

Sun Vail Condominium Association
2021 Annual Meeting Minutes
Saturday, August 21, 2021, at 1:00PM MT
Via Zoom.us

ATTENDANCE: The following Directors were present via Zoom:

- Jennifer Barp
- Michael Block
- Charles Croney
- Sharie Grant
- Brian Wilson

Homeowners in attendance were:

- See attached list

Homeowners represented by proxy were:

- See attached list

ALSO PRESENT: Dan McNeill, Managing Agent, Dave Zippie, CPA and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With 32 of 60 units (or 53.33% of the membership) represented either in person or by proxy, a quorum was established (accordingly to the by-laws, a quorum constitutes 30% of the membership represented either in person or by proxy). Jennifer Barp welcomed all to the Annual Meeting and called the meeting to order shortly after 1:00PM. Each owner was given a chance to introduce themselves to the membership, indicating the unit which they own. Dan McNeill certified the proxies.
- II. Review and Approval of the Minutes of 2020 Annual Meeting. These minutes were previously distributed to all owners for review and posted on the website: premier.mcneillproperties.com. With no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE 2020 ANNUAL MEETING OF THE SUN VAIL CONDOMINIUM ASSOCIATION AS PRESENTED. The motion was seconded and carried unanimously.
- III. President's Report. Jennifer Barp addressed the membership and thanked everyone for attending. She extended her sincere appreciation to the entire Board

of Directors for their work during the past year. She indicated that she will be stepping off the Board after three terms and after serving as Treasurer and then President.

She updated the membership with action items the Board has addressed since the last Annual Meeting, including:

- The television and internet conversion project to Xfinity is now complete. The Board has received great feedback on the switchover from both owners and management.
- The Board has approved the conversion of the former office space used by Vail Resort Rentals (Garage Units 1 through 4) into usable and sellable garage spaces. Garages 3 and 4 were sold during the past year. Garage 2 is under contract and currently under construction. The SVCA will retain ownership of Garage 1 in order to maintain a majority interest on the SVGA Board of Directors. The loan held by Alpine Bank was fully paid with proceeds of the sales and all other proceeds are being contributed to reserves. This is helping to fund the roof replacement project on all of the condo buildings without the need for a special assessment.
- The Board had management research options for a security camera system. This project has been tabled for the time being; without the existence of a secure internet connection at the pool and on the trash enclosures, the expense was considered to be too high.
- At last year's Annual meeting it was reported that the Association was dismissed from the lawsuit and that Dale Bugby was appealing the jury trial decision regarding Board member Wilson and homeowners the Colemans before the Court of Appeals. Since then, Bugby's appeal was denied by the Court of Appeals in January 2021 and he did not make an appellate petition to the Colorado Supreme Court. In June 2021, four years after Dale Bugby initiated the lawsuit, the court issued a Final Satisfaction of Judgment, and the legal process is now complete. The Association's insurance company (American Family Insurance) covered the legal fees and court costs of the SVCA and Board member Wilson, and paid damages of \$12.34 to the plaintiffs Bugby/Vail Resort Rentals. Board member Wilson paid \$6.83 in damages. The Colemans' were represented by their own insurance company and paid commensurate amounts.
- Based on input from the membership at the 2020 Annual Meeting, the Board surveyed all owners to determine the support for limitation on rentals. Once the results were tallied, it was clear that most owners favored a minimum night stay but not the imposition of an annual rental fee. Therefore, the Board

is now pursuing an Amendment to the Declaration to limit rentals at Sun Vail to a minimum of three nights each. The document was sent to all homeowners with the Annual Meeting Notice on July 21st. The proposed amendment will be sent to all owners with a consent form after the Annual Meeting. 67% of the membership will need to vote in favor of the amendment in order for it to be approved and adopted.

- IV. Financial Review. Dave Zippie, CPA prepared and presented the current financials (May 31, 2021) to the membership. According to the Balance Sheet, the association has \$717,933 in total assets, liabilities and equity, including \$555,109 cash in the bank, \$18,631 in accounts receivable, \$118,947 in fixed assets and \$25,246 in prepaid expenses. Dave noted that Garage Unit #3 sold in May for \$85,000 so a portion of fixed assets has been reduced. The gain of these sales is reflected in the Reserve Capital Fund.

The Income Statement reveals that eight months through the fiscal year, the association has a net surplus of \$64,824 in the operating account. This compares to a budgeted surplus of \$13,011. Therefore, the association is \$51,813 ahead of budgeted expenses. Landscaping, Interest Expense and Snow Removal line items are all under budget.

The 2020-21 fiscal year beginning balance in the Maintenance Capital Reserve Account was \$280,185. Funding through regular assessments totals \$36,000 so far, \$146,947 was added from the 2019-20 fiscal year-end operating surplus, \$124,289 was added from the gain on the sale of Garage Units #3, #4 and #6 and \$7 in interest has been earned. Capital expenses total \$58,846 so far and include \$4,208 for the Xfinity conversion project, \$30,543 for the remodeling of Garages 3 and 4, \$10,833 for roof consulting work, \$588 for asphalt repairs, \$4,013 for jetting of sewer lines, \$7109 for retaining wall work, \$888 for tree removal, and \$6,094 for a new pool heater. The ending balance in the Maintenance Capital Reserve Account is \$524,627.

Dave then presented the Board-approved 2021-22 budget to the membership. No dues increase is planned for the coming fiscal year (which begins on October 1st). Assessment income is planned to be \$540,000 with \$54,000 going to reserves (and any 2020-21 fiscal year-end net income). Dave asked if any owners had questions or objections to the budget. There were none.

A budget explanation sheet detailing the components of each line item in the operating budget was distributed to all.

- V. Manager's Report. Dan McNeill, Managing Agent addressed the membership and referred to the Projects List that was compiled during the Spring Walk Through. The List was circulated to all owners for comments and additions. The items on the List are completed during the summer and fall months according to priority and budget constraints. Items on the List can be tied to the Building Maintenance and Landscaping line items in the operating budget.

Dan reviewed the Reserve Study with the membership. This document, compiled by management with the assistance of the Board, is a “working document” and subject to change during the course of any year, based upon site inspections and the comparable bidding process. All of the common elements that the association is responsible to repair and replace are identified in the Reserve Study, along with an estimated useful remaining life and its cost for replacement. Dan specifically noted that the current plan DOES NOT take an exterior facelift project into consideration. It can be modified to do so at some point if that is the direction that the membership decides to take. A facelift project would need to be funded via a significant special assessment.

Capital projects yet to be addressed in the 2021 include the replacement of the roofs on Buildings A, B and C and dryer vent cleaning.

Capital projects under consideration for 2022 include a security camera system, professional fees for a landscape architect to design a multi-phased plan (to address frontal garden beds, tree care, walkways, exterior lighting and entry area upgrades), fire / life / safety system upgrades, the replacement of breezeway carpeting, the replacement of the roofs on Buildings D and E and asphalt patching.

Future capital projects include asphalt replacement (2023-2024) and the execution of multi-phased landscaping plan.

Dan distributed an Insurance Claims Protocol Sheet. All insurance claims must go through management. The association's insurance policy is with American Family. Each owner should have their condo owner's insurance agent contact the association's carrier to ensure that there are no gaps in coverage. He noted that the Amended & Restated Declaration shifted more of the burden for insurance coverage to individual owners with its adoption in 2017. The association's insurance coverage is referred to as “bare walls.” Therefore, owners' HO-6 policies must cover wall coverings (drywall texture and paint, wallpaper, faux painting), floor coverings, all fixtures, cabinetry, lighting and all contents and

personal possessions. Owners that have upgraded over the years from developer-conveyed levels of finish to higher end items (such as granite counters, stainless appliances, wood floors) need to make sure this difference in conditions is covered. Finally, **Dan recommended that every owner add loss assessment coverage to their condo owner's policy** to cover the cost of a deductible payment if the owner is determined to be responsible to pay it (\$5000 per insurable event). Any owner that rents their unit on a short-term basis should be sure to have adequate liability insurance.

The Risk Management Checklist was recently updated and given to all present (it is also re-distributed every fall and posted to the website). Owners are asked to follow the guidelines in the checklist in order to avoid costly damage and insurance claims. It also includes suggestions for water and energy conservation, and information about the carbon monoxide detector laws in Colorado. All owners are requested to report any roof leaks as soon as they are detected. Management can provide weekly or bi-weekly interior unit checks for homeowners whose condo sits unoccupied for long periods of time.

Dan noted that there have been many “multi-level” leaks that management has addressed on an emergency basis recently. The majority of these leaks stem from failed owner elements such as a leaky bathtub drain or water fill line. If these leaks occur on the top floor, all of the units underneath are unfortunately affected. He reminded all present to inspect toilet fill valves, washing machine lines and to caulk and seal around tubs and showers regularly. If your unit sits empty for any significant period of time, you should shut off the water where it enters the unit and have someone do a period interior inspection.

Management also distributed an updated Contact List to attendees. The List includes contact information for the office, maintenance staff, accounting, code enforcement and website information. Owners who rent their units are advised to post the Contact List in their unit for easy reference. The one-page bullet-point Rules should be given to all renters and guests prior to occupancy to remind them of quiet hours, pool rules, proper disposal of trash, etc.

At last year's Annual Meeting there was detailed discussion on how best to manage rentals at Sun Vail. Currently, there are no restrictions. Renters are expected to abide by all Rules & Regulations, or the owner of the offending renters will be subject to fines.

In late spring, management sent a survey to all owners via email so that the Board could gauge the support for limiting rentals to a minimum stay of three nights each and for charging owners that rent an annual fee to help offset the extra costs associated with rentals (code enforcement visits, more trash, higher use of amenities, etc.). While the majority seemed to be in favor of the 3-night minimum, there was not much support for a rental fee.

The association's legal counsel was then asked to compile a Limited Amendment to the Declarations that places a 3-night minimum stay on all rentals. This document was distributed to all owners with the Annual Meeting Notice in July. 67% of the membership will need to consent to its adoption in order for this to be approved. Without that requisite number of owners in attendance at today's meeting, a vote was deferred and will be conducted by mail.

- VI. Board of Director Elections. The current Board consists of Brian Wilson (term expiring and seeking another term), Michael Block (term expiring and seeking another term) and Jennifer Barp (term expiring), Charles Croney (term expires in 2022) and Sharie Grant (term expires in 2022). Management sent out a request for self-nomination forms to all the owners on July 21st and none were returned. Nominations were sought from the floor and both Bill Moltner and Bruce Anderson offered to serve.

Each candidate was given an opportunity to address the membership at the meeting explaining why they want to serve and what skills and background they can provide.

Since there were four candidates for three open seats, management will send a written, secret ballot to all owners following the Annual Meeting. Each owner will need to send their ballot back within two weeks and then the winners of the election will be announced.

Management will then schedule a Board Meeting during which officers will be elected.

The membership expressed its sincere thanks to Jennifer Barp for her time on the Board, her careful oversight and consideration of all owners in the best interests of Sun Vail.

VIII. Adjournment. There being no further business to come before the membership,
the meeting adjourned at 2:37PM.

Respectfully submitted,

Secretary to the Meeting

MEMBERS IN ATTENDANCE:

Johnson	12-A
Croney	13-A
Horwitz	14-A
Goode	22-A
Cox	23-A
Braun	32-A
Rink	11-B
Block	12-B
Loebig	21-B
Wilson	22-B
Henseler	24-B
Gomez	33-B
Barp	34-B
Levin	11-C
Schneider	14-C
Searls	21-C and 31-C
Moltner	22-C
Reece	24-C
Anderson	32-C
Love	11-D
Radell	22-D
Grant	13-E
Kenyon	21-E
Coleman	22-E

MEMBERS REPRESENTED BY PROXY:

Swatik	34-A and 12-E
Gannon	13-B and 13-D
Laycob	34-C
Johnson	24-D
Rutherford – Zander	34-D