

Sunridge at Avon II  
Special Board of Directors Meeting  
Online Meeting via Zoom Call-In  
October 4th, 2023 at 6:00 PM

MINUTES

1. Call to Order at 6:05 PM
2. Roll Call - Verification of Quorum established with Aaron, Aisha, Mike, Phil, and Steve in attendance.
3. Steve kicked off meeting with following discussion:
  - A) Short conversation on Avon recycling program and call with outside counsel
  - B) Assessment update, five (5) units still have not paid. No courtesy letter sent out and following up actively with them. Additional discussion around conversation with owners if owners will get refunds to the extent the HOA receives funds from insurance company. Board will need to present to owners and options upon finalizing discussion/litigation with insurance company. Mike/Aaron asked some questions with consensus around holding off on discussing path forward until finalize litigation/settlement.
  - C) Additional details/conversation around one unit that is in foreclosure and actions/compliance by HOA to secure our liability and collection attorney.
4. Mike talked on behalf of Litigation Committee to discuss the following outstanding action items:
  - A) Confirm outside counsel that HOA will move forward with litigation (Steve to confirm)
  - B) Determine when the HOA wants to move from hourly to contingency fee. Board unanimously (without vote) agreed to move to contingency fee now. Litigation Committee will review Contingency Fee Agreement for execution by HOA.
  - C) Communication to owners. Litigation Committee drafted letter to owners and awaiting broader Board input. Steve to review and update for missing data points, and get it to David (outside counsel) for distribution to owners as quickly as possible.
  - D) Additional broad discussions around litigation process (not documented in minutes due to guidance around attorney client privilege from Patrick).
5. Open discussion:
  - A) Timing of removing construction containers on property. Expecting 2-4 weeks before removal.
  - B) Some detail discussion around remaining units that discussed personal matters that will be left out of meeting minutes for appreciation of personal nature of issues.
  - C) Discussion around how to walk away from the remaining unit that they cannot decide how to finish. Additional discussion around mitigation of HOA risk.
  - D) Recycling program: Town of Avon has initiated a new recycling program that appears to be onerous and possibly challenging to meet its goals. Steve and Mike discussed the issue with HOA's outside counsel and additional efforts are needed for the HOA to both understand the implications and also reasonably apply the rules around notification to residents, education and compliance. Steve will continue to review and confirm if there is a way to challenge the new rules (through a coalition or litigation) and comply until such time an alternative is available.
  - E) Budget: Steve/Mike (Treasurer) are actively working on FY2024 budget. Property insurance has not gone up materially and we should anticipate changes to costs due to industry volatility. Increased HOA's coverage for property to \$39M through due diligence and had assessment done in November 2022 to support increase. Additional discussion around vendor costs, review of existing costs and inflationary pressures. Including some siding replacement. Overall goal of mitigating increase while maintaining liquidity/reserves
  - F) Timing to plan on more expensive capital projects (e.g. paint)
  - G) Reserves and how to plan out for mid- to long-term to get ahead of major repairs
  - H) Timing of next annual meeting: shooting for mid-December with at least 30 days notice (Aaron to review governing documents to confirm minimum timing, but Board agreed to provide at least 30 days for maximum attendance)
6. Adjournment at 8:10 PM