

**PARADISE CONDOMINIUM OWNERS' ASSOCIATION  
ANNUAL MEETING OF THE OWNERS  
FRIDAY, JULY 7, 2023 – 3:00 PM**

**Present:** 101 – Wendy Sturniolo  
102 – Steve Wall  
104 – Bryan Lyerly  
106 – Joseph Schwartz  
109 – Brad Gatheridge  
110 – Karl Wolf  
111 – Frank and Brittany Konsella  
201 – Travis Morrison  
202 - Amy  
203 – John Harris  
204 – Laura Devega  
205 – David and Laura Ferenci  
209 – Mike Barstis  
210 – Chris Kornmesser  
211 – Steve Skalovsky  
212 - Proxy to Bryan Lyerly  
Alex Summerfelt, Toad Property Management  
Nick Sledge, Toad Property Management

Alex Summerfelt called the meeting to order at 3:00 p.m. and confirmed a quorum. Alex said notice of the meeting had been mailed out on June 15, 2023.

Bryan Lyerly made a motion to approve the minutes of the July 1, 2022 meeting. The motion received a second and it was unanimously approved.

A President's Report had been circulated with the notice of the annual meeting. Bryan Lyerly explained it had been difficult to find contractors to perform work in the valley and costs for work and materials had increased. Bryan said Axtel Mountain Construction were working long days on the roofs. There had been an additional expense of approximately \$74,000 as once work was underway Axtel had identified essential work under the membrane of the roof. Bryan apologized for the third special assessment related to roof replacement and said the President's Report had attempted to provide details of the work.

Alex Summerfelt encouraged owners to reach out to him with any questions or concerns and explained Nick Sledge was involved in all of the capital project an maintenance work and was on the call to provide additional information and answer questions.

Alex said operating expenses had increased throughout the valley during the past couple of years and it was necessary to increase dues based on actual expenses. Alex said the Budget would be discussed prior to ratification of the 2023-2024 Budget.

Alex explained the 2023-2024 Budget included increases in the Management Fee and also for insurance. Alex said Unit 211 had received damage due to the roof and there had been an insurance claim. Bryan

Lyerly said Toad had worked diligently to find another insurance company after the prior company refused to renew and it had been necessary to accept a \$25,000 deductible on the new policy instead of the \$5,000 deductible on the prior insurance policy.

Bryan Lyerly explained Hidden River Construction had been paid in full by Vail/CBMR Properties for work to remove the dormers but Hidden River Construction had left the valley when the project was only partially complete. Unfortunately, the difficulty in finding contractors to do the work had resulted in damage to units in the upper level of the Aspen Building. Bryan said the work now being performed by Axtel Mountain Construction was intended prevent future damage to units.

Alex Summerfelt said it had been a big snow year and approximately \$72,000 had been spent on snow removal. The 2023-2024 Budget had \$30,000 for snow removal as that figure was based on average snowfall. Alex explained utility expenses throughout the valley were increasing.

Bryan Lyerly explained approximately four years ago the Association had moved from cable TV to satellite. Several owners said they were experiencing issues with TV or did not have the receiver which was meant to be installed in each unit as an Association expense with the option to purchase additional boxes. Bryan explained the very frustrating process of getting Dish to install the TV equipment and it was generally agreed an acceptable TV service needed to be provided as the internet service was not good enough to support all units streaming. Dogwood owners said they were still experiencing internet issues despite improvements being made recently. Alex Summerfelt said he would follow up with the internet company to see if service could be improved at the Dogwood building and also follow up to have TV service set up in Units 102A, 201A and any other units without TV service.

Bryan Lyerly said all units would experience a dues increase and approximately 10% of operating expenses was going to the Reserve Account each year. Nate Harris expressed concern about multiple special assessments and suggested building up a larger reserve to meet the needs of the Association. Bryan Lyerly said there were several upcoming projects, carpet, paint, stain and the retaining wall if it was possible to find contractors to perform the work. Brian explained the Association had traditionally kept dues low and used special assessments to fund projects. Karl Wolf said it had been 20 years between major projects and large special assessments and deferred maintenance over the years had built up and the work needed to be done, such as the roof replacement.

Bryan Lyerly explained a Reserve Fund Study had been prepared several years ago and the Study had provided figures which would require a significantly higher dues level. Steve Wall said building up a steady reserve for future expenses was fair to all owners as paying into a reserve was a way of paying for the wear and tear on the building as it occurred and not waiting until it was absolutely essential that the work was carried out and potentially funded by new owners who had not had the benefit of enjoying the building over the years.

Travis Morrison suggested changing the use and ownership of the surplus common space in the basement of the buildings to build up funds. Bryan Lyerly explained the Covenants required approval of 100% of owners and 100% of first lien holders for changing the ownership of common spaces and that was a difficult and probably impossible target to reach. Joe Schwartz confirmed it had been reviewed in the past and the process had been abandoned as being too difficult to achieve.

Ratification of the 2023-2024 Budget was unanimously approved.

Alex Summerfelt explained the Board had traditionally consisted of five members but the Bylaws did allow for up to seven members. Bryan Lyerly, Joseph Schwartz and Mike Barstis introduced themselves and provided information on their backgrounds relevant to the role of a Board member. Amy of Unit 202, explained her husband would also be willing to serve on the Board and Alex Summerfelt explained the Board could appoint her husband at a later meeting. It was agreed Bryan Lyerly, Joseph Schwartz and Mike Barstis would be appointed to the Board for two year terms.

Nick Sledge said he had been working closely with Axtel Mountain Construction to ensure the roof replacement project was moving forward. Nick explained Axtel Mountain had two crews working on site and had started with the Aspen Building. When the roof material was removed Axtel Mountain had found rotten boards and incorrect roof drainage due to mistakes made from earlier roof replacement projects. Incorrect drainage on the flat roof might have contributed to some of the roof leaks in the past. Nick explained the best efforts had been made by Axtel Mountain to obtain the tapered foam board at the best price but also in a timely manner to keep the project moving forward.

Nick said work was underway now on the Cottonwood Building and the Dogwood Building. The Cottonwood and Dogwood Buildings had similar issues as those identified at the Aspen Building. The Change Order of \$72,000 was in his opinion justified and the additional expense could not have been known until the materials were removed. Nick explained Axtel Mountain expected to finish work on the three buildings by the end of July. Bryan Lyerly said there was an 8 year labor warranty and Alex Summerfelt said there would be material warranty directly from the manufacturer. It was confirmed a better quality of roof material was being installed.

Bryan Lyerly confirmed new plywood and new membrane would be installed at the flat roof areas and Nick confirmed a better membrane material was being used which would last longer than the previous product. Snow removal from the flat roof might still be necessary and it was agreed to monitor and review the flat roof in the future if necessary.

Nick Sledge was thanked for his role overseeing the roof replacement project.

Nick Sledge said contractors were ready to move into Unit 211 to get the unit restored from the water damage. Bryan Lyerly said the Board would discuss how to pay for the work in Unit 211 at the Board meeting immediately after the annual meeting and Nick said there was a very tight deadline to have contractors start work the next day. Alex Summerfelt suggested a temporary adjournment of the annual meeting so that the board could discuss and approve the Unit 211 work.

Bryan Lyerly made a motion for a temporary adjournment of the meeting at 4:25 p.m. Joe Schwartz seconded the motion and it was unanimously approved.

Alex Summerfelt called the meeting to order again at 4:27 p.m. Nick Sledge left the meeting to call the drywall contractor so work could start on Unit 211 the next day.

Alex Summerfelt said price checking of contractor estimates would be conducted and Bryan Lyerly asked for two estimates from contractors whenever possible.

Alex Summerfelt explained a vote was necessary for the Change Order special assessment of approximately \$76,120. Alex conducted a vote of those on the Zoom call unit by unit. Alex confirmed approval of the special assessment of \$76,120.

Bryan Lyerly reminded owners that anyone using the units should not put grease down the drains. Personal items should not be stored or left in the common areas for disposal. Bryan explained the Association's insurance covered repair "studs in" to the same specifications as the unit was first conveyed in 1980. Personal insurance by each owner was necessary to cover upgrades to the unit, such as new cabinets, countertops, flooring, etc.

Frank Konsella suggested having a meeting at a less busy time of the year. Brian Lyerly said as the meetings were now via Zoom it was easier to get a quorum and the meeting did not have to coincide with the dates when most owners were at their unit. After discussion Bryan Lyerly made a motion to hold the next annual meeting on Friday, January 5, 2024 at 3:00 p.m. Laura Devega seconded the motion and it was unanimously approved.

Alex agreed to email owners asking for approval to prepare an owner directory containing contact information.

At 4:41 p.m. Joseph Schwartz made a motion to adjourn the meeting. Bryan Lyerly seconded the motion and it was unanimously approved.

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Prepared by Rob Harper, Toad Property Management