOA's property coverage would be ideal, there was a concern about the availability of coverage for the entire HOA. The HOA has received four quotes over time regarding this matter. Karen then read a letter from the attorney stating his opinion on the requirements of the association. According to the attorney, the Declaration reads that the association is responsible for all common elements, as well as the replacement and maintenance of all common elements

without property insurance. This statement conflicts with the differing scope of insurance requirements and goes against CCIOA statutes for this type of community setup. He further stated an HOA should not have its Declarations written this way and not have the proper insurance coverage to support this type of community. Karen also stated the Board unanimously agreed to amend the Declarations to cover this issue.

Cody Wilson was familiar with the insurance industry and presented an opposing viewpoint: it would be far more expensive to have one insurance policy covering the whole community rather than having individual coverage since the market in Colorado for insurance has become extremely expensive due to fire dangers. He expressed concern that it would not be financially beneficial as a result of habitational carriers not being available. This will allow for high premiums and coverage that is not competitive with the HOA or individual home insurance market. He also pointed out that the common elements only include the roadway and trash enclosure, not the exterior of the buildings.

Management then explained that they believe this was not the case and read through sections from the Declarations about the responsibilities of the association and its requirements of maintaining and its replacement of common elements. Cody re-stated his interpretation that this was not accurate, and it was not how he understood the Declarations.

There was considerable discussion and many questions raised by owners as to whether some other options could be offered and if the HOA could require individual policies and proof of those policies to avoid any lapse in coverage if a catastrophic event were to occur.

II. Insurance Coverage Q & A

Erica Baum, an Arrow Insurance representative, was present on the call to answer homeowner questions about the Board's proposed changes to the insurance.

Erica explained that she believes the HOA should move forward with a master property policy for this type of association set-up. She then made it clear that it was also her understanding of the Declarations that the common elements include exterior foundations, walls, and roofs, along with the exteriors of the properties.

Cody Wilson then expressed again that this was not his interpretation of the Declarations and that these areas are owned by the owners rather than the association. Several homeowners shared that same sentiment and mentioned that they believed the associations should be set up this way, even though their HOA dues include the upkeep and maintenance of these exterior elements.

III. Homeowner Vote to Approve of Proposed Amendment to the Declarations

The motion to approve the proposed amendment to the Declarations was made by Ken Lawrence and seconded by Karen Brand.

Voting was substantially in favor of not changing the current Declarations to provide for a master policy like this in the future.

IV. Adjournment

Ken Lawrence made the motion to adjourn the meeting and Karen seconded the motion. The meeting was adjourned at 5:06 PM (MDT).