

**SILVER KING HOMEOWNERS ASSOCIATION
2017 ANNUAL MEETING
SILVER KING HOTEL – SILVER ROOM
SATURDAY DECEMBER 2, 2017
9:00 A.M. MST**

BOARD MEMBERS IN ATTENDANCE

Mike Ciferri – President; 320
Mike Kvietkus – Vice President; 310
Doug Haigh – Secretary/Treasurer; 403 & 404

ASRL STAFF IN ATTENDANCE

Alan Finnegan – President of ASRL
Jim Simmons – Vice President of ASRL & Manager of Silver King HOA
Ken Rabach – CFO of ASRL & Accountant of Silver King HOA
Hal Smith – Director of Maintenance of ASRL & Silver King HOA
Gary Gregg – Director of ASRL Park City Operations
Nicole Chastain – HOA Administrator
Deann Huntinton – Silver King Housekeeping Manager

SILVER KING UNIT OWNERS IN ATTENDANCE

Howard Locker; 201	John Hanrahan; 216	Kevin Haas; 318
Sean & Moj Cochrane; 206	Hugh & Stephanie Wilson; 217	Don Winsor; 408
Daniel & Diana DeLeon; 315	Michael & Suzanne Larkin; 219	Andrea Luce; 410
Jeff Coe; 317	John & Laura Burkett; 220	Jennifer Gunnell; 414
Kevin Haas; 318	Noah Ramirez; 307	Scott Flaming; 420
Don Winsor; 408	Tracy Kvietkus; 310	Mary Carlson; 501
Andrea Luce; 410	Richard Schwartz; 312 & 407	Mike Barber; 509
Jennifer Gunnell; 414	Daniel & Diana DeLeon; 315	Deborah & Patrick Hickey; 513
Scott Flaming; 420	Jeff Coe; 317	

SILVER KING OWNERS IN ATTENDANCE VIA TELECONFERENCE

Mike Hagan; 404

GUESTS IN ATTENDANCE

Melyssa Davidson – Silver King HOA Attorney

CALL MEETING TO ORDER: Mike Ciferri called the meeting to order at 9:10 AM. In addition to calling the meeting to order, Mike briefed the owners on a recently discovered discrepancy in regards to the unit par values. The Silver King HOA attorney, Melyssa Davidson, is reviewing and confirming the discrepancy and the association will use the corrected values moving forward.

ESTABLISH QUORUM: The quorum requirement of 50% was met with a quorum of 57.9%- 33.216% in attendance, 1.358% via teleconference; 23.326% by proxy.

ADDITIONS TO AGENDA

Locker Room	Common Area Door Locks	Proxy Procedures & Instructions
Internet Security	Utah Open Meeting Law	CC&Rs
USPS Boxes Onsite	Insurance Law	Water Fountain
Cleanliness of Common Areas	Committee Formation	

OLD BUSINESS

Approval of 2016 Annual Meeting Minutes: The board approves the meeting minutes from the 2016 annual meeting.

HOA Managers Update

Maintenance Update – Hal Smith

- *Planned Capital Reserve Items:* elevator upgrades: \$15,901; culinary hot water heat exchanger parts - \$4,114; window replacements - \$4,485; front entry door replacement - \$18,650; ice machine on the 3rd floor; \$6,119; pool furniture - \$5,731; roof membrane and paint to protect metal and provide waterproofing - \$12,180;

internet upgrade - \$11,083; LED garage lighting conversion - \$20,923; heat tape repairs and additions over unit 510 and third floor - \$3,260

- *Unplanned Capital Reserve Items:* riding lawn mower replacement (old one couldn't be repaired) - \$1,922; storm drain repair per the city - \$4,500; stamped concrete around the pool and front entry way pressure washed and sealed - \$2,870; hardware for door lock replacement at the executive entrance - \$1,220; landscape architecture review - \$2,000
- *Unplanned R&M Electrical/Mechanical Items:* boiler room piping repairs - \$697, heat exchanger installation - \$1,213; internet cable channel for internet upgrade - \$832; snow hauling for heavy snow season - \$2,375; installation for combo keypad installation at executive entrance; LED lighting replacements for ski locker room, fifth floor hallway - \$977; hot tub UV light filter repair - \$631; Silver King sign repainted - \$584; gas valve replacement - \$659; Gaco roof sealant for extra waterproofing - \$428; emergency exit light fixture replacements in stairways per the fire department; fitness room equipment repair and service - \$631; chiller relay and meter replacement - \$1,387; drain cabling over the course of the year - \$636; traffic post in garage entry replacement - \$239; driveway sump replacement - \$108; concrete cutting for safety reasons - \$375; hot tub wet end housing replacement - \$257; pool chemical feeder replacement - \$244; various Ving door lock replacements during the year - \$811

Management Update – Jim Simmons

- *Internet Upgrade:* The internet upgrade was completed for approximately \$12,000; the placeholder number, and special assessment amount, was \$50,000. The unused portions of the special assessment went into the reserve. Thanks to the knowledge and suggestions of Mike Hagan and ASRL's IT specialist, a much less expensive option that was capable of serving the needs of the association was put in place.
- *Elevator Upgrades:* Thyssen Krupp's bids came back around \$20,000 per elevator. Another provider completed both elevator interior remodels for about \$8,000/each.
- *Garage LED Lighting Conversion:* A rebate of around \$2500 from Rocky Mountain Power is anticipated. The new fixtures use about 10% of electricity as the previous.
- *Garage Painting:* Reflective paint will be applied to the garage walls and the parking strips repainted.
- *Lobby Doors:* The lobby doors were just replaced; the previous doors were 30 years old.

Resort Update – Jim Simmons

- The development of the land parcels behind Silver King has been delayed. The Silver King parking lot behind the project was utilized by Vail; Vail compensated the association \$3,000. The board will negotiate a higher price with Vail this year.

NEW BUSINESS

Silver King Parcel – Mike Ciferri & Melyssa Davidson:

- *Plat Designation Amendment Vote:* The Silver King plat designation amendment did not pass. President Mike Ciferri acknowledged the board's poor communication to owners regarding the Silver King parcel. It was also noted that several owners circulated false information to the ownership group which created confusion amongst owners.
- *Existing Plat Designation in CC&Rs:* Silver King was an expandable project and under the provisions of the CC&Rs, the developer had an opportunity to build additional units on the parcel; the language in the CC&Rs state, "the earlier of seven years from the date the CC&Rs were recorded or three years after the first public report of the California Board of Realtors." Utah law puts a five-year limit, rather than seven, on a developer expanding an expandable project. The developer of this project didn't make the deadline; there was a plat recorded, but they were a day and a half late. As a result, the units were not created; therefore, if you have undeveloped convertible land, it is common area. Because Silver King is a condominium association, common area is owned by each owner as tenants in common, not the association; each owner has an undivided interest in the parcel. For that reason, the association (the board), cannot sell the land. Whatever the ownership group decides to do with the parcel whether they decide to keep it and develop units themselves, or sell it to another developer, etc. will require a super majority vote of the owners. Under Utah law, you cannot transfer common area off your plat without the approval of the super majority of the owners and approval of the municipality (Park City); the first step is converting the parcel from common area to privately owned property by the association.

- An owner asked if there is any downside to converting the land. With the exception of paying an attorney (which the association already has) to explore the option, there are no downsides.
- *County Property Tax Assessment on Parcel:* The county is currently assessing the association 17 bills on property taxes- one for the existing units and 16 for the 16 undeveloped parcels. It is believed that since it is common area, it the value should be assessed to each unit in their individual tax bill rather than as separate units. As a practical matter, it may not make any difference at all; the value is what it is and all unit owners end up paying anyway. It is not believed that owners are being double taxed. Melyssa Davidson will investigate this.
- *Last Year's Exploration of the Opportunity to Sell the Parcel to a Developer:* The board obtained an appraisal to determine the value of the land. The appraisal was followed up with an unsolicited offer by a developer. In order for the board to explore more about what the developer had to offer, the board had to sign a non-binding contract. Mike Ciferri acknowledges that the board did not communicate the process and intentions of the boards well.
- *Next Steps:* The owners will be better educated on this topic and a survey will be circulated for the board to better understand what the owners want.

2018 HOA Budget – Doug Haigh

2017 Actual Forecast: Maintenance is over budget for 2017, which is typical. Electricity is under budget because of the garage lighting conversion. Water is under budget. Natural gas usage was higher in 2017, therefore over budget. The reserve is better than budget primarily because of increased income.

2018 Budget: There is no special assessment in the presented budget at this time. Income and expense lines are in line with where 2017 is forecasted to end.

Capital Reserve: At the start of 2017, the reserve funds were \$321,000. In 2017, \$149,000 was contributed to the reserve, and \$110,000 was spent. The board likes the reserves to be in the 60-70% range of what the reserve study shows. In 2018, the expenditures are projected at \$220,000 which drives the reserves down to a 50% funding level. Reserve expenditures in 2019 are forecasted to be much lower than 2018. The last external reserve study was three or four years ago; it is reviewed externally yearly. The capital reserve schedule will be available on the HOA's website for owners to review. 2018 projects include: metal fencing & railing repaint, fire control systems, electrical system repair, access control system replacement to RFID system, pool door winch, heat trace tape, security camera system, pool and spa replaster/new drains, garage painting, laundry dryer #2, carpet replacement in meeting rooms.

Board of Directors Election: The two nominees are: current Vice President Mike Kvietkus and unit owner Jennifer Gunnell. Mike Kvietkus was voted back to the board with 40.18% of the total voting rights. Jennifer Gunnell gained 17.72% of the total voting rights.

ADDITIONS TO AGENDA

Committee Formations

Landscaping Committee: A group of owners will work with Jim to form a survey to circulate to the owners to identify what owners envision for the pool area, and landscaping areas. The committee will investigate options for landscaping and the pool area. Owners who volunteered themselves to join the landscaping committee: Moj Eram, Suzanne Larkin, Deborah Hickey, Andi Luce, Daniel DeLeon, and Howard Locker.

HOA Management Agreement Committee: A few years ago, the board had a review of the HOA contract with ASRL. It is time to review the contract again and identify what owners want from a management company, what other companies have to offer, and at what cost. The association has until May 31, 2018 to opt out of the current five-year contract that we are three years into, and have two years left. Owners who volunteered themselves to join the HOA management agreement committee: Andi Luce, Deborah Hickey, Michael Larkin, Jennifer Gunnell, Mike Hagan, and Kevin Haas. Any owner on the HOA management agreement committee is required to sign a Non-Disclosure Agreement.

Internet Security: Jim will follow up with our IT specialist for further details on internet security and encryption and follow-up with Deborah Hickey.

Mailboxes: A straw poll indicated one owner had interest in having mailboxes put up. If mailboxes were to be put up, it would require that all units have a mailbox. For owners who have institutions that require their mail be sent to a physical address there are two options: use the Silver King physical address with a line below it to your PO box, or use the physical address of the postal office where your PO box is located.

Common Area Cleanliness: Speaking primarily of stairwells and common areas/items, it is voiced that cleanliness has improved over the years, but there is a little more room for improvement.

Common Area Locks: The existing lock system is dated and failing and the replacement of the system with an updated RFID lock system is on queue for completion in 2018 as a capital reserve item.

Open Meeting Act: All board meetings are open to owners to attend, and at each meeting there needs to be a reasonable opportunity for owners to comment. There is no requirement that the board answer a question at the time of the meeting, nor does it allow owners to interfere with the meeting, but as an owner, you have every right to listen in on the business of the meeting. If any decision is being made by the board, it is considered a board meeting; there is an exception for emergency meetings. If decisions have to be made, and it's not in the setting of a meeting, at the next meeting, it must be on the agenda and ratified. There are exceptions for executive sessions allowing the board to close the meeting if, and not limited to: they need to meet with counsel, they're negotiating contract bids, delinquent owner accounts. It is not required that minutes be produced for every board meeting. Every owner has the right to be notified of when the board meetings are scheduled, they submit a written request (email works). In addition, every owner has the right to inspect association records with a written request. There is no obligation for the association to deliver everything.

Proxy Procedures Instructions: It is voiced that there were no provisions on the proxy instructing the proxy holder how to vote. Melyssa Davidson clarified that there are different types of proxies. On the proxies used by the Silver King HOA, they designate your proxy to exercise your voting right. There is a directed proxy where you identify the person who will exercise your right to vote and you indicate to your proxy holder how to vote. Moving forward, the association will use a directed proxy.

CC&Rs: The CC&Rs are outdated. It is the opinion of an owner that the quorum requirement of 50% is high. Any changes to the documents require a super majority vote of 66.66%. There is a general consensus among owners present that some updates to the CC&Rs would be advantageous. Melyssa Davidson will review the CC&Rs and redline her suggestions; they will be presented to the owners for comment.

Master Insurance Policy: An owner made some suggestions on the current coverage including increasing the building limits from \$20 million to \$28 million, umbrella coverage from \$5 million to \$25 million, and directors' and officers' coverage from \$1 million to \$2 million. The changes were reviewed by the board in the board meeting on December 1, 2017. The board voted on the suggestions and is moving forward with them. Jim has contacted the broker and expects the change to be in effect soon. The premium increase will be around \$4500-\$5000/year. The new policy will be shared with owners.

Ski Lockers: Hal is going to look at the lockers and come back to the board with recommendations. The cost to replace them is a big number and there are some ways around it.

Water Fountain: It can't be put back because there is no drain.

PARK CITY REAL ESTATE UPDATE – Jeff Coe

	2017 (as of the 3rd quarter)	2016
Park City Area		
<i>Number of Transactions</i>	(+)11%	--
<i>Selling Price</i>	(+)9%	--
<i>Median PPSF (Condos)</i>	(+)12%	--
<i>Median PPSF (SFH)</i>	(+)3%	--
<i>Median PPSF (Land)</i>	(-)4%	--
<i>Sales Under \$1 million</i>	66%	68%
<i>Sales Over \$1 million</i>	34%	32%
<i>% of Transactions (Condos)</i>	47%	46%
<i>% of Transactions (SFH)</i>	37%	38%
<i>% of Transactions (Land)</i>	16%	16%
Silver King		
<i># of Units Sold</i>	2 (1 bedrooms)	4 (studios)

ADJOURNMENT: The meeting was adjourned at 12:44 PM.