

Blue River Run
Board Meeting Minutes
February 8, 2023

I. Call to Order

The meeting was called to order at 2:02 PM. MaryKay Kelley, Dianne Chisholm, Allen Kvidera, John Dunlap, Mike Mueller, and Mark Burgeson were present in person at SRG office. Wiebe Gortmaker attended via Zoom video conference. Kelly Schneweis, and Kevin Lovett were representing SRG in person.

Maris Davis with Altitude Community Law attended the meeting in person.

Nick Strong with Kinser Insurance attended the meeting via Zoom.

Owners Present:

No owners were present.

II. Insurance Discussion

Mike provided an update that Kinser Insurance is no longer able to provide coverage for Blue River Run HOA because it exceeds \$25 million. There is no insurance policy available currently.

Nick provided an update on Insurance and many carriers have exited the habitual space and are no longer providing coverage to the HOA market. Blue River Run has been denied due to loss history. Colorado does not have a fair plan for insurance.

Maris stated most HOA's are in a similar situation as Blue River Run and are having a difficult time obtaining a Policy and are navigating options.

The Board reviewed the Declarations Section 10.2. This section would allow the Board to pursue pushing Insurance to individual owners for policy coverage if an HOA policy is determined to be unattainable or unreasonable. HOA must send notice to owners if the decision is to push insurance to owners.

Nick will request a 60-90 day extension option on the current policy to Farmers and will follow up with the Board about this option and pricing. The Board does not have to approve the extension.

The Board should not suggest what the reconstruction cost should be, that would be up to the owner and their carrier to determine for the individual policy.

Mike provided the Resolution Concerning Association Insurance Coverage of Townhomes which the Board reviewed. Mike moved to accept the Resolution Concerning the Association Insurance Coverage of Townhomes. MaryKay seconded the motion. All were in favor and unanimously passed the resolution.

The Board will send a draft notice to Maris for review prior to notifying owners.

The HOA will need to provide PUD Insurance for the common areas. The PUD Policy should include premises liability, Directors and Officers Insurance, Crime, and Umbrella Insurance.

The Board had more discussion about the concerns that may arise with owners holding individual policies.

The Board discussed alternative options such as splitting up the HOA into sub-associations. This is doable but could take years and will be very expensive. Each sub-association would need to have individual boards, operate separately, and have separate Tax ID's.

Maris stated the Board should proceed with an amendment to the Declarations Section 10.2 which will require a 67% vote of approval from the entire ownership.

The Board will send notification to owners about owners being responsible for Individual Insurance coverage. This will need to be posted on the website and mailed. The Board will also organize an informational owners meeting.

III. Next Meeting Date

A Special Meeting of the Owners will be scheduled March 9, 2023, at 7pm. The following Board Meeting will be April 14, 2023, at 2pm in person.

IV. Adjournment

The meeting was adjourned at 5:05 pm. Mike moved for adjournment, Dianne seconded, and the motion passed.

Board Member Approval: _____ Date: _____

RESOLUTION CONCERNING
ASSOCIATION INSURANCE COVERAGE OF TOWNHOMES

WHEREAS, the Board has been notified by Mid-Century Insurance Company ("Mid-Century") that Mid-Century will not renew the property insurance it has provided on the Townhome Lots and Common Areas due to its decision not to insure homeowners' associations with property values greater than \$50 million; and

WHEREAS, the Board has requested its insurance agent and other insurance agents to seek quotes from insurance companies to provide replacement coverage, but the insurance agents have been unable to obtain quotes because of insurance companies' refusal to issue them; and

WHEREAS the insurance agents have informed the Board that the Board is unlikely to receive quotes from other insurers prior to the expiration of the current coverage on March 31, 2023, or, if an insurance company or companies issue a quote, the premiums for such coverage that the Association would be required to pay would be unreasonably high, resulting in an unreasonable increase in the annual assessments of the Association members; and

WHEREAS, the Declaration of Covenants, Conditions, Restrictions and Easements For Blue River Run (the "Declaration") provides in Section 10.1 that the Association shall maintain property insurance on the Townhome lots "to the extent reasonably available;" and

WHEREAS, the Board has determined that property insurance on the Townhome Lots is no longer "reasonably available; and

WHEREAS, Section 10.2 of the Declaration provides:

Section 10.2. Cancellation. If the insurance described in Section 10.1 is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

RESOLVED that the foregoing recitals are incorporated into this Resolution.

RESOLVED FURTHER, that the Association shall notify the Owners of the Townhomes that the insurance on the Townhomes previously maintained by the Association has not been renewed and is no longer reasonably available, and that the Owners of the Townhomes are responsible for providing insurance on their respective Townhome Lots, such notice to be sent by prepaid United States Mail and also by electronic mail.

RESOLVED FURTHER, that counsel for the Association is authorized and directed to prepare a proposed amendment to the Declaration providing that the Association is not responsible for obtaining property insurance on the Townhome Lots but retains the option but not the obligation (a) to seek such coverage on the Townhome Lots and (b) to provide such coverage if the Board determines in its sole discretion that doing so is in the best interests of the Association and the Townhome Lot Owners.

RESOLVED FURTHER, that the officers of the Association and Summit Resort Group are authorized and directed to execute such documents and take such action as they deem appropriate in their sole discretion to affect the action of the Board as provided in the foregoing resolutions.