

**VILLAGE CENTER CONDOMINIUM ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
SEPTEMBER 17, 2018**

Josh Quentzel (by phone)
Ross Foldetta (by phone)
Lamar Jackson (by phone)
Michael Kraatz (by phone)
Rob Harper, Toad Property Management, Inc.
Jim Ruthven, Toad Property Management, Inc.
Ben White, Ben White Architecture LLC
Alisa Corey, Mountain West Insurance (by phone)

Rob called the meeting to order at 9:02 a.m.

Rob said Mountain West Insurance had provided one proposal from Seneca and Alisa explained the coverage provided in the General Liability and Property proposal. Alisa said the premium was high, based mainly on the losses of \$490,000, and there was a \$100,000 water damage deductible and \$10,000, \$25,000 or \$50,000 deductible for all other losses. Alisa explained a replacement figure of \$397 per square foot was currently being used and she felt that figure should be closer to \$475 per s.f. per unit depending on the finishes in individual units. Alisa explained the Association Declaration required the Association to restore the damaged interior of units except for personal property and loss of use of a unit as those were covered by individual unit owner policies. Alisa said the Association could request all owners to include a loss assessment endorsement in the individual policies so in the event of a loss caused by the negligence of an individual owner the individual unit owner's insurance would cover the Association's deductible, probably up to \$50,000 and Alisa thought that change would cost individual owner's an additional \$50 on their insurance premium. Alisa agreed to check with the underwriter to find out if a mid-term adjustment could be made to the premium if the Association was successful in having all owners add the loss assessment endorsement to their individual policies. Ben White agreed the \$450 - \$475 per s.f. per unit replacement figure was appropriate based on recent experiences at other condominium projects in the immediate area.

Alisa explained the proposal included several different levels of coverage and Josh reminded everyone that the policy would require all owners to maintain a temperature of at least 55 degrees in their unit at all times.

Alisa said if an owner or tenant was injured while performing some work for the Association or if a Sub-Contractor working on site did not have their own Workman's Compensation coverage the Association would become liable and including Workman's Compensation coverage with the insurance policy would only add a couple of hundred dollars and the exact cost would be known later in the day.

Alisa said the Seneca policy required all contractors hired by the Association or unit owners to have liability insurance in place with at least \$1M limit per occurrence. Alisa said she could provide a Sub-Contractor Agreement for use by the Association and any unit owners when work was performed. Alisa explained due to the age of the roof Seneca would not pay to replace the roof if the damage was cosmetic, such as hail damage.

After a long discussion it was agreed to proceed with the Seneca proposal based on a replacement cost of \$450 per s.f., per unit, with options B and C included at a level of \$3M each building, terrorism coverage, a \$100,000 deductible for water related loss and a \$10,000 deductible for all other losses, a \$5M umbrella on the General Liability, Director's and Officer's coverage and Workman's Compensation coverage. Alisa said the annual premium for that coverage would be approximately \$105,000 per annum and the premium would be due in full unless the Association entered into a separate financing agreement which required 25% paid immediately and then monthly payments including a small interest charge.

Alisa explained she had contacted seven high risk underwriters and only one was willing to offer coverage at this time. Alisa said if the Association went through the next year without a new claim there would be a second underwriter willing to consider the Association. Alisa explained losses came off the Association's record four years after the closing of the most recent claim. Alisa agreed to send revised documents today and the policy would commence within two days. Alisa left the meeting.

Lamar suggested a small change to wording in the draft Budget and Michael said the new insurance premium increase should be included in the draft Budget. Ross made a motion to approve the draft Budget subject to the wording change and the addition of the new insurance premium. Josh seconded the motion and it was unanimously approved. Rob confirmed the October invoices would include the usual level of dues plus the insurance premium increase but would not include any special assessment for capital projects.

Ben went through the key points from the Structural Engineer's report and said the decks on both buildings did not meet current code to hold 40 lbs per s.f. Ben explained in the short term this could be addressed by signage stating no more than 10 people on a deck at any one time and limiting the amount of firewood stored on parts of the deck.

Ben explained cracked rafters on the Emmons hot tub deck required reinforcing bolts and stair stringers and the fix would be simple to achieve. Ben said the north shed roof of the Emmons Building required a more extensive and invasive fix and that would be reviewed further to see if a permanent fix could be completed before the arrival of the snow. Ben also agreed to inspect the stair landings again as the landings had been built to lean away from the building and a different solution might be needed to strengthen them.

Ben explained the west side of the Axtel Building required 6x6 timbers to support the cantilever balconies and said the concrete deck was strong enough to support those. Ben said he would once again inspect the metal stair treads and count the number of treads

which required replacement. Rob confirmed the steps leading down to Snowmass Road and the bus stop were maintained by CBMR.

Ben said he had received two proposals from Greg Muller, the owner of Emmons 329, and the first was for painting both buildings for \$164,000 using his crew from South Dakota. Ben explained the second proposal of \$45,000 was for repair of damaged concrete decks on both buildings and said the work could not occur until the end of Summer 2019, once other projects had been completed. Ben said he would forward the proposals to the Board for review and said drawings should be ready by the end of the week and the next stage would be obtaining construction bids.

Ross made a motion to adjourn the meeting at 10:12 am. Lamar seconded the motion and the meeting adjourned.