

Edelweiss Haus Homeowner's Association
Annual Meeting
October 18, 2013

In Attendance

Kathy Minck –	E203C
Neil & Chris Timothy –	E219
Roger Phelps –	E221A (via phone)
Patricia Tehrani –	E222A (via phone)
Carolyn Young & Kip Hard –	E224A
Shane & Meg Kemp –	E307A
Hilary Williams –	E308A
Carol Silverman –	E410A
(via phone but had to leave so proxy assigned to Carolyn Brannan - EWB)	
Laurie Baker –	E412B (via phone)
Carolyn Brannan –	EWB
Jon & Susan Norgren –	EWE-A
Diane Harrell –	EWH-A
Chris Faris –	EWN-A
Mike Washburn	E118
(representing Marcia Price)	

Proxies Received

Phil McCall –	E101A – assigned to Hilary Williams
David & Melanie Jarvis –	E102-A – assigned to Hillary Williams
Kevin Wechter –	E116 – assigned to Hillary Williams
Richard & Ellen McBride –	E305 – assigned to Hillary Williams
Gemma Lenard –	E409 – assigned to Monica Swindel
LDP Skiers –	EWA – assigned to Hilary Williams
Timothy & Kim Ward –	EWC-B – assigned to Monica Swindel
Michelle & Bill Grant –	EWD-A – assigned to Hilary Williams
Brian & Sydney Wallace –	EWK-A – assigned to Chris Faris
Jason Grauch –	EWM-A – assigned to Rhonda Sideris
Robert Woolsey –	EWO-A – assigned to Carolyn Brannan
Bob & Ruth Stephens –	EWP-A – assigned to Shane Kemp
Linella Kay Selway –	EWU-A – assigned to Monica Swindel

Representing Park City Lodging, Inc.

Rhonda Sideris, President
Woody Sideris, Maintenance
Trudy Stump, Maintenance
Monica Swindel, Accounting

A quorum was established. Meeting called to order at 3:10 PM.

Review and Approval of the 2012 Minutes

Chris Timothy made a motion to approve the 2012 minutes. Shane Kemp seconded the motion. All in favor. None opposed. Motion carries.

Old Business

Maintenance Recap

Notice was sent to all owners that Bret Whiting is no longer with Park City Lodging, Inc., Inc. Woody Sideris and Trudy Stump will be managing the HOA and maintenance department.

The largest project that was completed at the complex this year was two boiler replacements in Building A. In addition to the two boilers being replaced, all boilers were re-piped with new copper piping. The contractor brought in a piece of the old piping and it was evident that the pipes needed to be replaced.

Park City Lodging, Inc. has done some landscaping projects including removing trees and adding trees where it was deemed necessary. The large, dead pine tree in the courtyard will be removed and then a plan will be created to landscape this area in the spring.

The pool chemical feeder was re-built.

One project not completed due to the expense of the boiler replacement is the south stairs in the alphabet building. They will be replaced in 2014. There is also a lot of ongoing maintenance. The concrete is starting to fail in multiple areas. Metal supports of the stairs are also starting to fail, which will be looked at in 2014.

It was noted that the boiler project was a large expense but funds were used from both the checking and reserve accounts to pay for the replacement. Savings will also be realized in energy costs and boiler maintenance. It was noted that the heat is shut off in the summer but limited boilers are still operating. A discussion ensued regarding the pipes inside the units being warm year-round. It was noted that this may be due to zone valves going bad. If an owner is experiencing warm pipes year-round, please contact Park City Lodging, Inc.

Mike Washburn noted that he is a licensed Utah State General Contractor as well as a full-time property manager in Salt Lake. Mike has spent approximately 20 hours at Edelweiss Haus since around June 1st trying to figure out the problems in #118, which may be similar to problems in other units. The unit is right over the boiler room in the B Building. He has been unable to use the unit since June due to the heat in the unit. Mike met with Doug from Heber Valley Mechanical to look at this problem and it was determined that the way the system is run, a pump runs all the time down to the end of the line and heat can go up into the individual units even if no one is calling for heat. There are spring-loaded valves that blow open even when the thermostats are off, and it doesn't matter if the boiler is running, the unit is heating. The head pressure on the valve that opens into #118's space also needs a bypass valve at the end of the run in the B Building to take pressure off the valves and the pump. Mike also noted that the fan that dumps waste heat from the boiler room into the garage does not work. A real fan with a real thermostat is needed in this area. Mike asked for a resolution to this problem so he can use the unit. Rhonda Sideris noted that Park City Lodging, Inc. will look into it. It was noted that the boilers also serve the pool and hot tub so even though a unit is not calling for heat, they are still firing up. Mike Washburn also noted that unit 118 has exposed copper piping in the owner closet, as does other B Building owners. Mike suggested that the pipes need to be enclosed (units 224 and 118). Park City Lodging, Inc. will look into this also.

Further discussion ensued regarding the zone control valve. This is controlled by a thermostat, but it is part of the heating system and may need to be replaced. If the valve doesn't shut all the way water can get

into the line. The current valves are spring-loaded and it was suggested that a ball-style valve be used instead. It was determined that the spring loaded valves will be replaced, the boiler room fan and bypass will be addressed.

A discussion ensued regarding replacing windows with double paned, energy efficient ones. The specifications can be obtained from Park City Lodging, Inc., Inc. Rhonda Sideris recommended two contractors, Contractor Window Supply and Summit Valley Glass to do the work. An attendee asked about the large picture windows at her unit – is it one large piece of glass between the two units. It was noted that Park City Lodging, Inc. will send the specifications to all owners and questions should be directed to a window contractor.

The re-staining of the wood railings has been done at the units that they could gain access to. The remaining railings will be done next week, as well as the window washing.

If Park City Lodging, Inc. does not have a key for a unit that they need to access, the owner will pay for the lock pick. Mike Washburn expressed concern over someone entering his unit without authorization. It was noted that the keys for the units that are not managed by Park City Lodging, Inc. are kept in a lock box that only Woody and Trudy have access. The key policy is for the safety of the homeowners association. It was noted that the key policy is in the CC&Rs. It was also noted that if someone uses a unit without authorization, the police should be contacted. Park City Lodging, Inc. is bonded and insured.

Summit County has had a problem with bed bugs recently. At the 2012 annual meeting the HOA budgeted for bed bug inspections of the entire complex. It was noted that bed bugs can travel through electrical outlets to other units or adhere to a suitcase being transported down the hall, etc. The inspection looks for eggs and bugs. If bed bugs are discovered, the unit owner is financially responsible for the removal of them. The removal process includes heating the unit to 220 degrees, which will kill the bugs, larvae and eggs. The detection dog inspects the unit again to make sure the bugs are gone. This process is guaranteed for 90 days. It is very important that each unit participate in the inspection, therefore, each unit needs to be accessed. If there is not a key for the unit, the unit owner will be responsible for the lock picking of the unit.

Regarding the bulk gas purchase mentioned at last year's meeting, the HOA did not qualify due to the usage amount.

Long Term Tenants

Park City Lodging, Inc. has received many complaints, police reports have been filed, arrests have been made, citations have been issued and fights have ensued involving long term tenants. The Board of Directors have decided that effective immediately a notice will be sent to all owners stating that if you rent your unit to a tenant for longer than 30 days at a time, a tenant registration form must be filled out and kept on file with the HOA management company. This is for existing long term tenants as well as any future long term tenants. Fines will be incurred by the unit owner if the form is not submitted and/or if there are any violations of the rules and regulations of the HOA. It was noted that the CC&Rs state that the complex is not intended for long term stays.

The 2012 meeting minutes state that long term tenants are parking in the underground garage. Effective immediately, every unit gets one garage parking pass on a first come first serve basis. A second pass will not be given out to a "unit" if one pass is already out for that same "unit". The Rules and Regulations of the HOA state that no extended parking is allowed. Park City Lodging, Inc. patrols both the underground and the rear parking lot to make sure every car has a pass. It was noted that if Diamond Parking writes at least 15 tickets per ten days, they will not charge to monitor the parking, otherwise, it is \$150 per month.

There is signage stating violators will be towed. Park City Lodging, Inc. will increase the frequency of the patrols and look into options with Diamond Parking.

An attendee noted that he was visiting the property in July and there were many kids at the pool as a guest of a child that lives at the complex. One of the kids brought his dog into the pool. It was suggested that there be a limit on how many guests a tenant can have. Incidents such as this should be reported to the front desk.

Any owner who has long term tenants will now be assessed an additional \$100 per month to cover the costs of utilities. The By Laws and CC&Rs do not require a vote on this issue but the board asked that there be a vote.

Patricia Tehrani expressed concern over the perception that Edelweiss Haus is “the party house”. Rhonda Sideris noted that once the recession hit, several unit owners turned their units into long term rentals. Three of the owners are now back to nightly rentals. Rhonda also noted that last year there was a scam at Edelweiss Haus where some people showed up who rented a unit through Craig’s List. The Board of Directors are trying to put something in place, including fines that make the tenants responsible as well as the owners being responsible for their tenants that are creating a problem for other owners and guests staying at Edelweiss Haus. It is expected that this will encourage owners to screen their tenants and ensure that the policies of the HOA are followed. It was suggested the updated rules be provided to renters. Depending if a unit is a nightly or long term rental, fire code dictates how many people can be in a unit at a time. City Codes will be reviewed in connection with updating the rules and regulations. The board has determined up to four people can live in a unit for 30 days or longer and up to eight people for nightly rentals.

It was noted that the last time dues were increased was in 2009 for \$10.00 per month. When Park City Lodging, Inc. started managing the property dues were \$400 per month. Dues were then increased to \$467.50 in 2008. Currently dues are \$477.50 per month. Utility expenses continue to increase, due in part to the number of long term tenants living at the property.

Shane Kemp motioned to require the registration of long term tenants with a \$100 per month extra charge to reimburse for utilities that will be billed on the monthly dues bill to owners with long term tenants.

Discussion on the motion: A discussion ensued regarding improving the appearance of the property and the perceived type of people that are living at the property. It was noted that the motion has to do with utilities and registered tenants.

Carolyn Young seconded the above motion.

Discussion on the motion: An attendee asked how much of the HOA dues go toward utilities. Rhonda Sideris noted that the natural gas, water and sewer are \$85,000.

An attendee asked if nightly renters were monitored for partying late into the night as well as long term tenants. All occupants are monitored.

A voice vote was taken on the above motion. All in favor. None opposed. Motion carries.

Addendum: The Board of Directors is reviewing a utility analysis and reconsidering the \$100 fee.

New Business

Capital Improvements

According to the reserve study, the laundry room was supposed to be remodeled this year as well as the stairs as referenced in the maintenance recap. The building corridors currently are in bad shape and the carpets need to be replaced. The corridor carpet is not scheduled to be replaced until next year, and the paint is scheduled to be done a few years down the road. Rhonda Sideris suggested that instead of doing the laundry room, something should be done to elevate the entire property. Rhonda contacted a company who does commercial hospitality remodels and asked them to make recommendations. A phased corridor project was created that calls for hard floor surfaces and carpet, painting the walls and ceilings and installation of a vinyl wainscoting with a baseboard, entry corridor for Building A and B past the ice machine and stair railings. Another phase would include new lighting fixtures and replacing all doors (door, hardware and hanging). An attendee noted that the walls in the stairwells need some sort of protection from skis, etc. It was suggested that the first phase of this proposal needs to happen in 2013 so that this area is up to par with the exterior improvements to the property.

An attendee noted that Edelweiss Haus is a hard sell due to the condition of the corridors and doors.

It was noted that other properties in the area are doing interior upgrades and Edelweiss Haus needs to upgrade to stay competitive. Rhonda Sideris noted that Vail Resorts requested site tours of Park City Lodging, Inc. properties, but they did not want to see Edelweiss Haus. Park City Lodging, Inc. takes tour operators to various properties and at Edelweiss Haus they have to be sure to pick the best hallway to show them. It was suggested that all corridors be upgraded so there is consistency between all buildings.

Financials/Budget

The balance sheet presented is as of October 18, 2013 and reflects how much money the HOA has in each account. The reserve account cannot be used for operating expenses. The saving account is just an extra for the HOA (which was used to pay for \$40,000 toward the new boilers). Two owners are currently one month behind in their dues, all other owners are current. The Wi-Fi lease will be paid off in March of 2014. Total assets of the HOA are \$203,812. Total equity for the HOA is \$198,450.81.

The forecast shows income and expenses from 2010 to current year. January to August 2013 shows actual income and expenses, September to December 2013 are forecasted. Forecasted income is \$246,263 versus a budget of \$247,000. Expenses are forecasted at \$251,750 to a budget of \$280,000. End of year forecast shows a loss of \$5,487.00 but when the budget was passed last year it was expected there would be a loss of \$33,000. Of this, \$10,000 was not spent on the natural gas transport savings and the \$10,000 insurance deductible was not spent.

The reserve analysis shows \$31,000 deposited into the reserve checking account, interest earned and reserve fund expenses. The boilers account for the total expense of \$36,499.74, creating a total loss of \$10,000. Because of the boiler replacement, entry doors were not done in 2013; they will be done in the spring of 2014.

The reserve study shows all of the capital expense items by category. "UL" stands for Useful Life of each item on the reserve study and "RUL" stands for remaining useful life. Each item in the reserve study is

averaged over the Useful Life and a yearly dollar amount is assigned to each item. Some items are not funded at 100%. Items that are funded 100% each year include items slated to be complete that year, with the rest of the items to be funded at 20%.

A bid has been received to do the wood decking and railings. To date, \$9,000 has been collected but the scope of work is approximately \$20,000 so the balance that needs to be collected in 2014 is \$11,000. Additional firm bids will be obtained, including for drainage.

The total amount added to the reserve fund at the end of 2014 will be \$25,468.

An attendee asked when the barbeques will be replaced. It was noted that this is not a capital expense. In the phased property upgrade plan it is suggested that the barbeque be moved to the other side of the courtyard, built in and install a natural gas line. It was suggested that additional bicycle parking be added. There is room next to the current bike rack or there is room in the garage where the motorcycle is currently parked. Park City Lodging, Inc. will purchase a new barbeque and look into pricing for a bike rack.

An attendee noted that the lock boxes at the property are in need of attention. There are also lock boxes being hung on the swimming pool railings. It was suggested that a lock box be installed at each building. It was noted that the association does not pay for any of the lock boxes at the front desk in the main building. One of the lock boxes is Park City Lodging, Inc.'s. Rhonda Sideris will look into lock box pricing to be split by owner's using them.

The 2014 budget does not call for an increase in dues. There is a reserve fund contribution of \$25,468.40. Resident utility income is budgeted at \$12,000 (the \$100 monthly charge to owners with tenants of 30 days or longer). The budget assumes 10 long term tenants at the property. The new rules and regulations with the long term tenant provisions will be sent to all management companies that have units at Edelweiss Haus.

The 2014 budget calls for a \$67,500 special assessment (\$1,500 per unit) for hallway upgrades. This project will commence after ski season. The board proposes that the billing for the special assessment be sent in thirds beginning January 1, March 1 and May 1, 2014 with payment due by the last day in the month. It was suggested that, for tax purposes, the billing be done in December 2013 with the payment options as above. The board will still need to review and approve the design concepts. Additional phases of the design project will be discussed in the future. It was suggested that the entire scope of work be identified before moving forward with phase one. It was noted that there is a scope of work for the entire project and that the designer has created this scope for free. Design boards, etc. will be created once the designer is officially hired by the association. There are seven components to the designer's bid so to get a budget item for the first phase the total amount was divided by seven. It was suggested that the laundry room be done next year at a cost of \$6,560 (without washers and dryers, which are in the reserve study for 2015). If the laundry room was included the amount per unit would be \$1,650. Rhonda Sideris will obtain bids for commercial grade washers and dryers. The income from the washers and dryers is \$4,800 per year. It was suggested that the association hire a company to maintain the washers and dryers and split the profits of the machines.

The special assessment will cover all carpet including the stairs in both the A and B buildings, painting walls and ceilings, painting of basement storage doors, new stair rails, vinyl from chair rail down, tile at main entry corridor to Building A, tile and walk off carpet tile at the entry to Building B at the vending and pay phone lobby and baseboard other than carpet base. The cost includes the tear out, dumpster fees and storage in Salt Lake for product.

A discussion ensued regarding adding the washers and dryers to the assessment. It was determined that the assessment will be three installments of \$500 for the assessment.

An attendee made a motion to buy new front loading washing machines and dryers before the ski season. Bids will be obtained for these items and presented to the board and let the board know if there is money available. Motion was withdrawn.

A discussion ensued regarding the special assessment. It was suggested that the \$1,500 per unit be approved and the board review the laundry room project and see if it can come in under \$6,500 and then bring that back to the owners for an additional assessment. It was suggested that the assessment be raised to \$1,700 for phase one of the remodel. It was noted that the proceeds from the assessment would go into the reserve account.

Carolyn Young made a motion that the assessment be raised to \$1,700. Motion seconded.

Discussion on the motion: An attendee asked that the motion be specific about what the assessment is for. It was noted that the special assessment is for the capital improvement project that has been discussed – the halls and new laundry room washers and dryers. It was noted that washers and dryers should match.

A voice vote was taken on the above motion. One opposed. Motion carries.

When the design boards are available they will be placed in the lobby and an e-mail will go out notifying all owners' they can review. It was noted that the approved motion is contingent on a re-bid for the laundry room.

Elections

The CC&Rs call for one year terms. Everyone on the current board has agreed to serve again (Susan, Hilary and Shane), except for Chris Faris. A call was made for nominations to the board.

An attendee made a motion that the existing board continue to serve in the capacity that they have been serving for the calendar year 2014 with the exception of Chris Faris and nominate Carolyn Young as a candidate for the vacant board position. Diane Harrell seconded the motion. All in favor. None opposed. Motion carries.

Other Business

Park City Lodging, Inc. is going to review the rules and regulations and present suggestions to the board for changes. Carolyn Young suggested that the Board of Directors direct Park City Lodging, Inc. that when the forecasted temperature is below 0 or even 10 degrees the pool is not opened but can be opened at a guests' request. The hot tub should remain open. Pool hours during ski season are 4:00 p.m. to 10:00 p.m. The pool will be opened prior to that if requested by a guest, but the request must be made prior to 4:00 p.m. It was determined that the association needs a different type of pool cover.

An attendee noted that on the A, B and C buildings the concrete patching looks bad. Park City Lodging, Inc. is looking into options for this.

An attendee asked what the difference is between the management fee and the maintenance fees. It was noted that the management fee covers all of the billings, transcription services for the annual meeting, front desk management, open and close of the pool, daily walk through, garage monitoring, etc. The

maintenance is propane, cart removal, special light bulbs, window washing, roof repair, parking lot repairs, lot striping, etc. It was noted that when Park City Lodging, Inc. took on Edelweiss Haus there were mostly short-term guests that used the front desk. Now there are more long-term tenants that the front desk has to “police”.

It was noted that the overlay on the decking at unit 219 is starting to peel. Park City Lodging, Inc. will look into this.

Carolyn Brannan made a motion to adjourn the meeting. Chris Faris seconded. All in favor. None opposed. Motion carries.

Meeting adjourned at 5:20 PM.

Respectfully submitted,

Karina Baer
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Gateway Office Business Center
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