

**ANNUAL MEMBERS MEETING OF LODGE AT SUNCADIA
RESIDENTIAL CONDOMINIM ASSOCIATION – MINUTES**

DATE: SATURDAY, DECEMBER 2, 2023

PLACE: SUNCADIA LODGE BALLROOM AND REMOTE VIA TEAMS

President Gary Kittleson called the meeting to order at 11:00 am

Proof of Quorum

A quorum of the Board was present. Secretary Brian Jacobson, Treasurer Donna McCaslin, Vice President Jerry Heinz in person. President Gary Kittleson and 2nd Vice President Jason Fay via teams.

Welcome

President Gary Kittleson welcomed all homeowners to the Annual Meeting.

Introduction of Directors, Officers, and Key Staff

The President introduced Director of Community Associations, Edward Simpkins.

Board Members / Officers

Gary Kittleson - President, Jerry Heinz -1st Vice President, Jason Fay -2nd
Vice President, Brian Jacobson –Secretary, Donna McCaslin -Treasurer

Management Staff –HOA / Resort*

Edward Simpkins - Director of Community
Associations Lonny Butler- Community
Manager
Jennifer Kramer- Design Review
Manager Katie Daniels -
Administrative Assistant
Toni Craven – Natural Resources Manager
Kirsten Bruncker* - General Manager

2024 Budget Approval

Annalisa Johson reported on the 2024 Lodge Residential Condominium Association Budget. The budget had been mailed to owners prior to the meeting. Copies of the budget presentation and the budgets have been available on the Association website.

The floor was open to questions

Question: Expenses for the hallway covering and paint. Is that 100% coming out of the owners assessments or is New Suncadia LLC participating? I noticed the bell staff

and maid service do damage to the walls with carts and I don't feel that is our responsibility to be repairing. Annalisa Johnson: The amount here is to do that work, it is not assumed that there is a contribution – but noted and I can pass that on to Hospitality.

Question: Given the extreme rise in quoted insurance costs, what was the process for looking at competitive insurance rates. Switching providers, putting the coverage out for bid? Gary Kittleson: The broker that we use goes out searching for the best, the increase that we saw is the same we are seeing in other associations and even operating facilities throughout the resort. Its not uncommon seeing increases in the 20%. Were being warned big increases are coming along, as much as 30% next year.

Question: Cost of the hallway, is it 100% of the owners cost? Lonny Butler: Correct, the hallway repairs listed are LRCA responsibility.

Question: Will the new hallway wall covering only be paint or will it also include wallpaper? Brian Jacobson: A year ago, there was conversation about wall coverings. I can say that while that idea still exists, we are not at this present time looking and talking about doing wall coverings in the immediate future. Right now we are in the process of getting bids for paint only. *Gary Kittleson: Brian, I was going to add my understanding is the quote of \$230,000 is paint only. Not saying that exactly what we will do but the wall coverings were more expensive.*

Question: The increase in monthly fees for owners for next year, how does this compare to years past? Annalisa Johnson: The increase is 13% and in that budget packet that you should have received in the mail and I believe it is posted online (suncadiacommunityassociations.org). There is detail by room so you can see your specific assessment depending on your room type.

Donna McCaslin: Annalisa, that is just the HOA portion. We don't have the amounts yet for the services and access fees. Annalisa Johnson: This is the assessments for HOA. Shared services is a separate charge.

Question: What is the plan to repair trim work. Will they be stained as well? Lonny Butler: At this point that is not included in the work going forward. If the board directs, we could get quotes for that work.

Brian Jacobson: Lonny, for clarification can you confirm, I did see in our reserve study we do have budgeted for down the road, not in 2024, funds for moulding and trim work. Lonny Butler: Correct. That is in the reserve study. Just not for the next couple of years.

Question: What will happen if expenses exceed budget? Annalisa Johnson: To some degree, that is why it is good to have operating cash so there can be a little bit of flex there before a special assessment or some other form to pay for that. That is why having a 3X operating monthly expense is beneficial to an association to manage through if expenses are slightly higher than budget.

Question: What was out operating cash this year? Annalisa Johnson: We are ending the year estimating to be just about \$430,000 which is about 3X. We are going under slightly next year, but really staying relatively close.

Question: The insurance. Isn't this unacceptable, 20% increase in 2024 and 30% increase in the future. What are our claims or risk like? Lonny Butler: For now we have had water claims for 2022 and into 2023 for insurance. Previous years, the last insurance claim was 2018. The property is seeing increases from wildfire risk.

Question: Wall damage by hospitality has been discussed in the past, could you clarify why hospitality does not participate in maintenance cost for wall and repair paint? Jerry Heinz: The board is actively working right now with hospitality and the maintenance contract to separate those damages that are related to hospitality. That would be apart of the master association repair costs, not the lodge residential repair costs. We do need to be mindful this project is not repair. This is a wall replacement or enhancement versus the ongoing periodic maintenance that is occurring throughout. We are working to separate the residential expenses versus other and reviewing contracts now as we look into 2024.

Question: Is there anything budgeted to remedy the water shower hot issue? Brian Jacobson: I will speak as an owner that there is a new situation of the water taking several minutes to get the temperature up to hot. Particularly at times of low occupancy where water is taking time to circulate the building. Lonny Butler: No update, but we are working on the situation and I will work with Luis on that.

Question: Options to ask for other insurance quotes? Annalisa Johnson: The HOA did solicit bids from multiple providers. Insurance is a challenge and we are seeing consistent insurance rate changes of 20-30% throughout the portfolio even with competitive rates.

2024 Budget Approval Process

Gary Kittleson confirms the budget has been adopted by the Board of Directors and is Ratified

The 2024 LRCA Assessment Amount Matrix beginning January 1st, 2024 has been published to the website and billing statements will be sent to owners before the end of the year

Excess Income Rollover Resolution

Gary Kittleson explained the reasons for the rollover resolution.

The members approved the motion that any excess assessment income, as determined by an Independent Audit, shall be rolled over and applied to the next fiscal year as provided by IRS Revenue Ruling 70-604.

Appointment of Board Officers

Edward Simpkins reviews the call for candidates, President Gary Kittleson and Treasurer Donna McCaslin who are elected for another term.

Owners Forum

The floor was opened to member comments.

Owner of 5032: Is there anything being put into the budget for future water leaks as they might show up in aging water pipes? Gary Kittleson: Yes, the budget approved has additional funds put in under repairs and maintenance knowing there could be additional water lines that need repair. That provision was made in the budget that was just ratified. That is apart of the LMCA budget and the LRCA pays an assessment portion to the LMCA.

Owner: Is this the right meeting about new units remodel? Gary Kittleson: Members of the Suncadia Rental Management Team are set up here to discuss room refurbishment project. If you are attending by teams the communication recently sent out provides Kirsten's email (kbrunker@suncadia.com) and phone along with others you can address those questions to.

Owner: Process to change the annual date of the meeting? Gary Kittleson: That would be something we would have to look into. I believe its in the bylaws so it requires a bylaw amendment. One of the reasons we group these meetings on the same day is everyone who is a member of LRCA is also a member of SROA and having those two meetings on the same day can be beneficial to attend both the same day and not tie up two weekends.

Owner: Did insurance cover the water claim for 2022 or was an expense incurred for the water loss? Annalisa Johnson: That is a question under LMCA. But there was a claim and insurance covered the vast majority of that expense.

Owner: Shared Facilities costs for 2024? Annalisa Johnson: That is not in the scope of the assessment itself. I can point you the hospitality team who can support answering those questions but unfortunately that is not in the scope of the assessment itself. Questions regarding shared services are also not in scope of the association dues.

Donna McCaslin: Do we have any idea where we can get those numbers from? Kirsten Brunker: Those have been finalized so we should have those out within the next two weeks or so.

Christine Kipp: Have water costs increased due to the length of time you're having to run water in order to get hot water? Gary Kittleson: I don't know offhand but haven't seen a large increase in water bills paid. Water bills are paid by the lodge master association and have not seen that expense line significantly increase.

There being no further business the meeting was adjourned at 11:44 AM.

Attest:

Brian Jacobson, Secretary

Date

DRAFT