

**LAKE FOREST CONDOMINIUMS  
BOARD OF DIRECTORS MEETING  
January 15, 2024**

**I. CALL TO ORDER**

The Lake Forest Board of Directors Meeting was called to order at 5:02 p.m. via zoom.

Board Members Participating Were:

Thane De Puey, President 301E

Sally Delong, Vice President 103B

Bob Seibert, Treasurer 303F

Magaly Brito, Secretary 102B

Pete Shaub, Director 101A

Owners Participating Were:

B 201 Anne Marie Heneghan and Douglas Weigand

B 304 Phillip Yancey

C 302 Adele Gelfand

D 102 Paul Roberts/ Kiersten Roberts

E 202 Cindi Lowe

E 206 Paul Mcquay

E 304 Sue Sorensen

E 201 Ben Duhl

F 206 Lisa Kosloski

F 302 Sheri Kroonenberg

The representative of Summit Resort Group was Kevin Lovett.

**II. MEETING NOTICE**

It was confirmed that the meeting was properly noticed.

**III. MEETING MINUTES**

The minutes from the December 23, 2023 Board meeting were reviewed. Upon review Thane moved to approve, Bob seconds and the motion passed.

**IV. ADOPTION OF PROPOSED AGENDA**

The proposed agenda was adopted.

**V. ACTIONS VIA EMAIL**

Sally moved to ratify the following actions completed via email, Thane seconds and the motion passed.

1-2-24 Unit A 304 ARC request (unit interior painting and flooring replacement), approved.

12-29-23 12/12/23 Board meeting minutes, approved.

12-29-23 12/12/23 Budget Ratification meeting minutes, approved.

12-29-23 Unit B 301 ARC Request (water heater replacement), approved.

12-29-23 Unit D 302/ 202 / 102 Leak repairs, self-fund repairs (no HOA insurance claim), approved.

12-28-23 Motion for Special Assessment, this motion was withdrawn.

**VI. COMMITTEE REPORTS**

Maintenance Committee- The following was discussed during the Maintenance Committee report:

B 304/204/104 leak; Leak occurred on November 27, 2023, damaging units B 304/ 204 and 104. The source of leak was frozen fire sprinkler system head above the washer / dryer closet of the top floor unit. Ceilings, walls and floors have been damaged as well as Owner personal items and furniture. A company was hired to inspect the fire sprinkler head to determine what caused the head failure and the inspector concluded that the sprinkler head froze due to cold temperatures and burst. Options for warranty from Western States Fire Protection were reviewed. Upon review it was discovered that there was no recourse and no warranty option from Western States. The inspector recommended the addition of more insulation in the attic space as well as installation of a vent to allow air from the top floor unit to warm the attic as the fire sprinkler line runs through the attic. Kinder Restoration has completed all dry out and demolition in the units and the HOA has paid for this work. Homeowner negligence was discussed, and the Board agreed that the homeowner was not negligent as their heat was on and the unit was at 54 degrees. It was further noted that even if the heat in the unit was set to a higher setting (60 degrees) that would not have prevented the freezing as currently there is no vent from unit to attic to allow warm air to flow. The Board will investigate the addition of insulation and vent addition. Unit Owners affected are working to obtain cost estimates for unit repairs; repair costs will then be reviewed by the Board and the Board will discuss HOA funding participation.

D 302/202/102 leak; Leak occurred on December 28, 2023, damaging units D 302/ 202/ 102. The source of the leak was a frozen pipe burst on a domestic water line located behind the linen closet wall in unit D 302. The unit was at 60 degrees and there were space heaters in the unit. Unfortunately, the heat from the unit could not warm the plumbing line as the plumbing line is located behind the wall. It was noted that the previous Owner of this unit completed an extensive unit remodel, and it has been discovered that this work was completed by an unlicensed out of state contractor and permits were not pulled with Summit County. It was further noted that there is an additional pipe in the unit that is also located on an exterior wall in another location that did not freeze but is a concern and will need to be addressed. The Board discussed the possibility of a legal claim against Unit D 302. An attorney will be consulted to determine if this is an option and if so, what the cost to pursue would be. The Board's goal is to get unit Owners back into their units and at the same time, determine if legal recourse against unit D 302 is a possibility. Unit Owners affected are working to obtain cost estimates for unit repairs; repair costs will then be reviewed by the Board and the Board will discuss HOA funding participation.

Insurance Claims:

The Board discussed the filing of insurance claims for the leaks on the HOA policy vs. self-funding for repairs as well as assigning the expense to the individual Unit Owners affected. The Board has discussed filing an insurance claim on the HOA policy with the HOA Insurance Agent. Due to the number of previous claims the Lake Forest Association has filed and the difficulty obtaining insurance for HOA's due to insurance market conditions, the HOA Insurance Agent recommended against filing claims under the HOA policy. Based on input from the HOA insurance agent, the Board wishes to not have claims on the HOA policy as claims will hinder future insurability. It was noted that in Colorado, the HOA insurance is the primary policy and insurance

companies look to the HOA policy for coverage first, regardless of if the claim is filed from the HOA, an individual Unit Owner or the Unit Owners insurance company. Discussion took place regarding having individual Unit Owners file claims on their own individual Unit Owner Policy. There is concern that if a Unit Owner files a claim on their individual insurance policy, that the unit Owners insurance company will subrogate the claim to the HOA policy. The Board would like clarification on this concern as well as additional items. Therefore, the Board will continue discussions of that the HOA will pay for versus the Owner once the following questions are answered by Attorney / Insurance Agent:

-If a Unit Owner files a claim on their individual unit insurance policy for restoration / cleanup/ demo/ dry out or repairs/ reconstruction (items that the HOA insurance policy would typically cover), and the individual unit Owner insurance policy agrees to pay on the claim, can the Unit Owners or their insurance companies subrogate against the HOA (which would end up putting a claim on the HOA policy) at a later date?

-If a Unit Owner files a claim on their individual unit insurance policy for their personal items (furniture, content manipulation, items that would typically not be covered by the HOA policy), and the individual unit Owner insurance policy agrees to pay on the claim, can the Unit Owners or their insurance companies subrogate against the HOA (which would end up putting a claim on the HOA policy) at a later date?

-Is a “waiver of subrogation in place”? Is there language in the Association Governing Documents that states Owners cannot subrogate at all against the HOA for any of the costs associated with restoration/ repairs to unit or personal items?

-If a Unit Owners Insurance company agrees to pay and cover costs of restoration or repairs (items that would typically be covered by the HOA insurance policy if a claim was filed), but then, at later date decides to subrogate against the HOA, can the HOA step in and at that time make payment on the claim in efforts to prevent the claim from hitting the HOA policy?

-With regard to the D 302/ 202/ 102 leak and the previous remodel work (completed by previous Owner of the Unit) being completed without permit and not done properly which is believed to have caused the freeze up and flood, what is the likelihood that the HOA would be successful pursuing a legal claim against the current owner of D 302 and having D 302 fund all expenses associated with the damage? What would be the cost to pursue this legal claim against the current Owner?

-If the Lake Forest HOA “self-funds” the repairs associated with either of the losses, and the HOA initiates a Special Assessment to all Lake Forest Owners to recoup funds associated with the repairs to the damaged units, can the individual Owners then submit the Special Assessment to their individual Unit Insurance

Companies and make “loss assessment” claim (for those that have loss assessment rider on their policy) and if so, will the Unit Owner insurance company subrogate back to the HOA (with success?) and therefore putting claim on HOA policy?

The above questions will be sent to HOA Attorney as well as the HOA Insurance Agent. The Board will continue funding discussions after responses received.

Future insurance coverage: The Board discussed the future of HOA insurance. It was noted that it has become very difficult for HOA’s to obtain insurance. The idea of moving to a “bare wall” or “studs out” insurance policy was discussed. Altitude Law has stated that HOA’s subject to CCIOA (Lake Forest is subject to CCIOA) are not permitted to move to bare walls coverage. However, SRG has been informed by another insurance agent that they have moved some HOA’s subject to CCIOA to bare walls. Another HOA attorney will be contacted for a second opinion.

Additionally, quotes for “bare walls” coverage as well as moving to a \$50,000 HOA deductible will also be pursued.

Financial Committee: The following was discussed.

*Recent Leaks Funding Discussion:* The Board discussed funding of the restoration and repairs associated with the recent leaks.

It was noted that all items that an Owner would be responsible for covering if an HOA insurance claim was filed will be the responsibility and expense of the unit Owner (this includes owner personal items, clothing, furniture loss of use, etc). Thane made the following motion, “The Owners and or their individual insurance company should pay for the removal, cleaning, storage and replacement of their personal items and furniture as well as cost for any unit upgrades or betterments”, Sally seconds and the motion passed.

With regard to the expenses associated with repairs to the unit that the HOA insurance would typically be responsible for covering if an HOA insurance claim was submitted, the Board will follow up and discuss how these expenses will be handled after attorney/ insurance agent follow up questions are answered.

Thane will prepare and send a communication to all Owners affected by recent leaks updating them on the funding plan.

It was noted that the goal with regard to the recent leaks is to restore the units and maintain the value of the HOA and maintain HOA insurability.

*Financial status update;* Treasurer Bob noted that operating expenses are in line with budget and the reserves are healthy, recent leak repair funding aside...

Poz Loc Committee: The goal is to set a date to reactivate the Poz Loc Committee and to continue discussion and investigations.

Communication Committee; The communication committee is working on an update to all of the Owners.

## **VII. OWNERS FORUM**

All Owners were given the opportunity to speak during Owners Forum.

An Owner asked if other HOA's SRG manages has as many leak issues as Lake Forest. SRG responded no, and the Board is working to determine why the recent pipe freeze ups are occurring.

An Owner noted that a scope of work should be written up for all in unit repairs from the leaks and then the scope should be put out to bid in order to have all contractors bidding the same scope.

An Owner noted that a policy/ plan / procedure should be constructed to outline how leaks are handled.

An Owner (multiple) thanked the Board for their hard work.

An Owner stated that Johnson Controls does not want the Poz Loc job and recommended that the HOA stop pursuing them.

An Owner posed the question, "If the Lake Forest HOA "self-funds" the repairs associated with either of the losses, and the HOA initiates a Special Assessment to all Lake Forest Owners to recoup funds associated with the repairs to the damaged units, can the individual Owners then submit the Special Assessment to their individual Unit Insurance Companies and make "loss assessment" claim (for those that have loss assessment rider on their policy) and if so, will the Unit Owner insurance company subrogate back to the HOA (with success?) and therefore putting claim on HOA policy?" which is noted above in the questions for legal/ insurance agent.

## **VIII. NEW BUSINESS**

There were no New Business items discussed.

## **IX. NEXT BOARD MEETING DATE**

The next Board of Directors Meeting date is to be determined.

## **X. ADJOURNMENT**

At 7:00 p.m. the meeting adjourned.

Approved: \_\_\_\_\_2-13-24\_\_\_\_\_