

**Blue River Run  
Board Meeting  
February 21, 2023  
4:00 PM**

**I. Call to Order:**

The meeting was called to order at 4:02 PM. MaryKay Kelley, Mike Mueller, Allen Kvidera, John Dunlap, Dianne Chisholm, and Mark Burgeson were present. Kelly Schneweis, and Kevin Lovett were representing SRG.

Maris Davis with Altitude Community Law attended the meeting.

**II. Limited Amendment Draft Review and Discussion**

The Board reviewed the draft limited amendment provided by Altitude law. Mike provided details of areas that may need revisions to the Limited Amendment. The association shall maintain insurance to the extent reasonable available. Where Altitude Community Law recommends the limited amendment to protect the HOA so that each year the HOA may choose to shop for reasonable insurance, but is not required to do so.

The Declarations do not require owners to maintain insurance. The Board should not set a requirement for what adequate homeowner insurance would be, that is up to the insurance carrier and the individual homeowner to establish parameters.

The Board does not have to approve the amendment. Mike would like the amendment to be sent after April 1, 2023 if the Board wants to proceed with the limited amendment.

Nick Strong with Kinser Insurance mentioned a 3-month extension is available to the current policy, but has not provided expense.

The Board should not track individual policy verification for each homeowner. This could be a liability and require additional administrative work for the HOA. There are a lot of reasons why the HOA should not require insurance or track individual insurance policies. There is no language in the Declarations or governing documents that requires owners to insure. Mortgage companies have language that requires owners to insurance.

Is there language that requires the HOA to rebuild if a homeowner does not have adequate insurance? Does the HOA have language in documents that require owners to rebuild to a specific original plan? SRG will ask Altitude Law to review documents.

Maintenance and insurance are two separate items to review. If the HOA is responsible for the roof and the roof leaks who is responsible? The Individual owner

policy would need to kick in to assist with repairs. Are there policies that allow subrogation to HOA? If the HOA was negligent in replacing the roof the maybe depending on the circumstance. If the HOA is not negligent, the HOA would not be responsible.

Subrogation definition means that if I am subrogated, then I step into the shoes. If I do something that is negligent and causes damage, but your insurance pays to fix what I caused, then the insurance company is subrogated or put in your place to recover funds because someone else damaged the property. The insurance steps into your shoes and comes after whoever caused the loss. The waiver of subrogation makes it so that the insurance company cannot go after the responsible party for the damage. Similar to no fault. We want the waiver of subrogation in favor of the HOA. SRG is indemnified per the management agreement and is protected.

The purpose of the amendment is to avoid having the association go out each year to have obligation to find reasonably available insurance. Is the amendment required? No, but it's highly recommended. What is reasonable insurance rates will vary depending on the matter of opinion.

If we aren't going to require a waiver of subrogation, then it should be removed.

There is no deadline to get the Amendment processed.

Kevin will work on a document that explains HOA maintenance vs. Homeowner maintenance. Kevin will reach out to Nick Strong and Kinser insurance about current policy extension rates and PUD Insurance rates.

### **III. Nest Meeting Date**

The Special Meeting of the ownership discussion is scheduled March 9, 2023 at 7pm. The next regular meeting of the Board of Directors is scheduled for April 14, 2023 at 2pm.

### **IV. Adjournment**

The meeting was adjourned at 5:25 pm.

Board Member Approval: \_\_\_\_\_ Date: \_\_\_\_\_