FAIRWAY NINE I CONDOMINIUM ASSOCIATION
ANNUAL MEMBERSHIP MEETING
AUGUST 15, 2026

MINUTES

PRESENT: Chris Black – President
Gary Burt - Secretary/Treasurer

OWNERS: (See Attached)

NOT PRESENT: Nyle Brown - Director
Chuck Lockhart – Vice President
Jen King – Director
Shelly Tutt - Alternate

OTHERS: Sharon & Chuck Williamson - Managers

CALL TO ORDER
Chris Black called the meeting to order at 9:05 a.m.

ESTABLISH A QUORUM
A quorum was established with 61.0011% in person, by proxy or attending by Zoom.

PRESIDENT'S COMMENTS
Chris Black thanked everyone for attending. He reported that the Recreational Amenities Renovation project is proceeding, and some significant maintenance issues have arisen that the Board will need to address in the coming year. More information will be provided later in the meeting.

READ AND APPROVE 8-9-25 MEETING MINUTES
The August 9, 2025, meeting minutes were sent to all owners prior to the meeting. With no correction or additions, ***MOTION: Gary Burt (4333) moved to approve the minutes as presented, Robin East (4332) seconded, and the motion passed unanimously.***

FINANCIAL REVIEW
Balance Sheet Review - Chuck reviewed the financial statements with those present. Cash balances were reported as follows:

Capital Reserve Savings -	$113,361.24
Checking Account -	$198,403.00
Cap. Reserve Checking -	$ 28,068.57
Treasury Bill Maturing 083126 -	$149,576.50

Accounts Receivable - $ 22,524.68

He explained that the "Due To – Due From" indicates that the capital reserve account owes operational account $159,554.81. While it appears on the balance sheet there is sufficient cash to zero out this account, the 3rd installment on the recreation area reconstruction is due by the end of August which will be approximately $256,000. Chuck stated he would discuss with the accountant and the Board about forgiving the debt from Capital Reserves in 2026/27 and zero out this account into the new fiscal year.

***Operational Account*:**

Income:

Member Operational Dues – Chuck reported that the Board has approved a 15% increase in the operational dues in the next fiscal year beginning September 1, 2026. The increase is necessary to provide a breakeven budget resulting from significant increases in a few expense items.

Expenses:

Management Fees – As reported in the prior fiscal year management raised their monthly per unit fee from $32 to $37 per unit per month. Chuck explained that this continues to be lower than the current market rate of $45-$50 per unit.

Dryer Vent Cleaning – Dryer vents are cleaned on a every three year schedule. This work has been scheduled for 2026/27 and the bid received is $9,890.

Insurance Premiums – Insurance Premiums have a budgeted increase of 10% anticipating inflationary impact and a property valuation increase. Chuck expressed his apprehension that the association insurance premiums may be based on a replacement cost valuation which may be too low. The insurance company internal valuation program indicates that current square footage replacement cost is 25% higher than their model indicates is adequate. However, the replacement cost based on the insurance company valuation program is approximately $300 per square foot. He expressed that local construction costs could range from $500 to $1,000 per square foot for a deluxe condominium, and that at a minimum the replacement cost for insurance coverage should be $500. Chuck stated that he will be reviewing increased coverage with the insurance carrier upon renewal. If the coverage is increased to $500 per square foot the premiums may increase from $55,000 to $80-$85,000 annually.

He recommended that owners review their personal insurance policies and suggested "Betterments and Improvements" coverage to assist with rebuilding to a higher standard than when the condominiums were sold to owners by the developer Dempsey Construction. If owners have done any remodeling, all improvements should be insured by the owner. In addition, owners should have "Personal Liability Insurance", "Personal Content Insurance", and consider purchasing "Loss Assessments Insurance" for coverage in the event of a loss and "Renters Insurance" if you rent your condominium. Loss Assessments insurance will protect the owner if the Association is under insured for any reason and a special assessment is required to rebuild after a loss. $75,000 to $150,000 in Loss Assessment Insurance may only cost $100-$150 per year. Chuck informed the owners that more information is available on the Fairway Nine I website. https://fairwaynine1condos.com

Maintenance – General Repairs – Management increased this line item budget expense from $12,000 to $20,000 in the coming year. During 2025/26, $26,000 was expended on replacing and repairing dry rot on deck support structures, roof support columns, roof beams and roof sheeting. In addition, mold remediation and general debris removal were required in the crawlspace of two units. It is anticipated that more of this type of work will be required in the coming year.

Snow Removal – Chuck explained that Snow Removal was approximately $32,000 under budget on the year. This allowed a small surplus used towards other operational expenses and owner requests. Management will continue to budget snow removal based on the historical averages.

Water & Sewer – Irrigation – Sun Valley Water and Sewer have given indications that the irrigation water cost may be increasing 200-300% in 2026/27. The rationale behind the increase is to charge a similar amount to that of the neighboring cities of Ketchum and Hailey. If this increase occurs, irrigation water costs could be as high as $40,000 per year. Owners asked why the large increase, Sharon explained that Sun Valley Water and Sewer informed management that Hailey charges a per unit price that is 3 times higher than the Sun Valley W&S per unit rates. They reported that they are trying to match cost to neighboring cities and generate funding for capital system improvements. Mr. Boehm expressed his concern about the proposed increase, the monopoly of Sun Valley Water and Sewer, and asked if any action can be taken. It was recommended that concerned owners reach out to the City of Sun Valley and express their concerns.

Capital Reserves – Chuck reviewed the approved 2025/26 capital reserve budget with owners present. Capital projects include Drainage Repairs, Exterior Building Maintenance, Touchup Painting, Landscape Improvements, Paver and Stucco Repairs. The Board approved a special assessment of $222,000 required for the anticipated recreational amenity cost overrun reported previously to owners. Management was asked the status of general capital income versus the expenditures proposed in 2026/27. Chuck stated that it will be close to breakeven.

OLD BUSINESS

Recreational Facilities Replacement – Chris Black explained that the pool house project is over budget by a projected $377,000 due to unanticipated City requirements for ADA parking compliance, soil stabilization, and Idaho Power's transformer installation requirement. Chris reported that some architectural redesign work was also required when SVEA reviewed the project.

He stated that 3 to 5 feet of soil was excavated from the entire parcel, backfilled with shale and the area stabilized for reconstruction. The drainage for the area has been installed. The pool and hot tub concrete shells have been completed. The footings were installed; however, when the stem walls for the building are completed, the area will be backfilled and the concrete pool coping installed. The project is expected to be completed in November with the hot tub operational by Thanksgiving.

Chis was asked if he anticipated any other increases from outside agencies, and if there is anything preventing the contractor from charging more. He stated that no further increases are anticipated, and owners were informed that each expense line item has been reviewed and no further variation in the costs are expected.

Amendment Results – Chuck explained that the proposed amendment defining Limited Common Area failed by a vote of 63.9% in favor and 3.2% opposed. To pass the amendment required a 66% approval of the members. He reported that 23% of the membership did not vote. The Board may again pursue the amendment in the future; however, there is a lot happening at this time so the matter will be deferred to a later date.

NEW BUSINESS

2nd Floor Decks and Crawlspace Inspection and Repairs – Recent condominium sales and corresponding unit inspections has resulted in the Association taking necessary action to correct crawlspace conditions and repair common area dry rot. Management reported that the Association will be reviewing the crawlspaces for dormant mold remediation, debris removal and vapor barrier installation as an upcoming Association project. Chris Black explained to owners that a properly sealed vapor barrier and a dry crawlspace is important to prevent dry rot and mold growth. A complete inspection of all building second floor decks and building surfaces will be conducted for the presence of dry rot and repaired as may be necessary. Owners will be kept informed as these projects progress.

Trees and Landscaping Improvements - Board members were asked about tree trimming and removal given their proximity to the buildings and the fire danger they may pose. Having no mandatory tree removal requirement from the City or Fire Department, Gary Burt suggested that the Board review the property and broach the subject with the neighboring property owners. Chuck reported that additional landscape improvements have been budgeting in the coming year with weed removal and supplemental rock installed in areas between lower back decks, bed and tree well cleanup, etc.

ELECTION OF DIRECTORS

Chuck reported that current Board Member Nyle Brown would not be running for reelection. The Board is proposing for owner consideration a Board slate of Chris Black, Chuck Lockhard, Gary Burt, Jen King and Shelly Tutt to serve in 2026/27. New owner and former SVEA President, Clark Furlow, is recommended as the alternate Board member. After Discussion, ***MOTION: Mark Feurer nominated the Board recommended slate of directors for 2026/27, Greg Boehm seconded, and the nominations were unanimously approved.***

Nominations from the floor and from those on Zoom was requested. Hearing none, ***MOTION: Mark Feurer moved to close nominations, the motion was duly seconded, and the motion passed unanimously.*** Chuck announced that the 2026/27 Board slate was elected by unanimous consent.

ADJOURN

With no further business the meeting was adjourned at 10:02 a.m.

Respectfully Submitted,

Chuck Williamson
Recording Secretary