

EMPIRE PASS MASTER OWNERS ASSOCIATION
Board Meeting Minutes
August 19, 2020 11:00am-12:30pm
White Saddle HOA Office
4188 SR 248, Kamas, Utah

BOARD MEMBERS PRESENT:

Doug Ogilvy | President | REDUS Park City – Present by Phone
David Ash | Wells Fargo – Present by Phone
Jeff Butterworth | Storied Deer Valley
Lisa Reynolds | Storied Deer Valley – Present by Phone
Jack Mueller | Elected Homeowner – Present by Phone

BY PHONE:

Mark Yarborough, Howard Siegel, Ethan Kahn, Greg Jansen, Christina Owens & Mattias Larsson

STAFF PRESENT:

Trish Waterman, Jessica Layton, Steve Sovinsky, Alison Hayes & Kris Best

MEETING CALLED TO ORDER:

Doug called the meeting to order at 11:00am and a quorum was present with the members listed above.

REVIEW AND APPROVAL OF MEETING MINUTES:

David made a motion to approve the February 27, 2020 minutes, the July 13, 2020 conference call minutes and the March 13, 2020 EPMOA annual meeting minutes, Jeff seconded, motion carried.

Q1 & Q2 2020 FINANCIAL REVIEW:

Total Revenue is 111% of budget. Reinvestment fees total \$172,888, which is \$24K under budget. Interest income is over budget. There is \$40K interest in operating CD's, with \$19K budgeted. DRB & miscellaneous income is over budget \$173K, mostly attributable to the Historic Preservation Income.

Professional fees are under budget by \$9K. Empire Pass Downtowner is under budget \$100K, with \$385K actual, versus \$485K budgeted.

Fuel is under budget \$6K. Security is under budget \$8K. The maintenance facility expense was over budget \$3K. There was a water leak at the Mine Bench that was repaired in February.

Payroll expense is under budget \$20K. Road expense is under budget \$26K. Historic Preservation Expense is over budget \$79K, which is offset by revenue. Total Expenses are under budget \$94K. Net income is \$227K higher than the budgeted amount.

The Reserve Study is in progress.

The 2019 Audit has been submitted for Board review and staff is seeking approval. Doug made a motion to approve the 2019 audit, David seconded, motion carried.

CONSTRUCTION & MAINTENANCE UPDATE

Red Cloud has 4 homes under construction and 1 home that has almost completed landscaping. Nakoma has 2 homes under construction. We anticipate the submittal of 1 Bannerwood home, 2 Nakoma homes, and 1 Red Cloud home to the DRB.

The new Argent condo building on Village Way has started construction. Village Way road maintenance starts Monday August 24th. Construction on the Mine Bench roof is anticipated to start within the next two weeks.

MANAGEMENT REPORT

Empire Express: Q1 2020 ridership numbers were over 45,000 passengers, compared to Q2, which was 1,400 passengers. Downtowner has reduced group rides in vehicles to half without seeing an increase in wait times. Vehicles are cleaned after each transport and everyone is required to wear a mask.

It was mentioned that due to Covid, more people may be working remotely and staying in Park City for longer periods of time. This may result in higher demand for the Empire Express during the typically slow fall season. Empire Express has 1 van running during the off-season. Staff will discuss with Downtowner and adjust the service in response to demand.

There have been 20 sales in Empire Pass at the time this report was written.

The building site near Montage, currently known as B2 East or Sommet Blanc is part of EPMOA. The site will have between 60-70 units with 3 condo buildings planned. They anticipate breaking ground spring of 2021, however, plans have not been submitted for DRB review.

NEW BUSINESS

Historical Preservation activities include installing a new roof on the Judge Mining and Smelting building. The next project is moving the Daly Head Frame about 100 feet to the south west this fall.

The Hot Creek restaurant site has about 60% of the required dirt needed for when the restaurant is ready to start construction. The Argent building site and some of the Red Cloud construction sites have transported fill dirt to the site. The Hot Creek project is currently 3-4 years out, but they are trying to accelerate the timeline. The site can be accessed by the Bandana ski run and will not have onsite parking available.

There is a concern that having the new Red Cloud gate open during the day attracts bikers in the evening into Red Cloud. Community Patrol will ensure the construction access gate is closed at night for enhanced security.

The UDOT snow removal contract renews in January, 2021. Steve and Doug will plan to meet with UDOT to discuss increasing the contract amount to cover the actual cost of maintaining the road.

OTHER/ADJOURN

Jeff made a motion to adjourn the meeting, David seconded, meeting adjourned at 11:35am.

EMPIRE PASS MASTER OWNERS ASSOCIATION
BOARD MEETING MINUTES
July 13, 2020
2:00pm – 2:30pm
CONFERENCE CALL

BOARD MEMBERS PRESENT BY PHONE:

Doug Ogilvy | President | REDUS Park City
David Ash | Wells Fargo
Jeff Butterworth | Storied Deer Valley
Lisa Reynolds | Storied Deer Valley
Jack Mueller | Elected Homeowner
Jay Wasserman | Elected Homeowner

STAFF PRESENT BY PHONE:

Trish Waterman, Kris Best, Steve Sovinsky

MEETING CALLED TO ORDER:

Doug called the meeting to order at 2:00pm. A quorum was in attendance by phone with those listed above.

The updates to the Mine Bench building have been previously discussed with the Board. The EPMOA has proposed to overbuild the Mine Bench 2 roof and add a new front canopy to address the long standing ice fall hazard at the front of the building. With a 50 year old roof and 96 years left on the lease of the Mine Bench property, we believe this is a worthwhile investment for EPMOA.

When this project was first conceived, the estimated cost was \$250,000. Rich Wagner, Director of Development for Storied, has solicited three bids to complete the project as designed. The recommendation for the Board to consider engaging Modern Design-Build at a cost of \$333k less \$5k for elimination of heat tape at the rear of building for net cost of \$328k. This compares with bids from Blackdog of \$345k and Tekton for \$404k.

There is \$1.85M year-end working capital in our operating fund and the cost for these much needed repairs can be covered. The ongoing responsibility for winter road maintenance and the aging roof on the maintenance building provides the opportunity for a more safe work environment for our crew and protect our investment in the building.

The Board also discussed repairs to the bathroom in the building and adding insulation.

Jay made a motion to approve the bid from Modern Design- Build with taking out the snow melt on the back of the building, do the upgrades to the bathroom and add insulation where needed, Jack seconded, motion carried.

Jack made a motion to adjourn, Jeff seconded, conference call ended at 2:30pm.

EMPIRE PASS MASTER OWNERS ASSOCIATION
BOARD MEETING MINUTES
February 27, 2020
11:00am -12:15pm
White Saddle Office
4188 SR 248, Kamas, Utah

BOARD MEMBERS PRESENT:

Doug Ogilvy | President | REDUS Park City
David Ash | Wells Fargo
Jeff Butterworth | Storied Deer Valley
Lisa Reynolds | Storied Deer Valley
Jack Mueller | Elected Homeowner
Jay Wasserman | Elected Homeowner by Phone

BY PHONE:

Mark Yarborough | Storied Deer Valley

STAFF PRESENT:

Trish Waterman, Jessica Layton, Steve Sovinsky and Alison Hayes

MEETING CALLED TO ORDER:

Doug called the meeting to order at 11:04 am. A quorum was present with those listed above.

REVIEW AND APPROVAL OF OCTOBER 21, 2019 MINUTES:

Review and approval of October 21, 2019 minutes; Jeff motioned to approve meetings minutes. Doug seconded and the motion is carried.

Q4 2019 FINANCIAL REPORT

Total revenue is \$125k over budget. Re-investment fees total \$526,867 which is \$26K over budget. There is interest income at \$58k on operating CD's with \$8,000 budgeted. The Design Review Board (DRB) and Miscellaneous Income are over budget by \$30K. \$25K of that amount is a DRB fine.

Annual operating expenses were over budget totaling \$2,123,371, which is 112% of budget. Overall administration expenses are under budget by \$20K. Legal expenses are down \$6K. Vehicle insurance is over budget by \$2,500 due to the new Unimog policy, which cost \$2,700. Empire Express is under budget at \$818k, compared to \$823k budgeted. Vehicles and equipment expenses totaled \$92K, which is \$6,500 over budget. The backhoe lease was \$8,600 compared to \$5,000 budgeted and the dump truck engine rebuild was capitalized. Fuel was over budget by \$14K due to Jan – March snow removal. Security was under budget by \$20K.

Payroll expense was \$42k over budget. This is for the additional full-time maintenance employee that was added in the spring, but was not budgeted.

Road expense was over budget \$60k. The majority of the overage is for salt. There was \$80k budgeted and the actual expense was \$126k.

DRB is under budget by \$4,600 and professional services are under budget.

The 2019 Historic Preservation expense of \$116K was not budgeted. This item came up after the budget was prepared last year. However, there will be revenue in 2020 to off-set the expense. \$65K went to reimburse the Historic Society for the Little Belle roof stabilization, \$12K went to the Flagstaff Mountain preservation plan update, \$7,300 went to the Judge Mine engineering and \$32K was for the Judge Mine Contractor deposit.

Depreciation is over budget by \$58k. There were several assets that were not included in the budgeted depreciation. These included, avalanche fencing, a blade for the loader, the oil room, Mine Bench paving and the new Unimog.

Overall preliminary net income is a loss of \$89k, the net budget was \$5k. PCMC will contribute their Q4 reinvestment fees portion of \$105K to the historic preservation fund. The net income will be about \$15K.

Capital reserve expenses totaled \$266k. \$66k was budgeted per the reserve study recommendation. There was unexpected stone repair required on the bridge at the Grand Lodge, which cost \$120k. Asphalt repairs for 2019 were \$140k, due to accelerated maintenance on Empire Club Drive and Banner Court.

Both reserve funds were 100% funded at year end. The Capital Reserve fund balance is \$871k and the equipment reserve balance is \$1,294,381. The reserve studies will be updated this June, 2020.

Billable snow plow hours to UDOT for 2019 totaled \$89k. Credits of \$34k were issued for the amount over the \$55k contract. The contract expires 1/17/2021. Staff and Board members will start renegotiating the contract this fall. UDOT bids the job every 5 years and the EPMOA is the only bidder. The cost of plowing the mine road has been higher than the contract amount. The EPMOA has an interest in maintaining the road, but would like UDOT to either increase the contract amount or have PCMC contribute.

Maintenance has been working on getting an electronic sign to notify drivers of poor weather conditions or when 4-wheel drive is required.

AUDIT APPROVAL: A draft of the 2018 was previously emailed to the Board for review. There were no questions regarding the 2018 audit. Jeff made a motion to approve the 2018 Audit, Doug seconded, motion carried.

The 2019 audit is already underway. The same auditing firm, HHM, will do the tax return this year.

Maintenance is requesting authorization raise 3 fire hydrants. The hydrants are too low and get buried quickly by snow. The estimated cost is \$6,000. There may be a visual impact in the summer and crews will address possible landscaping in the spring.

Maintenance continues to have difficulty hiring winter snow plow drivers and was short 2 drivers this winter. Staff asked the Board to consider hiring an additional year-round, full-time employee. There is enough work around the mountain to keep them busy in the summer. The Board suggested hiring a full-time seasonal employee in September. The Board will revisit this again in the fall.

Maintenance would like to pave the construction access road off of Twisted Branch that goes to Guardsman Pass Road. The Board suggested to first re-grade the road, then put road base down for this year. The Board will revisit repaving that section of road again next year.

CONSTRUCTION UPDATE:

There are 341 units sold; including the Montage the total is 421. Red Cloud has 5 homes under construction and Nakoma has 1 home under construction. There is 1 Nakoma home going through the DRB process. Empire Residences condominium building is under construction. The Residences at the Tower and the Larkspur Triplex are under construction. The new Argent condominium building on Village Way anticipates starting within 60 days.

Empire Express quick stats: 85,340 passengers and 26,476 rides. 95% of rides are generated by the App. There is about an 8 minute average wait time. Average rating has remained at 4.93 stars, out of 5 stars. The service provider, Downtowner, continues to increase group rides per vehicle, which increases efficiency. Bookings are now 44% shared rides. Specified drop off/pick up zones on Main Street and in Empire Pass have increased efficiency and is worth the cost of the permit.

Community patrol continues to monitor parking, traffic issues, trash can compliance and construction site issues.

The EPMOA Annual Board Meeting is scheduled for Friday, March 13th at 4:30 at the Montage. Staff will send out the annual report for the association prior to the meeting.

Staff was asked to make sure all construction trailer lights are turned off by 10pm.

The next Board of Director's Election will begin March, 2020. Seasonal lighting ends April 15, 2020.

In 2019 there were 38 total sales. Year to date there have been 5 sales.

NEW BUSINESS:

Mine Bench Roof Update: There are plans to redo the Mine Bench roof to make the building safer this summer. This is a one-time capital cost.

Historical Preservation Update: The EPMOA is responsible for historical preservation, per the Development Agreement. The 20 year total cost of the Historical Preservation Agreement to the EPMOA is \$550,000. PCMC and Empire Pass Developers will also contribute to fix the Judge, Daly and Alliance Buildings. Per the agreement, the EPMOA is responsible for bidding and contracting with subcontractors and then acquire PCMC approval to do improvements. There is concern that there are not enough safeguards in place to avoid the City asking for more money. Empire Pass MOA counsel has gone through the contract and believes the contract is fair. The cost will stretch over 20 years.

David made a motion to enter into and approve the Historical Preservation agreement, Jeff seconded, motion carried.

OTHER ITEMS/ADJOURN:

There were no other items. Doug made a motion to adjourn, Jeff seconded, meeting adjourned at 12:15pm.

Empire Pass Master Owners Association
Board Meeting Minutes
October 21, 2019
11:00am-12:05pm
White Saddle HOA Office
4188 SR 248, Kamas, Utah

BOARD MEMBERS PRESENT:

Doug Ogilvy President | REDUS Park City
David Ash | Wells Fargo
Jeff Butterworth | Storied Deer Valley
Lisa Reynolds | Storied Deer Valley: Present by phone
Jack Mueller | Elected Homeowner: Present by phone
Jay Wasserman | Elected Homeowner: Present by phone

BY PHONE:

Micah Kagan, Deer Valley Representative
Ryan Christensen, Deer Valley Representative
Jean-Jacques Bienaime, EP owner

STAFF PRESENT:

Trish Waterman, Jessica Layton, Steve Maier and Alison Hayes

MEETING CALLED TO ORDER:

Doug called the meeting to order at 11:02am. There was a quorum present with those listed above.

There was a discussion whether or not to charge homeowners a processing fee when paying their annual assessments by credit card. The annual charges to the MOA for processing fees are about \$2,000. Owners may pay their annual assessment by VISA or Mastercard, but not American Express because there is a higher percentage charged by American Express. The Board decided to keep things the same and not charge owners a credit card processing fee.

There are 2 assessments outstanding and both have been sent to collections.

REVIEW AND APPROVAL OF MAY 2, 2019 MINUTES

There was a clarification about the UDOT signage on Marsac Avenue. It will be an electric sign that will alert drivers to snow, chains required and can also be used for town events.

Jay made a motion to approve the May 2, 2019 minutes, David seconded, motion carried.

Q2 & Q3 FINANCIAL REPORT

There are \$424k in reinvestment fees collected year to date. Bank charges were over budget from credit card processing fees. Professional fees are under budget. Vehicles & equipment is over budget by \$26k. The dump truck needed a new engine as well as other necessary parts. The Board discussed whether the dump truck engine rebuild should be an operating expense or a capital expense. In the past, the MOA

accountant has expensed engine rebuilds, but agreed this is a good question and will clarify with the auditors.

Community patrol is under budget. There are savings by bringing the service in house. Payroll is over budget, which is a carryover from overtime last winter and adding a new employee in April. Road expense is about \$20k-\$30k over budget because of salt and the heavy winter last year.

Overall Q3 net income is \$376,300, compared to the budgeted amount of \$415,486. Q4 reinvestment fees should be strong and come in on budget by year end.

The 2018 audit is not complete, but should be available soon. A draft will be sent via email when available.

The equipment reserves are 60% funded and the capital reserve funds are 80% funded. Staff asked the Board if the MOA should transfer money from the operating account to the equipment and infrastructure reserve fund so that both accounts are 100% funded? That would be a transfer of approximately \$700k. There is \$1.8 million in the operating budget and moving \$700k would still leave \$1.1 million in the operating budget.

Doug made a motion to move \$200k to the equipment reserve fund and \$500k to the capital reserve fund, Jeff seconded, motion carried.

2020 PROPOSED BUDGET SUMMARY

The 2020 budget proposes to keep assessment amount the same. However, revenue will increase with the addition of the 3 Larkspur units and the 14 Tower Villas. Overall budgeted revenue increases to \$114k. Reinvestment fees are budgeted at \$500K.

Budgeted expenses increased \$119k. There is a 3% increase in the Storied Development management fee, per contract. The Empire Express contract was renewed for another 2 years. Fuel expense increased in case there is another heavy snow winter. Community Patrol expense has been reduced by \$15k. There are costs savings by bringing the service in house. Maintenance facility expense is down \$17k. This is due to reduced repairs and maintenance. The replacement of the Mine Bench roof will be a Capital Expense.

The main budget increase is payroll, which includes a 3% cost of living allowance, a mechanic pay increase, a 401k contribution, and one part-time staff going to full-time. The DRB expense decreased by \$3k.

There are two new line items added to the budget, historic preservation (\$20,000) and avalanche fencing (\$4,500). The historic preservation agreement hasn't been ratified, but the MOA has capped historical preservation at \$20,000 per year. Park City Municipal Corporation (PCMC) matches all funds that the MOA contributes. The avalanche fencing installation will be done before the ski season.

Maintenance is requesting the purchase of two pieces of equipment for next year. A sweeper, which costs \$30k and a new blade for the blower, which is about \$30k. Both pieces of equipment would come out of the equipment reserve fund and do not require a motion by the Board.

A new reserve study will be done in 2020.

Jay made a motion to approve the 2020 Budget, David seconded, motion carried.

CONSTRUCTION UPDATE CONSTRUCTION UPDATE

There are 334 units sold. There are 413 total if the Montage units are counted. There are 5 homes are under construction in Red Cloud, 1 in Nakoma, 3 Larkspur units, 14 Tower units and the 23 units at the Empire Residences condominium building. The new condo building, Argent, has received DRB approval and is going through City permitting. There is a Nakoma unit going through the DRB review process as well.

MANAGEMENT & MAINTENANCE REPORT

Empire Express Q2 ridership was relatively low at under 4,000 passengers, yet still up 5%. Q3 ridership was up 12% from last year at 12,000 passengers. 97% of rides were generated by the Empire Express app. There will be a new user code this year to avoid unauthorized usage. Passenger wait times remain at an 8-10 minute average, with a 4.9 out of 5 stars user rating. The winter season service will start mid-December.

The Grand Lodge bridge repair work is done and maintenance also repaired four pillars on the bridge. Road repairs on Empire Club Drive are complete. Village Way has heavy construction taking place and is open to local traffic only. The road is severely damaged due to the amount of construction. As a result, the EPMOA will not provide snow removal on the Village Way road this winter. The construction companies have contracted with a third party for their own snow removal. Road repair for Village Way will be determined with the completion of projects next year.

The older Unimog has been repaired. The new Unimog arrived in June.

There have been 25 sales year to date.

Seasonal lighting starts November 15th through April 15, 2020.

The next EPMOA Board election will start next March, 2020.

The Red Cloud entrance gate is almost done. The area looks much better. Revegetation efforts were stalled with the weather, but many bristlecone pines and aspen trees have been planted. Twisted Branch will remain a private road.

OTHER/ADJOURN

There were no other items. Doug made a motion to adjourn, Jeff seconded, motion carried. Meeting adjourned at 12:05pm.

Empire Pass Master Owners Association
Board Meeting Minutes
May 1, 2019 10:30am- 11:30am
White Saddle HOA Office
4188 SR 248, Kamas, Utah

BOARD MEMBERS PRESENT:

Doug Ogilvy | President, REDUS Park City
David Ash | Wells Fargo
Jeff Butterworth | Storied Deer Valley
Lisa Reynolds | Storied Deer Valley

BOARD MEMBERS NOT PRESENT:

Jay Wasserman | Elected Homeowner
Jack Mueller | Elected Homeowner

GUESTS BY PHONE:

Mark Enderle | Partner, Storied Development
Mark Yarborough | Partner, Storied Development
Mika Kagan | Deer Valley Representative

STAFF PRESENT: Trish Waterman, Jessica Layton, Steve Sovinsky and Alison Hayes

MEETING CALLED TO ORDER: Doug called the meeting to order at 10:32 and a quorum was present with those listed above.

REVIEW AND APPROVAL OF FEBRUARY 27, 2019 MEETING MINUTES: David made a motion to approve the February 27, 2019 meeting minutes, Jeff seconded, motion carried.

FINANCIAL REPORT:

Total Revenue is 100% of YTD budget. Assessment revenue is \$5k under budget as 3 parcels were budgeted and only 2 were assessed. Reinvestment fees were \$163K in Q1. Bank charges are slightly over budget. More people are paying assessments with credit cards resulting in an increase in merchant service fees. Office expense and insurance was over budget by \$3k. The insurance for Mine Bench Building 2 was more than budgeted. Fuel is over budget by \$7k due to snow removal throughout the harsh winter.

Community Patrol is under budget at \$16k compared to \$22k. Payroll expense is over budget \$10K due to snow removal overtime throughout the winter. Maintenance did hire another full-time employee. Road expense is \$93k, compared to \$45K budgeted. Salt expense was \$91K in the first quarter with a budgeted amount was \$80k for the year. Road expense is over budget due to the salt expense.

The snow removal contract the EPMOA has with UDOT is \$55k per winter season. However, the November to March total bill was \$77,295. The Board will discuss increasing the annual contract amount when the UDOT contract renews in two years. UDOT provides the MOA with 300 tons of salt, which is worth about \$8k. Maintenance is currently in negotiations with Park City and UDOT for better road signage to access Marsac Avenue. This sign would indicate winter road conditions and also Park City events in the summer.

Overall net income is \$795,099 compared to \$814,491 budgeted. These figures are strong considering the amount of snow removal this past winter.

There are two CD's that will mature in May, one Operating Fund CD, and one Reserve Fund CD. We will request renewal options from the bank and most likely renew both of them. Doug and Jessica have also been discussing investing some of the equipment reserve fund into a CD to earn interest and to protect funds not needed in the short term. The board agreed to invest \$250K into a two year CD.

There are two unpaid assessments from last year, both are in collections. There are 22 assessments that are unpaid.

CONSTRUCTION UPDATE:

There are 332 EPMOA units sold out of 412 total, which includes the Montage. Red Cloud has 4 homes under construction. Empire Residences condominium building is under construction. Road repairs will be done in the fall after heavy summer traffic.

MANAGEMENT REPORT:

Maintenance crews are currently working on the Grand Lodge Bridge and working on repairing road shoulder damage from this winter. The damaged Unimog should be returned in May. The new Unimog is currently on the boat from Europe and will be delivered mid-June.

There is a broken storm drain pipe on Marsac Ave. UDOT might close Marsac Avenue during the repair and reroute people through Deer Valley.

Empire Express passenger numbers are up 12%, or 55,353 passengers for Q1. Data shows that 95% of rides were generated by the app. Average wait times are approximately 8 minutes with an average user rating of 4.9 out of 5. The dispatch number will remain in use for the summer. However, starting this winter season the service will be exclusively app-based. The first time usage passenger code will be updated this year to avoid mis-use of the service. Data shows that ridership is up, but expenses are under budget due to increased efficiency. The contract is two years with a two year renewal. The service continues to increase efficiencies through group rides and they are able to keep their vehicle numbers down.

The service will be leasing their new fleet of vans in July. The service might recommend Nissan or Ford Transit vans with 4 wheel drive. Staff and the Board will meet with Downtowner to discuss service vehicles before selections are made.

Community Patrol continues to monitor parking, traffic issues, trash cans and construction compliance. Community Patrol now has a radar gun and will closely monitor speeding around Empire Pass.

There have been 12 sales year to date.

ADJOURN:

Doug made a motion to adjourn to Executive Session, Lisa seconded, meeting adjourned at 10:56 am to discuss an avalanche control issue.

EXECUTIVE SESSION:

The Board discussed an avalanche control issue and the Board authorized the President to continue with alternative solutions as discussed.

ADJOURN:

The Board reconvened from Executive Session at 11:15am. Doug made a motion to adjourn, Lisa seconded, meeting adjourned at 11:20am.

Empire Pass Master Owners Association
Board Meeting Minutes
February 27, 2019 | 10:30am – 12:30pm
White Saddle HOA Office
4188 SR 248, Kamas, Utah

BOARD MEMBERS PRESENT:

Doug Ogilvy | President, REDUS Park City
David Ash | Declarant, Wells Fargo
Jeff Butterworth | Declarant, Storied Development
Jack Mueller | Elected Homeowner
Jay Wasserman | Elected Homeowner by Phone
Lisa Reynolds | Declarant by Phone

GUESTS BY PHONE:

Ryan Reese | General Manager, Empire Pass and Deer Valley Representative
Micah Christmann | Asset Manager, Empire Pass and Deer Valley Representative

STAFF PRESENT: Trish Waterman, Jessica Layton, Steve Sovinsky and Alison Hayes

MEETING CALLED TO ORDER: Douglas called the meeting to order at 10:30 and a quorum was present with those listed above.

REVIEW AND APPROVAL OF OCTOBER 22, 2018 MEETING MINUTES

Doug made a motion to approve the October 22, 2018 meeting minutes, David seconded, motion carried.

FINANCIAL REPORT:

Overall revenue is \$2.7M, with \$2.3M budgeted. Revenue is \$445k over budget, which is mostly due to reinvestment fees, which are \$376,000 over budget. Design Review fees were also over budget \$17k, with \$56k collected. Expenses are \$1.9M, which is 94% of budget. Empire Express is under budget because there wasn't a long history of data. Downtowner has been fine tuning the service and the budgeted amount seems to be a reasonable amount moving forward.

EPMOA vehicles and equipment were \$31k over budget. There were a few necessary major repairs; Unimog 2 needed a new axle, which was \$16k and Unimog 4 needed a new engine, which cost \$15k. Payroll expenses are \$26k over budget because of higher payrolls in November and December.

The net income is \$821K. The Board discussed options for the cash surplus and it was suggested to shift the cash into the equipment reserve fund. There is road work and bridge repair for 2019, but those funds will come out of the reserve fund account. The percentage of funds to move to the equipment reserve was discussed. Jack made a motion to transfer \$800k into the equipment reserve, which would bring both the capital reserve and the equipment reserve funds to 100% funded, David seconded, motion carried.

The EPMOA has a 99 year lease on the Mine Bench Building for the maintenance team, which is capitalized. The maintenance for the mine bench building will be included when the next reserve study is done in 2020. The repairs to the mine bench maintenance building were discussed. The building could use a new roof and the interior should be remodeled as well. Jeff made a motion to get an estimate from an architect and engineer for the Board to review, Doug seconded, motion carried.

Maintenance is requesting approval to hire 2 full-time year-round employees. The additional cost is not budgeted and is estimated to be \$80k-\$100k. Doug made a motion for maintenance to move forward hiring the right candidates and did not see a financial issue, Jeff seconded, motion carried.

Maintenance is seeking approval for \$23k for a water meter at the Empire Pass entry landscaped area. PCMC is no longer providing water and the EPMOA must get their own meter. Jeff made a motion to approve the \$23k for the meter, Jack seconded, motion carried.

The asset amount of \$247K for compliance deposits was explained. The asset is restricted cash. When owners build, a compliance deposit of \$30k is required per construction site. This money is set aside and refunded at the end of construction.

The EPMOA has a 5 year contract with UDOT to plow snow from the lower round-a-bout at Marsac up to the bend at the horse corral. The annual billing is capped at \$55k until 2021, when the contract expires. Because of the large snow amounts this year, the \$55k total was reached in mid-February and the rest of the plowing will be an expense to the HOA. Maintenance would prefer not having the contract due to extra burden on staff and equipment, but realizes road access would be compromised if the EPMOA did not have the contract. Everyone agreed that discussions with the City and UDOT after this winter to review the contract would be a good idea.

MANAGEMENT UPDATE:

Village Way and Empire Club West are in need of road repair. Village Way has a condo project underway. The Larkspur Triplex and the Residences at the Tower will both start this spring. There is no way Village Way will survive 3 years of construction and road repair is necessary this year. There road repair will cost around \$30k. The Board agreed to wait until September to do the repair work, which will take about 2 days to complete.

The bid for road repair on Empire Club Drive west from Banner Court past One Empire Pass is around \$120k. There are no more construction projects on Empire Club Drive west. The EPMOA has the money in the Capital Reserve to fund the work.

Doug made a motion to approve road work on Empire Club Drive West and Village Way this September, Jeff seconded, motion carried.

EMPIRE EXPRESS

In 2018 there were 76,326 passengers, with 86% of rides created by the app. Wait times are averaging less than 8 minutes. If there is bad weather or a traffic delay, Downtowner will put a notification on the app which users see immediately upon opening the app. There have been instances of people in the same party all booking trips trying to get quicker pick-up times. There are also comments about the estimated time pickup fluctuating sporadically when getting close to the pickup time. We will keep sending out best use practices for the app.

Community Patrol has been going well. It was a great decision to bring them in house. They are monitoring speeding, construction job sites and helping with trash receptacles being put out and brought back in the same day.

ADJOURN:

Doug made a motion to adjourn to Executive Session, Jack seconded, meeting adjourned at 11:45am to discuss a legal matter.

EXECUTIVE SESSION:

The Board discussed a legal matter and the Board also authorized the President to continue with negotiations as discussed.

ADJOURN:

The Board reconvened from Executive Session at 12:30pm. Doug made a motion to adjourn, Jack seconded, meeting adjourned at 12:30pm.

Empire Pass Master Owners Association
Board Meeting Minutes
October 22, 2018 1:00pm -2:30pm
White Saddle HOA Office
4188 SR 248, Kamas, Utah

Board Members Present:

Doug Ogilvy President, REDUS Park City
David Ash Declarant, Wells Fargo
Jeff Butterworth Declarant, Storied Development
Lisa Reynolds, Storied Development
Jack Mueller, Elected Homeowner
Jay Wasserman, Elected Home Owner by Phone

By Phone: Mark Enderle, Storied Development, Mark Yarborough, Storied Development

Talisker MOA Staff Present: Trish Waterman, Jessica Layton, Steve Sovinsky and Alison Hayes

Douglas Ogilvy called the meeting to order at 1:00 pm and a quorum was present with those listed above.

REVIEW AND APPROVAL OF MINUTES

Review and Approval of May 22, 2018 Meeting Minutes and June 13, 2018 Meeting Minutes.

David made a motion to approve, Jack seconded, motion carried.

Q3 2018 FINANCIALS REVIEW

Revenue is at 118% of the budgeted amount. The MOA has collected \$931,000 in reinvestment fees. Expenses are 87% of budget. Overall YTD net income is \$1,242,386, which is ahead of budget.

There are 8 unpaid assessments, which have all been turned over to collections. The collections attorney recommends foreclosing on 2 units, which requires Board approval. The Board suggested the MOA be more proactive reporting past-due collection efforts. The Board would like accounting to take action against units that haven't paid their dues by the 3rd quarter.

Jay made a motion for the collection attorney to take action against the 2 oldest delinquencies, Doug seconded, motion carried.

The Board also requested the collection attorney send letters to the other 6 delinquent accounts. The Board also requested that late fees and interest be applied for assessments not received by the end of May of each year. Any letter sent to an owner regarding late payments will be sent by email and Fed Ex.

2019 BUDGET REVIEW

A 10% dues decrease is proposed for 2019. Overall, the budgeted operating expenses will be decreased by 9%. Payroll has gone up due to 2 new full time and benefitted employees for administration support and construction compliance. They are split with Tuhaye. The MOA is also looking for an additional part-time shop employee to help with vehicle maintenance for this winter. The budget also lists a 3% cost of living increase for all employees.

There is a \$125k reserve fund contribution. The reserve fund will be 102% funded at the end of 2019. The reserve projects for 2019 are budgeted at \$66k and include: sign post painting, stone repairs, slurry seal, crack fill, and guard rail repair. There is a minimal \$5k contribution to the equipment reserve fund.

Per the reserve study, the MOA is requesting a Unimog replacement be purchased for 2020. In order to receive the Unimog by 2020, we need to order it now. The total cost is \$338k and requires 30% down (\$116k), 60% before it ships (\$233k) and 10% upon delivery (\$39k). Doug made a motion to approve the purchase of the Unimog, David seconded, motion carried.

Doug made a motion to approve the 2019 Budget with a 10% dues decrease, Jack seconded, motion carried.

CASH

The options for the EPMOA CD ladder investments were discussed. As interest rates continue to go up, the MOA should consider investing \$1 million into a CD ladder into a 12-36 month window.

The timeframes when the next few CD's mature was discussed. The money can be taken out of the CD's at any time, but the interest will be lost. There is currently \$1.8 million dollars in unrestricted cash. The reserve fund is currently 100% funded and decreasing dues could be a long term trend.

The Board agreed the MOA could put up to \$1M into CD's this year. Doug made a motion to move \$750,000 into a ladder CD, Jack seconded, motion carried.

EMPIRE EXPRESS

The Empire Express budget amount for 2019 is \$823K. The wait times are averaging around 7-8 minutes. Downtowner continues to encourage new riders to download the app. The Board agreed to keep dispatch available for the 2018/2019 winter season and then have the service be completely app based. Staff asked the Board their opinion about keeping the ADA vehicle in rotation. The vehicle is smaller and not used that often and the cost is about \$14,000 year. The Board recommended to keep the vehicle in the fleet for when it is needed.

The contract with Downtowner for the Empire Express service is for 2 years with an option to renew for 2 more years. The app has been updated to start grouping more rides in each trip for efficiency. All vehicles in service are 4 wheel drive or all-wheel drive.

CONSTRUCTION UPDATE

- There are 4 houses under construction, plus the start of the Empire Residence project.
- The DRB is reviewing the Residences at the Tower Club. 2 homes just finished DRB review.

MAINTENANCE

The fire hydrants were flushed and light posts were painted. Dead tree removal continues throughout Empire Pass.

The shuttle depot in front of the Talisker Club needs to be re-stained. It was discussed if the shuttle depot is the EPMOA's responsibility. It appears the shuttle depot is in common space and would be an EPMOA responsibility. Steve will plan on having it stained.

The holiday lighting season is from November 15 to April 15 and lights can be on from 5pm to midnight.

SECURITY UPDATE

The idea of bringing security in-house has been discussed in the past. The shift coverage would be 16 hours per day, between both communities, which would greatly increase security presence. The cost for the conversion is about the same as the current budget. The staffing needs may require 2 full-time and one part-time employee. The estimated time start would be January 1, 2019. The Board asked staff to research license requirements, additional insurance, cost of providing them a vehicle and the job description.

The current security contract requires 30 day termination, which would be November 30, 2018 for a January 1, 2019 start. Board action is required to terminate the current security contract. The Board would prefer to let staff gather the requested information for their review before voting on the topic.

BOARD APPOINTMENT

The appointment of Lisa Reynolds, from Storied Development, has not been officially done. Jeff made a motion to appoint Lisa to the EPMOA Board, David seconded, motion carried.

OTHER ITEMS/ADJOURN

There were no other items to discuss. Doug made a motion to adjourn, David seconded, meeting adjourned at 1:55pm.

EMPIRE PASS HOMEOWNERS ASSOCIATION
BOARD MEETING – CONFERENCE CALL

MEETING MINUTES

June 13, 2018 | 2:30 – 3:00 pm

Conference Call

BOARD MEMBERS PRESENT ON CONFERENCE CALL:

- **Douglas Ogilvy** President | REDUS Park City
- **David Ash** Declarant | Wells Fargo
- **Jeff Butterworth** Declarant | Storied Development
- **Jay Wasserman** | Elected Empire Pass Owner
- **Jack Mueller** | Elected Empire Pass Owner

STAFF PRESENT ON CONFERENCE CALL:

Destination Hotels: Trish Waterman

Doug called the meeting to order at 2:30pm and a quorum was on the call with the attendees listed above.

Bylaw Amendment - The Bylaws language has been revised to modify the number of members on the Board while under Declarant control and after the period of Declarant control. The proposed Bylaw revision increases the Board from 5 members to 6 members while under Declarant control, to allow both REDUS and Storied Development to each have 2 representatives on the Board as well as the 2 elected homeowners. There is also added language in the event of a tie breaker.

There is a provision in the original Bylaws for the Board to increase to 7 members after the Declarant control period. The proposed Bylaw revision drops Board size back to 5 members at end of the Declarant control period. Long term, the Board will consist of 5 members; 4 homeowners and 1 Declarant. Jack made a motion to approve the Bylaws amendment, Jay seconded, motion carried.

Access Easement Discussion - REDUS owns 50% of a 215 acre property adjacent Red Cloud. REDUS has the land under contract, and as a condition of the sale, REDUS is proposing the recordation of an easement along Twisted Branch Road and Red Cloud Trail. The Red Cloud plat already shows the access point and the access easement from Red Cloud trail to the land southeast of the road. Red Cloud Trail is owned by the Empire Pass Master Owners Association while Twisted Branch Road is owned by REDUS (with easements in favor of EPMOA and Red Cloud). The proposed easement on the EPMOA owned Red Cloud Trail extends from the start of Red Cloud Trail to the Ontario ski bridge.

The Flagstaff Development Agreement has always contemplated the addition of a maximum of 8 single family lots in the area southeast of Red Cloud. The proposed easement includes language that upon commencement of development on the adjacent land, the adjacent land owner(s) will be required to pay their fair share of road maintenance costs as determined by EPMOA. Easement also includes provision for assessing construction impact fees.

The benefitted property is currently zoned open space, so the future developer will need to go through the Park City Planning Commission review process to secure development rights. Easement specifically excludes any use of Red Cloud Trail for accessing lands in Wasatch County.

The board discussed the impact of the proposed easement on EPMOA and Red Cloud homeowners. Concern was expressed that the easement did not include language addressing future land use southeast of Red Cloud. While the Flagstaff Development Agreement contemplates single family lots, nothing in the easement language would limit the development of condos or hotels adjacent Red Cloud.

From a financial perspective, the proposed easement language requires the adjacent land owner to pay its fair share of road maintenance costs for not only the Red Cloud Trail easement area but also EPMOA maintenance costs for Twisted Branch Road and SR224 from Royal Street Connector (Mine Bench) to Twisted Branch Gate.

Members were concerned that impact of adjacent development could outweigh the financial benefit of additional revenue for road maintenance.

David Ash made a motion to table the discussion and continue the meeting on Monday, June 18, 2018 at 3:00pm, Jack Mueller seconded, motion carried.

EMPIRE PASS HOMEOWNERS ASSOCIATION

BOARD MEETING

MEETING MINUTES

May 22, 2018 | 1:00 – 2:30 pm

Newpark Hotel Conference Room

BOARD MEMBERS PRESENT:

- **Douglas Ogilvy** President | REDUS Park City
- **David Ash** Declarant | Wells Fargo
- **Jeff Butterworth** Declarant | Storied Development
- **Jay Wasserman** Declarant | Elected Empire Pass Owner (by phone)
- **Jack Mueller** | Elected Empire Pass Owner

STORIED DEVELOPMENT, LLC

Mark Enderle and Lisa Reynolds, Mark Yarborough by Phone

STAFF PRESENT: Destination Hotels staff present: Trish Waterman, Jessica Layton and Steve Sovinsky

OWNERS PRESENT: Bobby and Roxan Anderes

Douglas Ogilvy called the meeting to order at 1:00 pm and a quorum was present with those listed above.

REVIEW AND APPROVAL OF MEETING MINUTES OF FEBRUARY 26, 2018

Jack made a motion to approve the February 26, 2018 meeting minutes, Jay seconded, motion carried.

REVIEW AND APPROVAL OF EPMOA ANNUAL MEETING MINUTES OF MARCH 5, 2018

Jack made a motion to approve the EPMOA Annual March 5, 2018 meeting minutes, Jay seconded, motion carried.

FINANCIAL REPORT:

Q2 FINANCIAL REVIEW

93% of assessments have been collected. There are 30 outstanding. Auditors are on site this week and hope to have audit finalized by July. There are 5 outstanding assessments from last year that are in collections. Late interest fees are 18%.

REVENUE

- Revenue is 109% compared to the budget.
- \$423k in reinvestment fees have been collected, with \$700k budgeted for the year.

EXPENSES

- Overall Expense are \$662,090, which is 90% of year to date budget.
- Professional fees are over budget \$4,000 due to an ongoing litigation matter.

- All other expenses included Empire Express are at or under budget.
- The oil shed design at the Mine Bench is still underway. Cost is approximately \$50k

RESERVE PROJECTS:

- Reserve work has started for this year. There is \$56k for patchwork, crack fill and slurry seal.
- \$35k to repaint all wood bridges and metal fencing.
- There is an estimated \$18k for rock repair.
- Reserve work total for 2018 is \$108,840 and the reserve study recommendation is \$129k.

Reserve Study discussion. The cash in the bank is about \$3M; \$1.1M to maintain and replace roads, \$350k is for equipment replacement, which is unrestricted capital. This year adding \$250k to the equipment replacement. Have working capital and past 4 years there have been reinvestment surplus. Last year bought a Unimog with working capital. Depreciation expenses are \$55k and are booked at the end of the year. Last year the Board considered lowering dues for 2018, but with the uncertainty of the Dial a Ride contract, dues remained the same as 2017 for 2018. Next budget cycle there will most likely be an opportunity to lower dues.

Empire Express is \$27k below budget. The 2018 budget is \$950k because the contract was not executed during the 2018 budget approval period and the Board estimated high. The contract with Downtowner is a 2 year contract with a 2 year extension. This past winter the contract called for a dispatch call center and we anticipate the possibility moving forward the service will be completely app based. Ran 12 vehicles this past winter. Downtowner will modify their algorithm on the app to accommodate more trip grouping for efficiency. This summer they will run 4 vehicles and the Board approved usage to be only app based only for the summer. Shuttles to Tuhaye this summer will be provided by the Club. The Board had asked Downtowner to consider reservations up to an hour in advance. Downtowner did not recommend reservations as it would make their app inefficient. The Board agreed to follow their recommendation as long as wait times remain low. The Board would like to see a full graph of wait times. December 29, 2017 Empire Express transported over 1,000 people, which set a new day record. For upcoming winter we will continue discussions with Downtowner to have a 4WD fleet for the 6 month lease for winter usage.

MANAGEMENT REPORT:

Congratulations to Jay Wasserman and Jack Mueller who were both re-elected for another 2 year Board term.

CONSTRUCTION UPDATE

- There are 392 units sold year to date.
- There are 3 units plus a condo building under construction.
- There are 3 homes currently in DRB review process.
- Empire Residences Condo Building has finished the DRB review process. They have not yet recorded their plat with the City. Once the plat is recorded then they will take reservations and go to contract.

PROPERTY MAINTENANCE AND IMPROVEMENTS:

Maintenance crews will be working on flushing out fire hydrants, painting light posts and cleaning out drainage boxes. Weed control and dead tree removal will start after all the snow melts. Reserve road work for 2018 has started.

NEW BUSINESS:

Brighton Estates HOA/Guardsman Pass Road Discussion— Mark Fisher, Brighton Estates owner, would like to discuss with the Board the possibility of the EPMOA and Brighton Estates entering a joint performance based contract with UDOT. UDOT does not want to generate a new contract for Brighton Estates to clear the section of road from the top of Twisted Branch Gate over the top of Guardsman down to the Y intersection heading to Midway. The Board discussed their concerns with the proposed contract and whether a future meeting is necessary. At this time the Board determined there would not be a future meeting.

OTHER:

Bylaws Amendment

There is consideration for the Board to allow an increase to a 6 member Board. This would allow Storied and REDUS vote as a block. There was a question of the benefit of adding the 6th member. While going through negotiations Storied struggled with buying a vast majority of the remaining Empire Pass assets and only having one Board seat and REDUS having 2 seats. Tie breaker language will be added in case of a 3 to 3 vote for the Board to review. REDUS and Storied being co-declarants they will vote the same as long as they have Declarant control, which is until 41 more units sell.

The Board discussed adding language that if the Board increases to 6 members now while under Declarant control that after the period of Declarant control the Board would go back to a 5 member Board with 3 owners and 2 declarants. The language presented did not appear to be the most recent draft and the Board tabled the Bylaws Amendment to do more research.

Management Agreement Adoption

The DHU management contract expires June 30, 2018. Storied Development has management agreement draft effective July 1, 2018 to hire all existing Empire Pass employees. David made a motion to execute the Storied Development management agreement, Jack seconded, Jeff abstained, motion carried.

Twisted Branch Road Subdivision Plat

REDUS foreclosed land previously owned by United Park about a year ago that is on either side of Twisted Branch Road from the Montage to the county line. This plat serves the purpose to define this land into parcels that can be developed. They want to plat the Red Cloud yurt as a lot and also plat Hot Creek as a lot, which has challenges to get private sewer to the site. Create Lot 1 for the Talisker Club Yurt, Lot 2 is the future restaurant site, Lot 3 is currently the City owned water tank and adjacent land and small parcel Lot 4 is City pump station. Storied would like to install the sewer this summer and the quicker this is platted the better. Deer Valley would prefer sewer installation be deferred. Storied understands that position, but they would prefer to get it in the ground so they can start Hot Creek. Twisted Branch Road will remain a private road.

There was a comment that the open area at the top of Twisted Branch Road that the Club uses looks terrible with cars and snow mobiles. The area will be reviewed and considerations made to clean up the area.

EXECUTIVE SESSION AND ADJOURN

Doug Ogilvy made a motion to adjourn the general session and move to Executive Session at 2:30pm, Jack seconded. The Board discussed the various legal issues. The Board reconvened from Executive Session at 2:45pm. Doug Ogilvy made a motion to adjourned, Jack Mueller seconded, meeting adjourned at 2:45pm.