

EMPIRE PASS MASTER OWNERS ASSOCIATION

Annual Board Meeting

March 27, 2024

4:00PM to 5:00PM

Meeting by Zoom

Empire Pass MOA Board Members:

Doug Ogilvy | President –Present

Jeff Butterworth | Storied Living DV – Present

Jay Wasserman | Homeowner Representative – Present

Dave Pottruck | Homeowner Representative – Not Present

David Ash | Wells Fargo – Present

Lisa Reynolds | Storied Living – Not Present

Homeowners Present:

Marco Caggiano, Roxan Anderes, Rory O’Neill, Andy Jeffrey, Marc Consignore, Ken Bassett, Steve Moore, Maureen Petron, Rufus Frost, Matt Lyons.

EPMOA Representatives Present:

Trish Waterman, Steve Sovinsky and Tonya Farnsworth

Others In Attendance:

Matt Magnotta, Christies Real Estate PC; Julian Lena, Empire Express Ride Service (Downtown); Steve Graff, Deer Valley Vice President of Mountain Operations

Meeting Called to Order:

Doug Ogilvy called the meeting to order at 4:05PM.

EPMOA Board Election Update: Presented by Jay Wasserman

Jay Wasserman has served on the EPMOA Board since inception 17 years ago. The Board election is currently underway and the current 2 homeowner representatives, Jay and Dave Pottruck are both running again. The turnover of the Board to the owners is

anticipated to be in the next few years. Jay and Dave would like to ensure a seamless transition and are committed to working with staff and the Board to set up the documents for the transition. When the transition takes place, the Board will be a 5-person Board and 3 more additional seats for owners will be available. Jay encouraged interested parties running for the Board seats to wait for the transition.

Deer Valley Operations Update: Presented by Steve Graff, VP Mountain Operations

Deer Valley will be extending the season an additional week until April 21st with a reduced amount of terrain available. The fire mitigation efforts are ongoing and will continue every year. With coordination and direction from local and federal agencies, Deer Valley will continue to make burn piles and do a burn day in the fall when snow first falls. Steve discussed the upcoming projects and the expansion for an additional 3,700 acres of terrain. Steve also asked season pass holders to check their email as there will be some Expanded Excellence terrain tours available. The new terrain will be a mix of ability level skiing and will create much longer runs. There is one run that will be almost 5 miles long.

Real Estate Update: Presented by Matt Magnotta, Christies Real Estate PC

Matt has been involved with Empire Pass for the past 14 years. Empire Pass continues to be a very sought after community with the Talisker Club amenities, and the Deer Valley expansion, it will only continue to drive demand. The final condominium project, Sommet Blanc, has started construction. The Sommet Blanc project is about 70% sold out and is estimated to be a 30–36-month build. Prices in Empire Pass have doubled in the past 5 years and the price per square foot is consistently over \$2k per square foot. Matt's presentation is available at the end of this report.

Empire Express Update: Presented by Julian Lena, Downtowner

The 2023 ridership numbers were 90,848 passengers, 30,635 rides, average wait time of 10 minutes and an average rating of 4.96 out of 5. This year the fleet consists of 6 Mercedes Sprinters, 1 Ford Transit, 1 ADA vehicle and Jeep Wagoneers. There were 15 full time drivers and 5 part time drivers. Downtowner has also picked up contracts in Park City and have a pool of 75 drivers that could fill gaps in the schedule during busier times. There are a few improvements they will continue to work on going forward. International phone numbers are not able to create accounts. They will be working with WhatsApp to communicate with international phones and work through the issues. The inaccurate wait times come through a few different avenues, which include the timeframes when drivers accept riders, cancellations, shift changes and combination rides.

Financial Update: Presented by Doug Ogilvy

2024 Budget Snapshot

On October 25, 2023, the Board of Directors approved an operating Budget for the year ending December 31, 2024. The budget includes \$2,612,595 in operating income and \$3,001,428 in operating expenses, which provides a negative net income after expenses equal to -\$388,834. The decision was made to absorb some retained earnings from prior years in addition to increasing assessments 23% for 2024. The budget was emailed to all owners in November 2023 and is on our website for your review.

2023 Year End Financial Summary

- 2023 Preliminary year end unaudited financials show a net operating loss of \$-380,549, compared to a budgeted net operating loss of \$-376,155.
- 2023 Revenue totaled \$2.66M compared to \$2.36M budgeted.
- YTD Reinvestment fees totaled \$1.2M, compared to \$900K budgeted.

2023 Expenses totaled \$3M, compared to \$2.7M budgeted, over budget by \$307K.

- Vehicle insurance is over budget \$12K due to rising rates and higher vehicle values.
 - Downtowner is under budget \$61K.
 - Vehicles and Equipment are over budget by \$56K due to higher costs and last winter's much higher than normal snowfall.
 - Fuel is over budget \$22K, related to record amounts of snow and higher fuel prices.
 - Repairs and Maintenance is over budget by \$22K. There were four streetlights that were replaced.
 - Payroll is over budget by \$105K related to extra hours and overtime for snow removal.
 - Road expenses are over budget \$64K due to road salt, outside contractors for snow hauling, outside contractors plowing Moon Shadow, and temporary repairs to the salt shed that failed. A new salt shed was built at the Mine Bench which cost \$445K.
- The 2023 financial audit is in progress and audited financials will be posted on our website once complete and approved.

Reserve Study

- Both the equipment reserve fund and capital reserve fund are well funded. We have \$413K budgeted for reserve fund capital projects this summer, which include road repairs, and stone repairs.

Manager Report: Presented by Trish Waterman

Empire Pass Board of Directors Election

- The Board of Directors election is currently taking place. The two (2) homeowner seats are up for election. The current homeowner Board representatives, Jay Wasserman and Dave Pottruck are both running again. The election will be completed this May, and we will send out an announcement of the results.

Empire Express:

2023 Quick Stats

- Passengers: 90,848 (88,210 in 2022)
- Rides: 30,635 (29,083 in 2022)
- Average Wait Time: 10 minutes (9 minutes in 2022)
- Average rating out of 5 is 4.96 (4.96 in 2022)
- Downtowner continues to provide current updates for users when they open the app to immediately see unexpected severe weather conditions or traffic delays.

Empire Express Friendly Reminders:

- Please do not book multiple rides for the same trip. Doing this increases wait times for others, as the duplicate requests take up space in vehicles.
- When looking at wait times displayed on the rider app, please note they are rounded to the nearest minute, and will show 1 minute at a minimum.
- The service is exclusively for owners and their guests staying in Empire Pass. Please do not give out the app to friends and family not staying in Empire Pass.

Maintenance Updates:

- The EPMOA contracted with UDOT to provide snowplowing services for the Mine Road this year. Park City Municipal has also contributed monetarily to the EPMOA snow removal services. Both agreements run through June 30th but anticipate annual extensions.
- The new salt bin at the Mine Bench was completed last October.
- Please keep all cars off the roads in Empire Pass during snowstorms so our plows can safely clear the roads. Any cars parked on the street during snow accumulation may be towed at the owners' expense.
- Please keep trash containers out of the street to avoid plow damage. We ask that the containers be placed at the end of your driveway.

- Fallen dead tree removal around Empire Pass remains an ongoing project.

Construction Updates:

- There are currently 4 homes under construction in Red Cloud. 1 other home may start this summer. Nakoma has 1 home under construction. Moonshadow has 3 homes under construction and another 2-3 should start construction this spring. The Sommet Blanc project next to Ruby Chair lift recently started construction.

Real Estate Sales

- Year to date 2024, there has been 5 sales.
- 2023 finished with 38 sales: 3 original sales and 35 resales.
- There are 497 EPMOA total units sold, including 81 units at the Montage and 5 Merchant Builder lots in Moonshadow. This leaves 410 Class A Members.
- Homeowners will take over control of the EPMOA Board when there are 413 Class A Members (75% of 550). This number will be reached after 3 of the 5 Merchant Builder units in Moonshadow have closed. We anticipate this to be within the next 18-24 months.

Other Business

There was no other business.

Homeowner Forum

Q: When the Board turns over to the owners, who will be responsible for maintaining the tipping sites for new construction?

A: The EPMOA assumed those rights from REDUS, however, there are still opportunities beyond the current 2 sites. Further down the road, there are no guarantees of where tipping sites may be available.

Adjournment

There were no other questions. The meeting ended at 4:54pm.