

PITCHFORK CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
NOVEMBER 12, 2021
VIA ZOOM

Present: David Scott Harris
Seth Quigg
Hannes Gehring, Toad Property Management

Hannes called the meeting to order at 2:28 p.m. and confirmed that a quorum was present. Hannes said notice of the meeting had been sent on October 29th.

Scott made a motion to approve the minutes from the August 23, 2021 meeting. Seth seconded, and the motion was unanimously approved.

Hannes said that the purpose of the meeting was to discuss how to deal with the expenses incurred due to the recent mold removal and remediation work in Unit A. Hannes said that KW Restoration had not yet sent an invoice, but that the total charges would likely not be much more than \$7,000. Hannes said that this estimate included approximately \$2,500 for KW Restoration's remediation work, \$1,400 for mold testing, \$2,000 for drywall and about \$1,500 in labor to date. Hannes said that a Special Assessment of \$1,200 per unit would be an appropriate amount to comfortably cover the costs.

There was a long discussion of insurance coverage and the advisability of filing a claim. Hannes said he had spoken to a representative of the Association's insurance broker, Stefan Hodgden from Mountain West. Stefan had advised that the leak and subsequent mold remediation would likely not be covered by insurance.

Hannes explained that the leak had been caused by a deteriorated vent seal, which an insurance company would likely categorize as normal wear and tear. Damage attributable to normal wear and tear was not covered by the Association's insurance policy.

Hannes said that Stefan had further advised that filing a claim for this incident would likely trigger an inspection by the insurance company. Such an inspection would likely lead to increased premiums, dropped coverage, or the requirement to do more repairs and maintenance prior to the policy renewal. Hannes said that the Association would need to submit a claim to know for sure how the insurance company would react, but that he felt confident in the broker's assessment that damage from the leak would not be covered by insurance.

Scott and Seth expressed that there had been issues with leaks in the Association previously. Scott asked if some type of regular maintenance, such as periodic replacement of the vent seal, could prevent similar leaks in future. Hannes said that the vent seal that

caused the leak was behind drywall and so was not regularly maintainable. Hannes said that it had also been a struggle in the past to find the funds for regular maintenance work at Lazy S, and that the Association might want to look at its preferred balance between keeping dues low and raising sufficient funds to conduct important maintenance.

Scott said that he was not comfortable with filing a claim and having the building inspected. Scott predicted that there would be unforeseen costs associated with filing a claim, such as the requirement to do maintenance, raised rates, or dropped coverage that would lead to even higher rates in the long run.

Seth asked whether these adverse results could be prevented by a dialogue with the insurance company in which the Association could outline its future maintenance plans. Hannes said that he could reach out to Mountain West for further consultation, but that he did not think that Stefan's advice would change, and it was not possible to get a response directly from the insurance company without filing a claim.

Scott said that the insurance policy renewal date was coming up, and he was concerned that a claim might cause difficulties with the insurance renewal.

Hannes said that, taking into account the overwhelming likelihood that insurance would not cover this incident, and the very likely increase in rates that would be triggered, it might be financially disadvantageous to the Association to file the claim. Hannes stressed that it was totally the Board's decision whether or not to file the claim.

Scott and Seth expressed concern about the willingness or ability of many homeowners to pay the Special Assessment. Seth said that there would be a need for good communication with the homeowners to explain that the Board had done all of the necessary research and exhausted all other options before imposing the Special Assessment.

It was generally agreed that the decision on the Special Assessment should be made as soon as possible, but that Seth should reach out to his own insurance company first to see what aspects of the repair might be covered.

The meeting to vote on the Special Assessment would be held at 2:15 p.m. on Wednesday, November 17th.

At 3:26 p.m. Scott made a motion to adjourn the meeting. Seth seconded the motion and it was unanimously approved.