

EMPIRE PASS MASTER OWNERS ASSOCIATION

BOARD MEETING MINUTES

MAY 11, 2021

10:00 AM to 10:25 AM

WHITE SADDLE OFFICE

EMPIRE PASS MOA BOARD MEMBERS PRESENT:

Doug Ogilvy | President

David Ash | Wells Fargo

Jeff Butterworth | Storied Living DV

Lisa Reynolds | Storied Living

Jay Wasserman | Homeowner Representative

Jack Mueller | Homeowner Representative

HOME OWNERS BY PHONE:

Julia Dewahl, Matt Lyons and Robert Warshauer

STAFF PRESENT:

Trish Waterman, Jessica Layton, Alex Mattinson, Steve Sovinsky and Tonya Farnsworth

MEETING CALLED TO ORDER:

Doug called the meeting to order at 10:02 AM

REVIEW AND APPROVAL OF THE MARCH 3, 2021 BOARD MEETING MINUTES:

David made a motion to approve the March 3, 2021 meeting minutes, Jeff seconded and the motion was carried.

REVIEW AND APPROVAL OF THE MARCH 30, 2021 ANNUAL HOMEOWNER MEETING MINUTES:

Jeff made a motion to approve the March 30, 2021 annual homeowner meeting minutes, Lisa seconded and the motion was carried.

Q1 2021 FINANCIAL REVIEW:

Assessments revenue is \$1,313,414, total income is \$1,950,425, and expenses incurred were \$696,097. Net income is \$1,254,327, compared to \$863,397 budgeted. Total revenue is 124% of budget. Q1 Reinvestment fees are \$586K, compared to \$187K budgeted. Q1 expenses total \$696,097, which is 97% of the budget.

Bank fees are over budget. The MOA recently implemented fraud protections and desktop deposit. Umbrella Insurance is over budget by \$8k, this is due to the increased value of the mine bench building from the installation of the new roof. Vehicle insurance is over budget due to the new truck purchased in December and hardening of insurance markets. Maintenance facility expense is over budget by \$6K. There was a gas line leak and the city shut off the gas and

propane was used all winter. Repairs and maintenance were up slightly due to some street light repairs. Payroll was over budget by \$2,000. Everything else was at or under budget.

The 2020 Financial audit is in the final review phase. A draft will be sent as soon as it is available. At the end of Q1 there were 45 outstanding assessments, compared to 17 last year. Half of those 45 were collected in April.

CONSTRUCTION AND MAINTENANCE UPDATE:

There are 364 EPMOA units sold. Red Cloud has 4 homes under construction, 1 more is anticipated to start construction, and there are 4 homes going through the different phases of the design review process. Nakoma has 2 homes under construction, with 2 more anticipated to start this spring. There is one home under construction in Bannerwood.

Empire Residences condominium building is still under construction and has closed on 14 units at the time of this report. The Residences at the Tower are under still construction and has closed on 1 unit at the time of this report. The Argent condo building on Village Way is under construction.

Maintenance crews are getting ready for the snow to melt and start their summer maintenance. Road work in Empire Pass this spring/summer will be in Red Cloud on Ruby Hollow and some areas on Twisted Branch. There will also be rock repairs on Twisted Branch Road too. UDOT will also be replacing some areas of retaining walls on Marsac Avenue.

MANAGEMENT REPORT:

Empire Express: Quick stats for Q1 2021. There were 36,846 passengers and 12,462 rides. The average wait time was at 6:49 minutes and the average rating is 4.97 stars out of 5.

Friendly reminder that the service is for owners and their guest(s) staying in Empire Pass. Please do not give out the app to family and friends not staying in Empire Pass. Downtowner has reduced the group rides per vehicle down to half for passenger safety. The drivers have been cleaning the vehicles after each ride and everyone is required to wear a mask.

2020 Year to Date Sales: 66 sales: 13 original sales and 53 resales.

2021 Year to Date Sales for this Quarter alone: 46 total: 12 original and 34 resales.

OTHER: HISTORIC PRESERVATION UPDATE:

The City has agreed to advance the 2022/2023 contributions to fund for the Daly Head Frame project for both Empire Pass and Park City. Reconstruction the Daly Head Frame should start early June of this year.

NEW BUSINESS:

There was no new business.

ADJOURN:

Jay made a motion to adjourn, Doug seconded, and the motion was carried. The meeting was adjourned at 10:25 AM.

Empire Pass Master Owners Association
Board Meeting Minutes
March 3, 2021
11:00 am -11:30 am
White Saddle Office

BOARD MEMBERS PRESENT:

Jeff Butterworth | Storied Deer Valley

BOARD MEMBERS BY PHONE:

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

HOMEOWNERS BY PHONE:

Bob Freeman
Roxan Anderes

STAFF PRESENT:

Alison Hayes, Alex Mattinson, Jessica Layton, Trish Waterman & Steve Sovinsky

MEETING CALLED TO ORDER:

Doug called the meeting to order at 11:05 and a quorum was present with those listed above.

REVIEW AND APPROVAL OF THE OCTOBER 13, 2020 MINUTES:

Jeff made a motion to approve the meeting minutes, David seconded, motion carried.

Q4 2020 FINANCIAL REVIEW:

Total revenue is 138% of budget at \$2,729,479. Assessment revenue is \$1,387,085. Reinvestment fees totaled \$1,060,730, which is 212% of budget. This is due to an increase in real estate sales.

Miscellaneous is over budget by \$192,000 which is attributed to the \$177,000 for Historic Preservation income, which was not budgeted. The 2011 Chevrolet truck, old loader and Unimog 1, were all sold, totaling \$26,000.

Overall year to date expenses total \$2,062,820, which is 102% of budget, and over budget by \$40K. Total admin is \$3K under budget. Empire Express was under budget by \$95K. Vehicle & equipment is over budget by \$8K, the backhoe lease was \$5K over budget and auto car repairs were over budget.

Overall maintenance was under budget by \$5,500, however landscaping was over budget by \$5K. Historic preservation expense was over budget, but is offset by revenue. \$101,629 was spent on the Judge Smelting building and \$31K of consulting and engineering was spent on the Daly Headframe.

Net Income is \$729K compared to \$0 budgeted. The Reserve fund is 111% funded and the equipment reserve is 72% funded.

CONSTRUCTION AND MAINTENANCE UPDATE:

There are currently 354 Empire Pass units sold, plus 81 units at the Montage. 4 homes are under construction in Red Cloud, one was recently approved by the DRB. There are 3-4 single family homes anticipated to submit plans to the DRB. Nakoma has 2 homes under construction with 2 more starting this spring, and 1 home is under construction in Bannerwood. Residences at the Tower is still under construction along with the Argent project. Empire Residences have closed 7 units, 1 unit has closed at the Residences at the Tower.

The Tower Residences will start closing May/June 2021 and is projected to completely close by August 2021. Argent has sold all their units or are under contract.

Just a friendly reminder winter street parking is prohibited in Empire Pass from November 1st through April 15, 2021. Towing is enforced.

MANAGEMENT REPORT:

Empire Express Quick Stats Q4 2020: 10,821 passengers, 3,557 rides, 6:48 minutes was the average wait time, average rating is 4.97 out of 5 stars.

January 2021 Quick Stats: 10,688 passengers, 3,556 rides, 6:22 average wait time, average rating is 4.97 out of 5 stars.

Empire Express drivers recently brought it to our attention that there has been a recent increase in misuse of the Empire Express app. The service is exclusively for Empire Pass owners and their guests staying in Empire Pass. The app should not be given to friends and family who are not staying in Empire Pass. The Empire Express drivers can detect unauthorized usage when rides originate from properties not within Empire Pass. The service provider can block numbers that are not authorized to use the app.

Seasonal Holiday Lighting ends April 15th.

2020 YTD sales: 66 sales, 13 original and 53 resales.

2021 YTD sales: 15 total, 4 original and 11 resales.

HISTORIC PRESERVATION:

The Daly Headframe cost was more than originally estimated. The work on the headframe should start in June and be completed sometime in the fall.

NEW BUSINESS:

There is no new business.

Jack motioned to adjourn, Jeff seconded, motion carried. The meeting adjourned at 11:30am.

EMPIRE PASS MASTER OWNERS ASSOCIATION
Board Meeting Minutes
October 13, 2020
2:00pm – 2:50pm
White Saddle HOA Office

BOARD MEMBERS PRESENT:

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

BY PHONE:

Roxan Anderes & Gary DeLong

STAFF PRESENT:

Steve Sovinsky, Trish Waterman & Alison Hayes

MEETING CALLED TO ORDER:

Doug called meeting to order at 2:05pm and a quorum was present with those listed above.

REVIEW AND APPROVAL OF the AUGUST 19, 2020 MEETING MINUTES:

Doug made a motion to approve the August 19, 2020, David seconded, motion carried.

Q3 2020 FINANCIAL REVIEW:

Total revenue is 120% of budget. Reinvestment fees total \$498,206, which is 152% of budget. The Design Review Board (DRB) and miscellaneous income is over budget. Overall year to date expenses are \$1,401,933. Vehicles and equipment is over budget. Historic Preservation is over budget, but is offset by revenue. Net income is \$771K, compared to the \$364K budgeted. There were no questions about the Q3 2020 financials.

2021 PROPOSED BUDGET REVIEW AND APPROVAL

The 2021 budget proposes keeping dues the same for 2021. In anticipation of new developer closings, reinvestment fees were increased to \$600K.

A discussion ensued about whether there are costs driven by homeowners spending more time in their properties later into the fall season due to the current pandemic. The road maintenance doesn't change and the Empire Express service is a variable expense that cycles up and down with the homeowner population. This year Sundance will be scaled back and that may have an impact on winter expenses.

There are no anticipated legal issues and professional services were reduced. The management fee was increased 3% per the contract. Insurance is up \$9K from last year to insure the new UNIMOG and the umbrella policy increased \$5K due to market hardening. Downtowner is up slightly at \$6K. Payroll is

increased \$36K to include a 3% COLA for all employees and hiring an HOA Manager. The position will be split 40/60 with the Tuhaye HOA. Road expense increased \$8K to allow a cushion for salt and budgeting a snow hauling sub-contractor. Snow storage in Red Cloud is no longer available and snow may need to be hauled off-site. DRB has been reduced by \$4K, as reviews have slowed down.

The Historic preservation budget is \$80K. The MOA's annual obligation is \$40K and PCMC's annual obligation is \$40K.

After reviewing the proposed 2021 Budget, the Board determined the MOA is in a good position to lower dues 10% for 2021 and to increase the reinvestment fees to \$750k. Dues were last lowered in 2019 by 10%.

Jay made a motion to approve the 2021 budget with a 10% dues reduction and increasing the reinvestment fees to \$750k, Jack seconded, motion carried.

2020 CAPITAL RESERVE STUDY & EQUIPMENT RESERVE STUDY REVIEW AND APPROVAL

The Board was emailed copies of the capital reserve study and the equipment reserve study before the meeting. The capital reserves are projected to be 103% funded at the end of 2021.

The values changed on the Equipment Reserve Study after updating the cost of replacing the Unimogs. The previous reserve studies based replacement value on buying used equipment, which has been difficult to find. The new equipment reserve study calculated new Unimog values. New purchases for 2021 include a new Unimog and a pickup truck. After these purchases, the equipment reserve fund will be 54% funded at the end of 2021.

Ruby Hollow in Red Cloud will be repaved next year after a number of construction projects are completed. There are no surprises in either of the reserve studies and the MOA recommends approving both reserve studies.

Doug made a motion to approve both the 2020 Capital Reserve Study and the Equipment Reserve Study, Jeff seconded, motion carried.

CONSTRUCTION & MAINTENANCE UPDATE:

There are 340 EPMOA units sold. There are 420 total including the Montage. Red Cloud has 4 homes under construction and Nakoma has 2 homes under construction. There is a single family home in Bannerwood that just received DRB approval. The DRB anticipates the submittal of 2 Nakoma homes and 3 Red Cloud homes.

The Empire Residences anticipates to start closing units at the end of 2020. The Tower Villas are completed and we have received closings for 2 of the 3 units. The new Argent condo building on Village Way is under construction. 13 out of 14 units at the Tower Residences have sold. Empire Residences has an estimated 4 units remaining unsold. Argent has sold an estimated 15 of the 28 saleable units.

After a few delays in the schedule, Village Way repaving was completed 10/3/20.

Starting November 1, 2020 through April 15, 2021 winter road parking conditions take effect. Any vehicle parked on any road in Empire Pass during a snow storm or overnight will be towed. Towing signs will be put up throughout Empire Pass.

Construction on the Mine Bench roof should start within the next two weeks.

MANAGEMENT REPORT:

Empire Express 2020 Q3 Quick stats: There were 9,700 passengers compared to 11,500 passengers in Q3 of 2019. Downtowner has reduced group rides per vehicle down to half for passenger safety. The drivers clean vehicles after each ride and everyone is required to wear a mask.

Seasonal holiday lighting starts Nov 1, 2020 through April 15, 2021. Lights can be on from 5pm through midnight and lights should be on a timer.

There have been 6 original sales and 30 resales at the time of this report.

UDOT SNOW REMOVAL CONTRACT

The current 5 year UDOT contract expires January 16, 2021. The snow removal costs of that road are significantly higher than the contract amount. UDOT is required to put the project out to bid and the EPMOA is typically the only entity that bids on the project. Doug will contact the Board through email when the bidding process is open, which may be sometime in November.

The EPMOA staff wanted to let the Board know that finding qualified or interested seasonal plow drivers for the upcoming winter is proving difficult. Recruiting continues and we are hopeful to find qualified candidates.

HISTORIC PRESERVATION UPDATE

The Judge Mining and Smelting building project is completed and was \$50,000 less than budgeted. The Daly Headframe project is the next priority. There is one bid, which is \$350,000, to move and stabilize the headframe. This is a difficult project to bid and the project will most likely be done on a time and materials basis. Currently, the historic preservation account does not have \$350,000. There is \$150,000 in the fund, with \$80,000 total contributed each year. Doug is proposing both the EPMOA and the City front the funds to get the project done and then future contribution payments would be reduced. The Daly Headframe would be a good project to do next year.

The Board agreed with Doug's direction.

NEW BUSINESS/OTHER

There were no other issues. The meeting was adjourned to Executive Session at 2:45pm to discuss a legal matter.

RECONVENE FROM EXECUTIVE SESSION:

The Board reconvened from Executive Session at 2:50pm and all agreed with the direction discussed regarding the legal matter during Executive Session.

ADJOURN:

David made a motion to adjourn, Jack seconded, meeting adjourned at 2:50pm.

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 EP MOA 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.