

Paradise Canyon Homeowners Association
ANNUAL MEETING
MINUTES

October 26, 2017

Welcome and Call to Order

The Annual Meeting of the association of owners of Paradise Canyon was held Thursday, October 26, 2017 at 6:00 p.m. at the Paradise Canyon Clubhouse in St. George, Utah. Tom Darnall, president of the homeowners association, welcomed everyone and called the meeting to order. A quorum was represented by the 61 lots present (21% present, 20% required). Tom introduced Board members Susan Crook, Hector Rincon, Joe Kopriva, and Jessica Collins, property managers Mik'L Wells and Ernie Burt of F1 Property Management, attorney Carson Bagley of Jenkins, Bagley, and Terron Thompson of Rosenberg & Associates.

Presentations

Tom Darnall gave the president's report, reviewing the results of a survey of all owners and the key initiatives from the year. The survey showed that owners valued upkeep of properties, maintenance of common areas, tighter rental controls, safer exits to Snow Canyon Parkway, and security patrolling. What matters least to owners is having a gated community, lots of social events, and swapping television for internet. Tom reported approved house colors were put in place, there was a lot of maintenance needed as the property ages, the clubhouse was renovated, and security was increased. Tom also asked for owner to volunteer to help the association.

Tom also reviewed the wall repairs over the last year. It was noted that the lawsuit projected wall repairs at \$40 million and the settlement in dollars was around \$500,000. The board picked a pilot project for lot 50-57 using best practices and about \$460,000 was spent in the last few months on this project with over \$400,000 of work still to do. The first round of concrete work on these walls was inferior and the work was stopped over breach of contract. There is now a new contractor and more oversight on the project. The deconstructive analysis is complete and was very telling, so the board expects to recover costs for the defective concrete work. The new test walls look great, meet exacting specifications, and the rest of the walls in the pilot project will be completed soon. Tom reported that there are now no further phases in the budget.

Terron Thompson of Rosenberg and Associates gave further details about the inferior work on the pilot wall project and what has been done to prevent this going forward. Carson Bagley of Jenkins, Bagley reviewed the contract process and the breach of contract issues.

Ernie Burt of F1 Property Management presented the financial report. The Board has approved increasing the dues to \$180 per month in January. Large expenses from the past year and those anticipated in the coming year were discussed. There were several maintenance and repair items, especially at the pools, over the last year. Most of the line items were under budget for the year. The cable contract was renewed after the owner survey showed that a predominant percentage of owners

wanted to keep cable. The increase is about \$11 per lot per month, which will use up more than the \$8 per month dues increase in January. The ordinary net income was \$135,374 compared to \$123,433 budgeted. \$164,457 was transferred to the reserve accounts. Reserve expenses included a security system at the Daisy Lane pool, clubhouse updates, walls, a drainage project, the clubhouse roof, and pools. Budgeted reserve expenses for the coming year include walls, re-plastering pools, road maintenance, pool furniture, indoor pool area updates, and exercise room updates. The reserve study is currently 40 percent funded. Ernie noted that the largest per lot expenses include \$41 per month for grounds maintenance and \$33 per month for insurance, with both of those items not taking the common areas in to consideration. Cable television was \$25 per month and the pools cost less than \$10 per month per lot. There is \$455,778 in all accounts with \$369,603 of that in reserve, and \$2,209 owing in receivables.

Ernie Burt of F1 explained that there are three openings on the Board for two-year terms. Tom Darnall, Hector Rincon, and Joe Kopriva were thanked for their service on the Board. Nominees Jim Slemboski, Gary Nielsen, and Patty Bailey introduced themselves. The vote is being held by secret ballot on a mail-in ballot due November 6th.

Open discussion was held regarding walls, insurance, and trees affected by the fire in the wash.

Adjournment

With no further business the meeting was adjourned at 7:11 p.m.