

**WILLOW CREEK TOWNHOMES ASSOCIATION  
BOARD OF DIRECTORS SPECIAL MEETING  
TUESDAY, MARCH 7, 2017 – 9:00 A.M.  
318 ELK AVENUE, SUITE 24, CRESTED BUTTE**

By Phone:               Greg Carver, Unit 3  
                              Jennifer Bossard, Unit 1  
                              Jill Norris, Unit 5  
                              Allan Kroll, Units 2 and 4

Present:                 Rob Harper - Toad Property Management, Inc.

Rob called the meeting to order at 9:01 am and confirmed a quorum was present.

Rob said the purpose of the meeting was to discuss the \$13,200.70 check the Association was holding following a request by Allan to not deposit the insurance check until there had been further discussion. Greg said he had spoken with Gary Short of Farmers Insurance as well as Corey, the Commercial Adjuster, and would update the Board members during the meeting.

Rob explained the Toad crew had been clearing snow on December 12, 2016 and noticed water coming out of the garage door at Unit 2. HVM Security had given Toad access to the unit and the furnace was off and the house cold. Allan said Farmers Insurance had initially indicated the claim would be denied due to negligence as the heat was not on. Allan said he had hired Service Master from Grand Junction to investigate the issue as well as making repairs. Allan explained Service Master had identified poor workmanship when the plumbing was initially installed by the Developer and debris in the lines as the cause of the furnace failure and the insurance company had agreed to pay the claim.

Greg said during his discussions with Gary Short and the Commercial Adjuster they had indicated the claim would be paid as it was a group policy and if the policy had been for an individual unit the claim would have been denied. Greg said Unit 2 was benefiting from a technicality and the claim would be paid by Farmers Insurance.

Allan explained in 2005 the Association Board had elected to insure homes under a group policy, as outlined in the Covenants, instead of individual owners insuring their unit separately. Allan said the Association policy had a \$5,000 per occurrence deductible as opposed to the \$500 deductible he had selected when he insured his unit individually. Allan said he believed the unreasonably high deductible of \$5,000 should be an expense shared by all owners in accordance with Section 38-33.3-315(4) of CCIOA. Rob said during the meeting he had compared the deductible with insurance policies for three other associations in the area and all had a \$5,000 deductible.

Allan said according to Section 38-33.3-15(4) of CCIOA misconduct would be the only reason to deny a common expense and a discussion followed regarding the meaning of negligence and misconduct. Greg said the Covenants stated an owner was responsible for the maintenance of the interior of the unit as well as pipes.

Jill said damage caused by a frozen pipe would be homeowner negligence although debris in the line or faulty workmanship would not be a homeowner responsibility and the Board asked Allan for a copy of reports from the insurance company and Service Master.

Greg said once the reports were received he would circulate the reports to the Board and the Board would reconvene for a vote on how to move forward.

Allan requested all insurance payments be held in a separate bank account so that funds would not be comingled and the funds would be available and easily accessible when his contractor required payment. Allan said after receiving estimates from local contractors he was disputing the Adjuster's figures and expected the insurance payments to dramatically increase in line with local repair costs. Rob agreed to scan and send a copy of the cover letter for the check to Allan and if Allan was not waiving or restricting his rights to negotiate the amount of the claim Rob would open a separate bank account for the insurance funds.

Allan said future insurance rates would increase for the association and Allan agreed to prepare language for the Board's consideration to amend the Covenants and change the insurance requirements.

Jill asked Greg to contact the Commercial Adjuster to find out why the insurance company changed their mind regarding how they would settle the claim.

Jill left the meeting. Allan complained the owner and tenants at Unit 5 were not cleaning up after their dogs in violation of the Covenants. Rob said he had spoken with the tenant and Greg and Jennifer agreed to speak to the tenant.

Allan said he had sent emails regarding snow accumulation against the walls which was causing damage to the stone on the north wall of Unit 2. Rob agreed to review other methods for snow removal in the future and said the Town would not allow snow to be moved off the property or pushed into the creek.

Greg adjourned the meeting at 9:52 a.m.

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Prepared by Rob Harper  
Toad Property Management, Inc., Manager  
of Willow Creek Townhomes Association