

Aug 26, 2022 Courtyard Board Meeting Minutes

8/26/2022 at 10:00am via Zoom

In Attendance: Jaycie Motiwala, Richy Stromness, Shea Sealy & Kaitlyn Linford (HOA Management)

Guest: Justin Metcalf with HOA Insurance-American Family

1. Meeting was called to order by the Board at 10:00am via Zoom.
2. Insurance: Kaitlyn discussed CC&R section 3.6 and 6.1 that clarifies owner responsibility vs HOA responsibility. It also outlines what insurance will cover in an insurance claim. Currently the CC&Rs don't allow for the HOA insurance to cover very much, which means that owners insurance needs to cover most of the unit. Justin with Metcalf stated that as Kaitlyn stated, insurance claims revert back to the CC&Rs, even if more insurance is in place when it reverts back to the CC&Rs the claim always goes off of the CC&Rs. If the HOA amends the CC&Rs then more claims would be covered by the HOAs insurance, but the deductible amount should be increased because if a lot of claims are filed, the HOA can become high risk and could have the premium increased & even possibly be dropped. Owner, Shea Sealy stated that his insurance has stated that they won't cover all the interior because the units are attached. It was stated by Kaitlyn that they should and that a copy of the CC&Rs will help and Justin was asked if insurance agents could speak to him about it as well, to which he stated he would. It was understood that the HOA is not a normal HOA because the units are not homes that people reside in and that it really should be more of a Business Owner Association but unfortunately, the State has them all under the same name but that the complex is very different from a true HOA. Justin recommended the HOA change the CC&Rs if they do not want owners to basically fully cover each unit under their individual policies. There are a few options that includes where owners are responsible for all interior & the master policy covers exterior & also interior after the HOAs deductible is met. Kaitlyn stated that this type of policy would be similar to an HO6 policy that many HOAs have. Justin also stated that the CC&Rs can be written that the HOAs deductible is a specific number such as \$50,000 and that owners are responsible to insure each unit for the HOAs deductible amount, any claim under that amount would be the owners insurances responsibility for the claim. The negative is that the policy premium could cost more. Either option requires the CC&Rs to be changed in both Section 3.6 & 6.1. Justin recommended that the HOA deductible be at least \$10,000. Kaitlyn stated that this amount does not affect what each owner wants there deductible to be for there personal insurance policy. The personal policy would need to cover the deductible amount plus all personal belongings and recommended to even cover more just to be safe. It was stated by Kaitlyn that the cost and process to amend the CC&Rs is expensive and that at minimum it would take 6 weeks but typically it takes longer. Owners asked why it takes so long and Kaitlyn stated that the Attorney would draft the wording, this can take multiple weeks, after this is done then the Board has to review the wording. If there are no changes then they just need to be signed by a Board Member and recorded, which also has a fee but if there are changes then they have to be submitted to the Attorney and they work on changing them. This continues until the Board agrees on the wording. It was asked by Shea if the CC&R wording can be done

without the Attorney. Kaitlyn stated that her company does not write the wording because of liability and that in order for her to write them then owners would need to agree that Kaitlyn and Golden Spike Realty are not liable for the wording chosen. Justin also stated that he does not have specific wording but that any general CC&R wording likely would work just fine. Jaycie stated that she would be willing to sign an agreement to waive liability with Kaitlyn & Golden Spike Realty if it meant not having to pay the Attorney to do the wording. Shea and Richy both also agreed. Jaycie also stated that to make sure no little claims are under the HOA insurance that she suggests the HOAs deductible be a number between \$20-\$25K at minimum. Richy and Shea also agreed that the amount would be okay. Kaitlyn stated that she would discuss this with her Broker. If it is agreed it was asked if Justin would review the wording to make sure that the HOA will be covered correctly, he stated that he would review it. After that it then can be sent to owners to review and discuss as well. Owners had no further questions or suggestions.

3. Meeting Adjourned at 10:34am.