

**SUNCADIA RESIDENTIAL OWNERS' ASSOCIATION
141 FIREHOUSE ROAD
CLE ELUM, WASHINGTON**

**MINUTES OF THE BOARD OF DIRECTORS MEETING
HELD AT THE LODGE AT SUNCADIA, BARICH ROOM
APRIL 24, 2026, 11:00 A.M.**

MEMBERS:

Mark Thorne	Interim President
Bruce Chattin	Secretary/Treasurer
Tucker Stevens	Director
Doug Beck	Director

MANAGEMENT:

Edward Simpkins	Director of Community Associations
Jennifer Kramer	Deputy Director of Community Associations
Annalisa Johnson	CFO
Brandi Darnell	Owner Relations Manager
Cody Martz	Director of Operations
Courtney Kephart	Assistant Director of Operations
Graysen Cook	Design Review Administrative Assistant
Kelsey Greene-Snyder	Director of Design Review and Residential Construction
Kerie Swebston	Senior Director of Finance
Megan Huddleston	Senior Accountant
Vanessa Reust	Senior Manager Accounting Shared Services

GUESTS:

Allison Peryea	Shareholder Attorney, Peryea Silver Taylor (SROA Counsel)
Andrea Hampton	Owner (via teleconference)
Brian Jacobson	Owner (via teleconference)
Christine Kipp	Owner (via teleconference)
Fred Mattison	Owner
Gordon Miller	Owner (via teleconference)
Jeffrey Bell	Owner (via teleconference)
J.P. Perugini	Owner
Jennifer	Owner (via teleconference)
John Crowley	Owner (via teleconference)
Kellene Gilbrough	Owner (via teleconference)
Kelly Town	Owner (via teleconference)
Mike Butine	Owner (via teleconference)
Nathan Dale	Owner (via teleconference)
Ragan Kim	Owner (via teleconference)
Robert Hawes	Owner (via teleconference)
Roxanna Veiseh	Owner (via teleconference)
Tom Miller	Owner (via teleconference)
William Gusa	Owner (via teleconference)
+12*****59	(via teleconference)
+14*****44	(via teleconference)

Jocelyn Levine	Recording Secretary, Minutes Solutions Inc (via teleconference)
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JP Perugini- Owner
 Scott Connell- Owner
 David & Katherine Gusdorf- Owners
 Diane Sumner- Owner
 Dave Angove- Owner
 Rob Jensen- Owner
 Derik Coffinger, Allied Universal
 Doug McDonald - Owner
 Chris Collins- Owner
 Fred Correnti- Owner
 Tom Kaluza- Owner
 George McKeffry- Owner
 Fred Mattison- Owner
 Val O'Leary- Owner
 Jerry Heinz- Owner

ABSENT:

Lathan Wedin Director

1. CALL TO ORDER

There being a quorum present, and adequate and proper notice of the meeting having been given, the meeting was called to order at 11:00 a.m.

2. APPROVAL OF AGENDA

On a motion made by Mark Thorne, seconded by Tucker Stevens, it was resolved to approve the agenda for the April 24, 2026, Board meeting, as amended. Motion carried at 11:01 a.m.

The agenda was amended as follows:

- 12.d. Use for SMC Overbilling Settlement Funds was consolidated into Unfinished Business
- 12.a. Adopting Revised Resolution No. 104-2026 Regarding the Board's Standard of Conduct was tabled for future discussion

3. APPROVAL OF MINUTES

On a motion made by Tucker Stevens, seconded by Bruce Chatten, it was resolved to approve the minutes of the Board of Directors meeting held on January 23, 2026. Motion carried at 11:02 a.m.

4. UNFINISHED BUSINESS

4.1 Settlement Agreement for Historical Overbillings by Suncadia Management Company (SMC)

4.1.1 Issue Background and Update

During a 2023 audit, Management found that under the previous management, SMC, had charged the Associations \$2.84 million for front gate, patrol, and attendance hours that were scheduled but not actually staffed between 2009 and 2021. Current Suncadia Management

promptly reached out to the new ownership, Lowe Enterprises, and RCS, which hired a third-party forensic accounting firm, Ankura, to investigate the matter. The investigation determined that all the billing issues occurred prior to current ownership and that the Association was overbilled \$2.84 million across Tumble Village Creek Association (TCVA), Suncadia Residential Owner Association (SROA), and Suncadia Community Council (SCC). The Associations' legal representation subsequently sent multiple demand letters for repayment in the amount of \$2,847,464, and Lowe filed a claim with AIG, its corporate liability insurance provider, which has agreed to pay the full amount requested. Per the current settlement offer, TCVA would receive \$496,062, SROA would receive \$341,851, and SCC would receive \$2,009,551, though the Board noted that homeowners would guide how the funds are spent.

4.1.2 Legal Counsel – Overview and Engagement

Allison Peryea is a shareholder attorney at the community association law firm Peryea Silver Taylor and the 2026 president of the Washington State Chapter of the Community Associations Institute, specializing in HOA matters. She is also general counsel for the Tumble Creek Village Association and the Suncadia Residential Owner Association and is additionally representing Suncadia Community Council on this specific matter, given the joint claim.

Allison summarized her engagement with the matter, noting that she became involved in the spring of 2024. At the direction of the Board, she promptly sent a demand letter on April 30, 2024, for the overbilled amounts and issued a second letter on November 12, 2025, which mentioned the possibility of seeking interest and late fees if payment was not received by March 1, 2026. Due to her firm's relationship with SMC and Lowe Enterprises, she advised the Association to explore a third-party litigator if anticipating escalating legal action. Allison was hesitant to consider additional litigation as not to "poke the bear") Upon receipt of the settlement offer in April 2026, Allison and multiple contract law attorneys from her firm reviewed the proposed agreement, which appeared to be a standard agreement offer.

4.1.3 Legal Counsel – Settlement Agreement Review

Allison provided feedback that the settlement offer was an excellent result, noting that it is rare to receive a payout for the full principal requested, especially given the large sum and that the breach occurred so long ago.

She recommended modifications regarding a confidentiality clause to enable the Association to disclose pertinent details to owners and modifications to mutual release language to clarify that the release only applies to overbilling claims occurring between 2009 and 2021.

4.1.4 Legal Counsel – Board Decision Options

Allison summarized the Board's potential next steps, including the options to recover interest and/or attorney fees.

She noted that settlements do not typically include attorney fees absent escalation or litigation and shared anecdotal evidence that demanding attorney fees may result in rework of the agreement. Allison estimated total legal fees for this matter to be less than \$6,000 to-date.

The Association has both statutory and case law support for seeking pre-judgment interest, with the statute providing for 12% from the date the breach first occurred. However, she advised that pursuing interest, particularly from 2009, would be complex to calculate per month and could prompt the opposing party to challenge the Association's entitlement to the

underlying claim based on the age of the breach, potentially resulting in a withdrawal of all or part of the offer to pay the full principal amount.

A more moderate approach would be to seek pre-judgment interest beginning April 1, 2024, when Ankura published the investigation report confirming the breach. Annalisa Johnson estimated interest from April 1, 2024, through May 15, 2026, at a rate of 4% (based on conservative CD rates), to approximate what the Association would have earned had it held the funds. The estimated interest totaled \$252,052 for all three entities collectively and \$30,260 for SROA specifically.

Allison recommended that the Board accept the settlement offer for full principal payout as offered and not pursue interest or legal fees, so as not to jeopardize the full payout, reiterating that it was a rare and excellent result. She further noted that AIG may not have insurance coverage for fees and interest. However, she acknowledged that there is no harm in asking for interest, particularly given the Association's statutory support for such a claim. If the Board elects to pursue interest, she recommended the more moderate approach of seeking 4% from April 1, 2024, while offering the waiving of legal fees and foregoing the full 12% interest from 2010 as concessions to strengthen negotiations.

4.1.5 Board Deliberation

The Board expressed concerns regarding the pursuit of interest and fees but noted that the second demand letter opened the door to those discussions, as the Association expressly stated that it would consider pursuing interest and fees if full repayment was not made by March 1, 2026, which did not occur.

Bruce Chattin inquired about the timing of events and whether the threat of litigation prompted the settlement offer, to avoid further negotiations. Mark Thorne clarified the settlement offer resulted from sustained pressure by the Association on Lowe, and by Lowe on AIG over a period of two to three years. He explained that he and Doug Beck consulted with an independent litigator, Tony Rafel on March 3, 2026, who advised that the Association would need to file a lawsuit to reach a settlement agreement and proposed to prepare and file on the Association's behalf for \$20,000. However, the settlement offer was made before the Board had initiated any filings.

In response to Doug Beck's inquiry about statutes that address interest, Allison explained that there is a statutory argument for pre-judgment interest at 12% depending on the amount and circumstances. Should the Board elect to pursue interest, counsel would make the claim that the Association is entitled to the 12% but would likely propose a more moderate rate that would be more likely to be accepted. She added that the Association has a strong legal basis for interest recovery; the primary risk lies in strategy, as pursuing interest could delay receipt of funds and/or jeopardize the full recovery of principal.

In response to the Board's inquiry regarding the definition of "pre-judgment" and when interest begins to accrue, Allison provided her legal interpretation of the statute and case law, explaining that interest accrues upon breach of contract and continues monthly for the duration of the breach. She advised that calculating interest from 2009 would be complicated and likely result in a substantial figure that could prompt pushback on not only the interest, but also the principal. She further noted that 4% interest from the report publication date (April 2024) represents a more modest and palatable claim.

4.1.6 Board Decision on Guidance to Legal Counsel

On a motion made by Doug Beck, and seconded by Mark Thorne, it was resolved to obtain a proposal to hire Tony Rafel for a modified scope of work that includes representation of SROA's sole interests, review of the SMC historical overbilling settlement offer, and provision of feedback on the agreement language and interest and fee recovery considerations. Motion carried at 12:03 p.m.

On a motion made by Tucker Stevens, seconded by Gary Kittleson, it was resolved to provide the following direction to Allison Peryea regarding the settlement agreement with Suncadia Management Company (SMC) for historical overbillings:

- Propose settlement for full repayment of principal, as offered;
- Review and provide edits for recommended changes and language;
- Add a provision to collect interest owed and partner on strategy;
- Do not pursue legal fees, but strategically note that the Association is waiving pursuit, to strengthen negotiations;
- Provide a draft of the revised agreement to the Board by April 28, 2026, for review.

Motion carried at 1:06 p.m.

Doug Beck noted that Tony Rafel has extensive HOA litigation experience and no competing relationships that would prevent him from independently representing SROA's interests. He further noted that Tony's settlement and strategy review would be provided in parallel with Allison's.

5. OWNERS FORUM

Tom Miller:

Asked who handles negotiation with AIG and whether there is opportunity for informal exploration of settlement terms.

Mark Thorne:

Responded that AIG is Lowe's corporate liability insurance provider, so they have been in direct communication. The Association does not communicate with AIG, as it does not have a relationship with the provider. He added that Lowe filed a claim with AIG for the principal and delivered the settlement offer to the Association directly, rather than negotiating interest with AIG, leaving it up to the Association to initiate insurance recovery. He further noted that it is possible to explore terms without formally accepting or rejecting the settlement offer, adding that TCVA and SCC have accordingly agreed to test the waters by asking about interest while minimizing risk to principal recovery.

Tucker Stevens:

Added that the Board would negotiate with Lowe, who would then negotiate with AIG, which may shield some of the risk.

Rob Jensen:

Asked why the Association would limit its interest claim when it is statutorily valid, at a T Bill rate + 2% = 6% and could test the waters. Suggesting that the onus would be on Lowe to pay anything not covered by AIG.

Mark Thorne:

Responded that the \$2.84 million represents funds in hand from AIG and pursuing maximum interest recovery prompt withdrawal of AIG's claim payout, which could reset negotiations and/or reduce principal recovery if Lowe does not have the required funds available.

Jerry Heinz:

Asked whether the Associations' demand letters were sent to Lowe or AIG and commented that if AIG withdraws it does not release Lowe from its liability.

Homeowner:

Requested clarification on the range of interest that the Association could attempt to recover.

Doug Beck:

Responded that applicable interest could be 4% to 12%, based on statutory arguments and case law. He added that it could also be the T-bill rate plus 2%, based on RCW's guidance, which would result in up to \$1.3 million in accrued interest for the full breach period from 2009. However, the increased insurance recovery could be offset by a reduction in principal recovery, if the company invokes statute of limitations on the principal.

Multiple homeowners:

Asked whether the Association could pursue settlement in phases and/or structure the settlement agreement to release AIG, so that the full principal repayment is preserved while the Association additionally pursues interest from Lowe directly.

Mark Thorne:

Responded that the Association cannot release AIG, as it does not have a relationship with the company or insight into negotiation risks with AIG; the settlement agreement is between SMC and the Associations. He noted that he works for Lowe and suggested asking for interest conservatively.

Homeowner:

Asked for clarification regarding SCC and SROA's split of settlement funds.

Mark Thorne:

Responded that the SCC is controlled by the Developer (Declarant) and managed by its three Board members (Mark Thorne, Gary Kittleson, and Tucker Stevens). The Board has committed to spend funds in accordance with SROA's decisions. He further noted that 80% of the SCC funds are allocated to the SROA and upon receipt, the settlement funds would be placed in a trust-like account to avoid comingling with other SCC funds. Mark indicated given the SCC Board makeup, the SCC would follow the recommendations of the SROA for fund distribution.

Homeowner: Tom Kaluzza

Asked if any settlement fund would be returned to individual owners and expressed favor for obtaining funds expeditiously and avoid litigation and risks to full principal recovery. How much would each Homeowner potentially receive?

Mark Thorne:

Responded that it would be too complicated and costly to assess individual amounts, given moves, deaths, divorces, and other considerations, adding that case law requires the funds to be returned to the Association. However, he agreed with the owners' sentiment and noted that spending would follow owner guidance. Approx. \$300.

Brian Jacobson:

Commented on the need for independent legal counsel that represents the sole interests of the SROA and recommended obtaining a second legal opinion from Tony Rafel on interest risks for due diligence, citing Allison Peryea's conflict of interest with SMC.

Mark Thorne:

Thanked the owner for the recommendation and clarified that Allison is general counsel for the SROA and TCVA and is representing SCC in a limited capacity for this matter specifically, since all three entities are affected.

Fred Mattison:

Requested visibility into the management agreement between SMC and the Association and the annual audit reports conducted by SMC. He further requested that the settlement funds

be returned to SROA, not SCC, as he questioned how owners could trust SCC to spend funds in accordance with owner desires. He also expressed favor for obtaining independent legal counsel to solely represent SROA interests.

Mark Thorne:

Responded in agreement that the settlement funds should be used for owner-defined needs, while clarifying that the SCC will not transfer funds to the SROA but will use them as decided by the owners.

6. CORRESPONDENCE

There was no correspondence.

7. CONSENT CALENDAR

On a motion made by Doug Beck, seconded by Mark Thorne, it was resolved to ratify the email approval of SROA's 2024 draft audit completed by Clifton Larson Allen, as presented. Motion carried at 12:06 p.m.

There were no adjusting journal entries for 2025. Approval of the draft 2024 audit brought the SROA current and aligned with its audit schedule. Previous years' audits are now posted on the community website under "Accounting/Financial".

8. TREASURER'S REPORT

8.1 Financial Reports Q1 - 2026

8.1.1 SROA

On a motion made by Tucker Stevens, seconded by Bruce Chattin, it was resolved to approve quarterly reserve contributions of \$114,400 for Limited Common Area (LCA), to be processed at the beginning of each quarter. Motion carried at 1:13 p.m.

Vanessa Reust presented the Q1 2026 financial report, including assets, liabilities, equity, reserves, and quarter-over-quarter comparisons, as of March 31, 2026.

Income was under budget by \$3,000, primarily due to lower assessment revenue from more owners assumed in budget than actuals. General expenses were over budget by \$4,000, mainly for legal fees related to collection expenses, which will be offset once owners pay.

Q1 compliance and operations were under budget by \$8,000, as the budget assumed full staff starting in January, but the positions were filled later in the quarter.

There was no Q1 spend for owners' events, but spring planning is currently underway for the 2026 Owners Picnic, and the team has started to issue 50% vendor deposits.

Net income performed on budget.

8.1.2 Limited Common Areas

As of March 31, 2026, income was above budget by \$21,000, primarily due to higher DRC fees than planned. General expenses were over budget by \$5,000, mainly due to timing from the DRC professional services. The Association had only spent about 51% of total snow removal budget by the end of Q1, as it had budgeted for "moderate" snowfall, though total realized savings will be contingent upon the winter season. All neighborhoods have used 15% to 30% of their total 2026 snow removal budget.

Vanessa Reust noted that utility expense overages are expected for 2026. Electricity costs were budgeted with a 5% increase; however, UTC subsequently notified Management of a
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10% rate increase effective January 1, 2026, and anticipated increases of 20% to 25% over the next three years, citing infrastructure investments, clean energy compliance, rising demand, and system reliability. Water and sewer costs were each budgeted at a 5% increase; however, the utility provider later announced a 3% increase for water and a 15% increase for sewer, effective March 1, 2026.

The total budgeted reserves contribution for 2026 was \$457,600, of which \$114,400 was contributed in Q1.

Overall, Vanessa reported a strong start to FY 2026, noting that the Association ended Q1 with a loss of \$867, compared to budgeted loss of \$76,000, primarily due to snow removal savings and increases in design review fee revenue. Only Osprey Ridge and River Ridge had some minor unfavorable variances, but each was offset by their \$1,000 contingency.

8.2 AR Collections Status Report

Vanessa Reust reported that AR increased \$22,000 since the previous quarter, totaling \$106,000 as of March 31, 2026.

As of April 21, 2026, the total AR balance was approximately \$97,000, with 86% aging over 90 days past due. Most were in collections with attorneys, while the remaining were sent a notice of delinquency. Thirty-one owners (1% of SROA owners) have an AR balance over \$1,000.

The Board acknowledged the accounting team for their work to improve AR tracking and collection.

9. MANAGEMENT REPORT

9.1 Staff Report

The Staff Report was included in the Board packet.

10. COMMITTEE REPORTS

10.1 Suncadia Owner Advisory Committee

ACTION – Mark Thorne will draft revisions to the Suncadia Owners Advisory Committee charter to provide an appropriate level of planning authority and circulate to the Board for review.

J.P. Perugini presented on behalf of the Suncadia Owners Advisory Committee, reporting that planning is underway for the 2026 Owners Picnic. The Committee met with Brandi Darnall and the Suncadia Events team to discuss planning and ensure that the event remains at or under budget, which has been managed effectively to date. The team is finalizing sponsors to help mitigate costs. The event bulletin has been distributed to the community and includes the event date and RSVP details. The picnic will be held at Nelson this year, instead of Dawson, and will not include any events, given the planned Suncadia Social activities.

J.P. Perugini also reported that Vanessa Reust had requested that the SOAC forward two owner candidates for the Finance Advisory Committee, and after review, it proposed Art Schmidt and Rob Jensen.

The Advisory Committee requested the Board's approval to host a Short-Term Rental Summit, similar to the Annual Builders Meeting, to provide updates on community matters, owner issues and preferences, and other information for rental property managers in Suncadia. It added that SOAC's restrictive charter language limits its ability to further such projects, even

when requested by the Board, without returning to seek Board approval. Mark Thorne stated that he had co-authored the SOAC's charter and would draft a revision that gives the Committee an appropriate level of planning authority and circulate to the Board for review.

The Advisory Committee requested Board approval of Chris Collins to join SOAC to fill the open position left by David Gusdorf, who resigned for personal reasons.

On a motion made by Tucker Stevens, seconded by Bruce Chattin, it was resolved to approve the addition of Chris Collins to the Suncadia Owners Advisory Committee. Motion carried at 12:24 p.m.

10.2 Forest Health and Fire Resiliency Initiatives

This topic was not discussed.

11. PRESIDENT'S REPORT

There was no President's report.

12. NEW BUSINESS

12.1 Appointment of New Members to the SOAC Finance Committee

On a motion made by Tucker Stevens, seconded by Bruce Chattin, it was resolved to approve the appointment of Art Schmidt and Rob Jensen to the Finance Advisory Committee, as recommended by the SOAC. Motion carried at 12:28 p.m.

12.2 WUCIOA Amendments to the SROA Collections Policy Resolution No. 103d

On a motion made by Tucker Stevens, seconded by Bruce Chattin, it was resolved to approve the revised SROA Collections Policy Resolution No. 103d, in accordance with WUCIOA requirements, including additional amendments to address repeat offenders and to update the signature block. Motion carried at 12:33 p.m.

The SROA Collections Policy was reviewed based on guidance from Bruce Chattin and legal counsel and includes strengthening policy language and increasing the late fee from \$35 to \$100 - \$150 to provide a stronger deterrent to delinquencies. Additionally, Bruce Chattin proposed to add language addressing owners repeatedly in collections, citing an example of a multi-unit owner, who has continuously been in collections for over four years. Tucker Stevens further noted that the policy's signature block must be updated with Vanessa Reust's information.

Vanessa Reust reported that legal counsel advised that the Association cannot collect rental income from the owner directly, but the rental property manager may choose to pay the Association first and collect a 15% admin fee. The Association may consider sending demand letters to the rental management company to expedite receipt of payment.

13. EXECUTIVE SESSION

There was no executive session.

14. NEXT MEETING

The date of the next Board of Directors meeting is July 24, 2026.

15. ADJOURNMENT

The meeting closed at 12:33 p.m.

DISCLAIMER

The above document should be used as a summary of the motions passed and issues discussed at the meeting. This document shall not be considered a verbatim copy of every word spoken at the meeting.

Bruce Chattin

Bruce Chattin (Aug 5, 2026 21:49:59 PDT)

Director

08/05/26

Date

Director

Date

3.a 2026 April SROA BOD Meeting Minutes BTC Commentspdf

Final Audit Report

2026-08-06

Created:	2026-07-29
By:	Jennifer Kramer (jkramer@suncadia.com)
Status:	Signed
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"3.a 2026 April SROA BOD Meeting Minutes BTC Commentspdf" History

-  Document created by Jennifer Kramer (jkramer@suncadia.com)
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