

## **Edelweiss Haus**

### **Board Meeting December 13, 2021, 11 AM Mountain time**

Board member attendees: Hilary Williams, Chris Faris, Ellen Carpenter, Greg Guster, Patricia Spross

Guests: **HOA attorney:** James Ziter; **All Seasons HOA Management:** Mike Howe, CFO

The discussion was confined to the review of the 2 offers received for the HOA units for sale. Unit 200 and the lobby. The first offer was only for unit 200 (manager's unit). The second offer was for both unit 200 and the lobby.

**First offer – [REDACTED]** The offer was limited to unit 200. This offer would leave the HOA i owning the lobby unit with its attendant legal restrictions (need to re-plat) to allow for residential use, as well as the absence of plumbing for this unit. On the positive side, the offer is all cash and is for a higher amount than the competing offer. There was some discussion about repurposing the lobby as a social area for owners, as had been discussed in prior board meetings. However, some Board members expressed concern about the attendant costs to refurbish and maintain the space, and the desires of the owner group (based on an informal survey presented at the 2020 annual meeting) that a majority of owners wanted to sell both units.

**Second offer – [REDACTED]** This is a cash offer for both units. The price offered for unit 200 was significantly less than the competing offer. The offer for the lobby unit was contingent on obtaining permission from the PC governing authority to combine the 2 units into one residential units. The offer includes a request for 120 days to complete due diligence, at which point the offer expires.

#### **Ziter's advice on second offer:**

Overall Consideration: This unit closing IS HIGHLY CONTINGENT. The Buyer wants four months to look at the feasibility of buying the Unit and combining it with the Manager's Unit. That combination will require some modification of the Plat. 120 days of due diligence may be reasonable, but that's a very long time to keep the property off the market. He also recommended that the counter-offer should specify "Both Buyer and Seller Closing to be held at Williamsen Title Company" because Williamsen Title did the original title work with the opinion that the Manager/Lobby units could be sold immediately. The earnest money should be wired into Williamsen Title.

Williamsen Title

975 East Wood Oak Lane, #102

Salt Lake City, Utah 84117

801-261-1459

fax 801-261-1470

[williamsentitle@gmail.com](mailto:williamsentitle@gmail.com)

R. Brooke Williamsen, P.C.

Escrow Trust Account

First Utah Bank

11015 South State Street

Sandy, Utah 84070

ABA NO: 124302613

Acct NO: 51 014934

**Board's action:** The board made a counter offer to [REDACTED], asking for the appraised value for unit 200. The counter offer for the lobby was to ask for \$5K earnest money, and shorten the due diligence period to 60 days.

**Outcome:**

Owner [REDACTED] ultimately decided not to proceed with the purchase.

**Next steps:** Given that tax advantages make an offer from an insider more valuable, the Board sought the advice of the EH accountant to clarify and document exactly what the benefit is so we could negotiate effectively on the first offer. A zoom call with Kevin Meade, CPA has been scheduled for 1.13.22.