

Empire Pass Master Owners Association
Annual Meeting
Friday, March 13, 2020, 4:45pm
The Montage, Deer Valley

Empire Pass Board Members Present: Douglas Ogilvy, REDUS Park City and Jeff Butterworth, President Storied Deer Valley, Jay Wasserman, Elected Homeowner and Jack Mueller, Elected Homeowner Present by Phone.

Empire Pass MOA Staff: Steve Sovinsky, Jessica Layton, Alison Hayes

Homeowners Present:

Phil Rosenbaum, Bill Redeker & William Robertson

Homeowners Present By Phone:

Jonathan Rod, Sue Muller & Heidi Keeling

Douglas Ogilvy, started the meeting at 4:45 pm and thanked everyone for attending.

DEER VALLEY UPDATE – Presented by Steve Graff, Deer Valley Director of Operations

Deer Valley has had a good year so far. Ski trip visits are up 3% for the year, despite the lower snow fall totals this year. The resort is 100% open. Recently announced capital improvements include renovating Snow Park Lodge. This results in a better flow throughout the property, updated finishes and expanded offerings. There will also be a new coffee shop/bistro.

Deer Valley will be updating all employee uniforms. Deer Valley is purchasing 4 new snow cats and spending \$14 million dollars on improvements this summer. Starting summer 2020/2021 there are two lifts scheduled to be installed that will better distribute people around the mountain. The lifts will also be very helpful for ski school. Deer Valley is building more biking trails this year and is focusing on Snow Park and Silver Lake. The plan is to make Snow Park the hub because of available parking.

The RFID system is working well and the real time data has been helpful for mountain operations. This year Deer Valley has had more sold out days than ever before and those sold out days have been earlier in the season than ever before. The number of skiers is capped daily around 10,000 – 10,500. There are 1,600 to 1,800 season pass holders that ski during holiday ski days, which is about 35%-40% of season pass holders. Icon pass holders have roughly the same number of season pass holders and are able to ski at Deer Valley during the Holidays.

If you work at Deer Valley for 25 years or more you get a lifetime pass. 25 people are on the grooming team and 9 of them will receive a lifetime season pass.

Deer Valley communicates often with the Mayflower Development. Deer Valley has a 99-year lease with XTEL, the company that owns Deer Valley and the Mayflower property. It has not yet been decided who will run the property, however, Deer Valley is committed to being a good neighbor.

Real Estate Update: Matt Magnotta, Berkshire Hathaway

Real Estate statistics for 2019 are not as great as years past. However, looking back two years shows a better trend as sales numbers are dependent on properties that have closed. In 2019, buyers committed to projects that are under construction that have not yet closed.

Older property resales that could use interior updating do not appear to sell as quickly or hold the appeal of new construction. Prospective sellers who have updated their homes tend to sell quickly and at higher prices.

New builds also offer many amenities that are appealing to buyers. Talisker Tower Club improvements should bolster the resale market especially for properties that have fewer amenities. Currently, the Residences at the Tower are 80% sold. Moonshadow is on the market and there is hope that those properties begin selling soon. The Empire Express service has been a great amenity for all Empire Pass properties. The Argent project by East West Partners already has purchase commitments for 14 of the 28 units.

Storied Development Update: Jeff Butterworth

There were four sites undeveloped at Empire Pass: Argent, which was sold to East West Partners, The Residences at the Tower, The Tower Villas and Moonshadow.

There is no target number of Club members to sustain the Talisker Club. There are currently plenty of members to keep the club sustainable. The updated fitness center at the Tower will be 40% larger than the old fitness room. There will be all new cardio equipment, weight machines and free weights. It is unknown whether renters may use Club amenities. It is a topic that remains under discussion.

The current masterplan shows up to 800 lots in Tuhaye, but as phases develop, the number of lots are decreasing. There are 372 lots right now in Tuhaye. The Hot Creek restaurant is still in development.

The EPMOA is very stable with fully funded reserves and may even reduce homeowner dues in the future.

Empire Express Presentation: Julian Lena from Downtowner

Operationally, this year has been the smoothest season so far. Managers carefully analyzed last year's numbers and factored in a 10% increase in ridership. The Holiday season was up 19%, Sundance was up 1% and President's weekend was up 1%.

There were two technology updates this year that improved the overall system. The current mapping system was over laid with Google Maps. The second was a walking direction enhancement on the app, which was helpful on Main Street with the new load/unload zones.

There is rarely unauthorized usage with the app. If there is an issue, the account is blocked. The access code does change every year, which has been helpful. There is a core group of drivers who have been working for the service for many years and they are familiar homeowners.

The service remains committed to the safety of all passengers and drivers. Owners appear to be very happy with the efficiency of the service and the friendliness of the drivers.

EPMOA Operations Update: Doug Ogilvy

Overall revenue was \$2,113,026, with expenses at \$2,054,915, which is a net income of \$58,111. There has been a surplus every year for the last 4 or 5 years. A portion of surpluses have been transferred to the reserves. Reserve funds are currently 100% funded. Reserve studies are performed every 3 years. The cash in the bank can cover all depreciation of assets. The EPMOA maintenance fleet is currently in very good shape.

The Mine Bench building has a 99-year lease. The MOA will install a new roof on that building this year, which will be much safer for those who work in the building.

Community Patrol has been a good asset. Their visibility in the community has been great for homeowners and for monitoring construction. Since brining community patrol in house, the service is provided at a lower cost. The EPMOA staff has been consistent for the last 10 years. An additional full-time maintenance crew member was recently added to help with plowing and servicing maintenance vehicles.

Summer maintenance activities are focused on tree removal and weed abatement. There is a lot of construction activity on Village Way.

The EPMOA Board election for the 2 homeowner seats are underway. Communications about the progress of the election will be coming soon.

Doug opened up the meeting for any questions. There were no questions and the meeting ended at 6:00pm.