



**ANNUAL HOME OWNERS MEETING
MINUTES
15 FEBRUARY 2020
15:00 HOURS
OWNERS CLUB ROOM**

CALL TO ORDER: The meeting was called to order at 15:13 HOURS by Marty Gilchrist, president

INTERMAX NETWORKS PRESENTATION: Dan Gruber, Director of Business Development.

1. Intermax is responsible for the new internet service and TV service on the mountain.
2. The White Pine's internet bandwidth has been quadrupled. The network has been segregated to Selkirk, White Pine, and The Village so that everyone has their own pocket of bandwidth. With the previous system we all sharing 80 Mbs on the mountain. Now there is 4 Gbs, which is 4000 times more bandwidth than previously. Intermax has built 9 miles of fiber from the base of the hill to the top. They are still upgrading the system for this coming season.
3. Look for the White Pine SSID. If you do not see this, turn your WiFi off and then on again. The password for this season is SNOW2020.
4. Phase 2 will include other condos on the mountain that did not have Mountain Utility (MUC) as their provider. This will be a spring-summer project to expand the network. They will slowly replace the coaxial cable with fiber.
5. If you purchased internet services for your condo (either 25 Mbs or 50 Mbs), you have all that entire bandwidth that you are paying for all to yourself.
6. If you are on the White Pine's WiFi, each device is only allotted about 20 Mbs so that there is enough bandwidth for everyone.
7. The free WiFi in the Village has a time limit on it of 30 minutes. Then you have to re-sign in. There is no time limit to the White Pine WiFi.
8. If you have your own internet service, it is private. But if you're on the White Pine WiFi, it is a public WiFi for the building, and your information could be at risk for hacking. If you are going to be working from this building, you may want to invest in your own WiFi which will be much more secure.
9. Several people commented that the Owners Club room has always been a WiFi dead spot. Dan said that Intermax could put a device in this room to boost the WiFi.
10. The password for the White Pine WiFi can be changed on a regular basis which is very easy to do. We will have to let Intermax know. The HOA plans to use email to communicate things to the Owners, so make sure we have your email. If we change the password, we will send it out via email.

11. For those Owners in Schweitzer's Rental Pool, the old cable was about \$50 per month for analog TV, and now it is \$75 per month plus the box rental. The more bedrooms and televisions you have, the more boxes are required. Intermax used Mountain Utilities model and carried that through to the current pricing and tried to keep the model the same. With MUC, you needed a box for the premium (digital) TV channels (\$75) and the cost of the box was \$10 per box. When Intermax upgraded the White Pine from analog TV to digital, a box was required for each TV. The Owners in the Rental Pool are unhappy with the TV and Internet service, they should take this issue up with Schweitzer Property Management. When the current agreement expires on 3-31-2020, Intermax will put out a clear communication to everyone on what their offerings will be after the 31st. If everyone wanted to get away from the bulk packaging, Intermax could put in a different dish where Owners could pick which package channels they wanted, but this will be more expensive, and boxes would still be involved.

OLD BUSINESS:

1. Registration and sign in.
2. Confirm Quorum: A quorum of the home owners was confirmed by Marty Gilchrist, President. Board members present were Jackie Meredith, Jade Smith (Resort Services Director for Schweitzer), and Linda Sakai. Tom Curtiss, Property Manager was present. Also present were Schweitzer Mountain Resort representatives, Matt Hofmann (Lodging Director) and Marina Hill (Owner Services Liaison).
3. President's Message: Marty wanted to thank the board members who attend 4-5 board meetings a year. He thanked former Board Presidents Randy Haddock and Roger Bosley who have been very helpful resources for him over the years. He thanked our Schweitzer partners, Jade who is our interface with Schweitzer, Matt who worked tirelessly for us this year with the new Onity lock system.
4. Approval of the 16 February 2019 Annual HOA Meeting Minutes: Mike made a motion to approve the minutes. The motion was seconded. There was no discussion, changes or corrections to the minutes. The motion was approved.
5. Review of 2019
 - 5.1. President's report - Marty Gilchrist:
 - 5.1.1. The new lock system is quite an improvement over the old system. It is new technology that is highly adaptive.
 - 5.1.2. WiFi Upgrades: From a pure internet standpoint, the ability to stream TV shows and movies without interruption is a reality. There was a slight increase in the cost of the WiFi for the HOA but not much.
 - 5.1.3. Electrical System Limitations: We've had some requests for additional electricity for electric car charging stations and installation of PTAC units. We would need to have a fairly hefty special assessment to get more power to the building. Marty can't see us raising dues in order to bank enough money to bring this much electricity into the building at this time. It might happen in the future, 2-10 years from now. Marty's goal is to keep the monthly dues as low as possible. So there is always that trade off between raising dues or waiting for a special assessment. When the time comes to do a big project, a special assessment may be the way we fund it.
 - 5.1.3.1. PTAC (Packaged Thermal Air Conditioner) units: For these units to operate properly, they need a DEDICATED 20 amp breaker. We do not have the electricity in the building to do this. If every unit in this building is full today and everyone turned everything on, we would be popping breakers. To add anything additional to what we currently have, it would be costly. To get the power from our transformer which sits on Village Lane into the building and into our switch gear room would cost over \$50K. This does not include

the cost of laying wires and getting the power from the switch gear room to the Owners' units. Someday we will have to do it. This building is 20 years old, so it's design is around the 25 year old range. Back in those days, they were designing a ski lodge. They weren't thinking of year round residents with lots of electrical devices plugged in such as PTAC units and electric cars.

- 5.1.3.2. A pure electric vehicle needs a DEDICATED 50 amp breaker. We do not have the juice.
- 5.1.3.3. With the new Hotel and with the redesign of the parking lot entry, Schweitzer has committed to adding some charging stations for EVs.
- 5.1.3.4. Roger made a recommendation that we put a timer for the lights in the ski locker room and the restrooms. What Marty wants to invest in is the motion detector lights that come on when someone enters the room. Those will pay for themselves, so we will be looking into them. When Roger was Board President, they eliminated half the lights in the hallways. He has noticed that all the lights are lit in the hallways again. When the building was built all the lights were incandescent. We spent a lot of energy and effort to convert to fluorescent. Now the next thing is to go to LED. Unfortunately, the fixtures need to be changed out for LED to work properly and to get the longevity of an LED light. This is a large cost. So we are going to have to invest in those slowly, but this is definitely on our list.
- 5.1.3.5. We must endeavor to conserve energy year round. When we go through the Profit and Loss statement, you will see electricity consumption has consistently moved up to the right. The reasons for this are multiple.
 - 5.1.3.5.1. The demographics in this building are changing. When this building first came on line, the majority of units by far were in the rental program (46 out of 50 units). Now there is only 16 units in the rental pool with an additional 2 that are used as VRBO or AirBnB. These are legacy owners who are coming up with their kids and grandkids, and, in turn, there is greater utilization of the building.
- 5.1.4. The Spa Deck: will need to be redone some day, and it will be a very expensive project, around \$250K. The spas are 20 years old. The tiles along the top will be redone this year. We spend a lot of money on maintenance and repair. We bought a new boiler which was a great improvement. It is not going to last forever. So keep this in mind.
- 5.1.5. Deck Repair-Replacement and Patio Door Repair-Replacement: We've identified a contractor, Haymond Brothers, that can do this work for us. Tom and Marty did a tour of the building this summer with the Haymond Brothers, whose business cards are at the sign in table. If Owners want to use their own contractor, there is a form in their packet. Fill out the Contractor Registration Form to let the Board know who it is. This is very important. This building is complex. If the Board knows who the contractor is, we can hook them up with Schweitzer who knows where all the valves, shut offs, and connections are. We will also make sure they are licensed, bonded, and insured. Part of the rules that makes it good for everyone is that the Board has the opportunity to do architectural review. This is to ensure anything you plan on doing in your unit is within the codes, covenants, and restrictions. For example, right in the codes, covenants, and restrictions it says you cannot install wood floors. If you installed wood floors into your unit and you did not let us know, when your neighbor complains of noise, it will be very expensive for you. You will have to pull the floor out and pay fines and penalties. In the Contractor Registration Form we are requiring a refundable \$1000 clean up deposit. This

past summer we had several units that were extensively remodeled, the HOA ended up paying for clean up. We just want to make sure contractors clean up after themselves.

- 5.1.5.1.1. In general decks are in pretty good shape. They all have a rubberized liner on top of them. Take a good look at your deck. If it is starting to crack, you need to do some repair with silicone caulking to prevent moisture from getting in. Marty's deck is in poor shape. It is cracked and water has gotten in, and he will have to replace it. The deck is limited common residential area which means you own it, but you do not control it.
- 5.1.5.1.2. Some of the patio doors are in very poor shape. Unfortunately, replacement is extremely expensive. Some of the doors have cold air getting through. The Haymond Brothers can work on tightening the doors and putting in new weather stripping.
- 5.1.6. Christmas Lights: The CC&Rs prohibit exterior Christmas lights. As a Board we thought about this rule, and decided to write a policy that you can put up Christmas lights from Thanksgiving to the first part of January, because we are concerned about power conservation. The Christmas lights put up by Schweitzer are ambient lighting. We shut down a lot of lighting on the outside of the building, but we do have to provide some ambient light for safety.
- 5.1.7. Parking: is consistently the number one complaint that Marty has received during his tenure as HOA president. The Parking Policy is that there is one parking space per unit and your car must display the parking tag on the rear view mirror. The exception to these rules is that from Monday through Thursday you could have 2 cars in the garage as long as it is not on a designated holiday and the parking tag is visible. Unfortunately, there has been a lot of abuse of the exceptions. Marty has personally been monitoring the parking very closely every weekend. Every single weekend, there have been multiple vehicles in our parking garage that either do not have a parking tag or are a duplicate vehicle. Right now, there are 4 owners who have multiple vehicles in the garages today. For one of those owners, this is their 3rd weekend in a row. We have fines for that. It is \$250 for the first day, \$500 for the 2nd day, \$1000 per day after that. That owner is looking at a \$5750 fine as of this minute. Marty has been photographing every vehicle, so he knows the make, model, color, license plate, and geotag of where and when that car is parked. We will hold owners accountable for this. If you have a guest staying with you, you can park on Village Lane.
- 5.1.8. CC&R Codes, Covenants, & Restrictions: This is a historical document. Every article, every paragraph, every sentence, every word is the direct result of a conflict and a lawsuit that took place somewhere else. When the Declarant (Schweitzer) built the building, they went to a law firm and told the law firm that the Declarant would be building residential condominiums, and they needed rules to live by. That is what CC&Rs are. If owners do not have a copy of the CC&Rs, there is a copy on the White Pine Website.
- 5.1.9. Bifurcation (CC&R section 4.5, inseparability): When you own a unit, what you own is the airspace that is created by the walls. You own the paint on the walls and everything inside of that. Everything beyond that belongs to all of us. The unit list is appurtenant which means that even if they are not physically connected, they are legally connected. Your parking space, the locker on A, the locker on 1, the exercise room, the boilers, the hot tubs, etc are all on that list and are legally connected. If your unit is rented, the renter is taking up your space in the building. In our Bylaws, you cannot bifurcate which means you cannot separate those things out. An owner cannot sell or rent their unit to person A, sell or rent their parking space to

person B, and seller or rent their ski locker to person C because they are one legal entity. This is called encumbrment. If you are going to encumber it, it must be done as a single unit. In the property management business, a professional property manager will have you abdicate your access to your property because they will control the access to your property. Renters have rights, and owners cannot walk in on them. When owners turn their unit over to the Schweitzer Rental Pool, you have abdicated your access. If you rent your unit, you cannot park in the parking lot or use the locker. This has not been enforced from the first day the building opened. That falls on the Board for not enforcing the CC&Rs. It also falls on property management companies that do not follow their contract. In the Schweitzer contract, they dropped that language this year. If you run this pass your risk managers, they will put it right back in there. There are horror stories of owners accessing properties just like ours when their unit is rented. There were many questions from the owners regarding who or what would it hurt if owners accessed their ski lockers in A. The answer is that it is in the CC&Rs, section 4.5. There was a comment by an owner that the Board has an agenda to be hostile to owners who want to rent their units. The answer is that the CC&Rs are very clear, these are fee simple properties, and owners have the right to rent it. To change CC&R section 4.5 would require a vote of all the owners. This a legal and functional debate. Tom Curtiss has an owner who rents his unit and would like to use his owner locker on A. The renter does not have access to the owner locker on A. If the Onity lock system allows him to get into the front door and locker room on A only (he could not have access to the garages, the spa, the gym, etc), he would like this to be considered by the HOA. Some rental pool owners felt they were being discriminated against because they can't use their owner lockers on A, and they can't park a car mid week in the garage when owners not in the rental pool have access to lockers on A and could park an extra car mid-week if it is not a holiday. An owner voiced his opinion that it seems like the Board has not been transparent and are making decisions that go against the owners in the rental pool because last year he felt there was a consensus at the Annual meeting to allow bifurcation of the lockers on A, then the Board made a different decision to uphold CC&R section 4.5. He felt the Board was making it extremely hard on the owners who wanted to rent their properties through Schweitzer as opposed to the owners that do not rent. Tom Curtiss said the Board has never had this discussion about this and has been transparent. The Board is up against this because you have CC&Rs that say one thing and you have functionality that says another. We can come up with a rule about this. Tom suggested we have a vote on this: "Can owners in the Rental Pool have a key that can only open the front door and owner locker room door on A to give Rental Pool owners access to their A level locker." Owners in the Rental Pool cannot be given access to the spa or gym when their unit is rented, because now they are taking up the space that the renter is paying for. President Emeritus Randy Haddock said that in defense of the Board, the owners must understand the evolution of the 20 years of us interpreting the CC&Rs. Many things were not enforced and not looked at. Now we are doing that as an exercise in risk management tool to do these things. The Board is not being biased. The Board is doing the things that we need to be doing. A motion was made to form a subcommittee comprised of an equal number of owners (6 total) in the rental pool and owners not in the rental pool to look at this issue, to look at all the rights owners hand over to the property management company if they rent their property, discuss it amongst themselves, come up with some recommendations in 60 days, and send them to either the Board or the membership via email. The motion was seconded. What is being hurt by owners in the rental pool parking 2 cars in the garage mid-week? There are some owners

that are parking 2 cars on the weekends including today. Shouldn't someone, perhaps Marty, perhaps someone else, talk to these owners who are violating the parking policy? There should be some sort of communication to these owners that they have been caught with 2 cars in the garage during peak times. And if these owners still disregard the parking policy, fine them. Marty said as of this date, we have not fined anyone for a parking violation, and that is one of the reasons people disregard the policy. However, Marty has spoken to these violators in the past. He knows these people and wants to use a soft stick. If someone is abusing the policy, you do not fine them and it's not a big deal, then why enforce the rule just to enforce the rule? If the garage is full, and owners and paying renters cannot find a parking space, this is the reason to enforce the parking policy. To some owners in the rental pool when we went over to the new lock system, things drastically changed with regard to their access to the building, but this change in policy was not communicated to them before hand. The membership voted on this motion. Four units were in favor of the motion, the rest of the units voted against the motion. The motion to form a subcommittee was defeated. It was decided to table the discussion until the end of the meeting.

- 5.1.10. Wood Trim and Door Jam Standards: The HOA have spent a tremendous amount of time and money on repair of the wood trim. There are still many areas that are really beat up. We propose that the HOA repair the wood work in the elevator vestibules and the hallways, then individual owners whose door jams are really damaged and want to get them fixed to pay that sum. This would be about \$300 depending on your door jam. The doors that have wood trim on both sides, a little vestibule, and then wood trim around the door would be about \$300. The doors that have wood trim only on one side and the little vestibule would be slightly less than \$300. There are some door jams that are seriously damaged which doesn't look good if the rest of the interior wood trim is in good condition. The goal is to keep the equity in this building by trying to make it look as good as possible. We would like the owners input on this proposal. With the previous comments in 5.1.9 that owners own their unit from the paint in, the owners having to personally pay for the wood work repair would go against this. However, this owner is not against HOA dues increase or a special assessment to pay for this. Marty said that is the other approach to assess all the door jams and just do it as a special assessment. There are positives and negatives to the special assessments. Some door jams do not need much repair at all, if any; whereas there are others that are so damaged they will likely need to have the wood trim replaced. Tom doesn't think we will need a special assessment. We can probably do it out of reserves as we'll see when he presents the Financial Report. We are sitting on \$200K. Since not all doors will need to be repaired, he thinks it could be a \$10-15K fix, and we should put it in our CAPEX plan. President Emeritus Roger Bosley believes the damage to the door trim is from the newer luggage carts that are unsteerable. He thinks we should fix those carts to make them easier to maneuver. We have spoken to Matt Hofmann and his team regarding the luggage carts, and we have worked out some strategies regarding the carts.

NEW BUSINESS:

1. 2020 Budget Review including Reserve Discussion: Tom Curtiss.
 - 1.1. Profit and Loss (P&L): Profit and Loss: For the most part this is a good P&L for what we got done this year. We did some wood trim repair which we will do again this year and spend about \$2-3K. Most of our P&L are on Budget, but there are a few variances. The big variances are elevators (\$5K variance), snow removal (\$2K variance). We must have an every 5 year elevator state inspection and

that cost from our elevator company was \$5.5K. We had a variance on snow removal. As a Board, we need to go to Mountain Utility Co (MUC) and negotiate what we believe is a better rate for snow removal. What we put in the Budget for snow removal was \$4K. MUC is charging us \$6K. Marty and the Board will be working with MUC to try to get the \$6K amount down closer to \$4K. We have \$4K in unsubstantiated repair and maintenance (R&M). Tom is working with Matt Hofmann on those. We received a series of invoices from Schweitzer with their new software, but we are unable to look at it right now. Tom reviews every work order and every bill from Schweitzer to make sure they are the right bills for the White Pine Lodge. Lastly, our electricity is up over what we Budgeted. We got really conservative last year in our Budget, and you'll see this year we put electricity back up to \$46K level in our Budget. We had some savings in natural gas which was expected with the efficiency in the new boilers. We are not forecasting any Budget increases or any HOA dues increases. We are showing a loss of \$9.6K. We expensed the 5 year elevator state inspection. We had variance in our R&M, and our electricity.

1.2. Balance Sheet: shows us sitting on roughly \$200K. Our total equity, which is really the measuring stick for our reserves, is \$197K, which is a pretty healthy reserve. At the end of the year, we did have a \$29K accounts receivable (AR) which has been our highest AR in years, but the good news is everyone of those owners have paid their dues by February 1st. Tom thinks his office sent out the billing late on that. Through today, we only have 2 owners in arrears, and they are only 1 month behind. At the end of the day, our balance sheet is showing a little less than \$200K in reserves. It's reflected in our proposed budget indicated actuals to the end of 2019. We moved those into the 2020 column. We added a little bit of money in R&M. We forecasted \$43,900 for reserves in 2020. It results in the same end line in the Budget, which means no increase in the HOA dues. Paul Pimentel (owner and former Board treasurer) and Tom Curtiss worked on the White Pine Lodge Capital Overview about 9-10 years ago. As of today, we are about \$12K ahead of schedule on our reserve line. So when you see where we ended up last year and where we filled in this year, you see where our beginning reserve balance is and what we're estimating in 2020. We are right on the money. In fact, we are nearly \$8K ahead. This year we will have the cost of the Onity locks approximately \$28K. We have a couple of capital projects: the front exterior double door replacement approximately \$4-6K and wood trim repair and deck repair approximately \$35-40K which is right in line with the reserve line. Question: Are we a non-profit organization. Answer: We are. With a non-profit HOA organization there are no limits on how much it can have in reserve. We have a CPA that goes through all of this. They stamp everything that the HOA does internally. They stamp the year end numbers and do our taxes for us. Overall, Matt and Tom will work on those last couple months of R&M and if they have to shore that up in Q1, they will do that and present it to the Board. The Board has been pretty conservative about spending money for the right reasons. The percentage of CAPEXs that are funded is about 58%. So we take that number against our budget. You could get super aggressive and want to have 100% of your CAPEXs funded, but Tom thinks a reserve study guide would say you might as well keep your money. If there is a big expense that comes in, it would require a special assessment. But we are not forecasting any big items. We are pacing pretty well with our dues and our reserve amount. The nice thing is that we have enough cash, so if we do take a big hit, we can cover it. For example, if our roof failed tomorrow, we could take care of that.

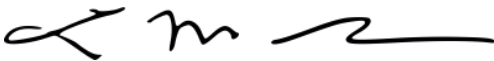
2. 2020 Property/Building Update: Tom Curtiss

2.1. Tile work needs to be done in the front door vestibule and in the spa area.

2.2. Spa Repairs: done last year on the spas appears to be working. However, we may have to spend some money on it in the next 3-4 years. See Old Business, 5.1.4, above.

- 2.3. Wood Work: see discussion on Old Business, 5.1.10.
 - 2.4. Carpeting: We had some stretching done last week. More work needs to be done on the carpet. This is in our R&M. It is not a capital expense.
 - 2.5. Walls: Housekeeping has been doing a good job of cleaning up the marks in the hallway. They recognize the challenge with the linen carts. We will also paint the walls to keep it looking fresh.
 - 2.6. Washers and Dryers: We are seeing wear and tear on the 18 year old stackables. They have small capacity and are not efficient. Tom is proposing that when the stackables can no longer be repaired, we replace the two sets with 1 full sized washer and 1 full sized dryer. An owner said there are units that are washer-dryer combos. Tom will look into that. There were a lot of owner complaints about people not cleaning out the dryer lint traps when they're done or drying wet ski gear or not getting their laundry out of the dryer so someone else can use it. Tom feels that better, courtesy signage will help.
3. Board of Directors Elections:
 - 3.1. There is one open Board member seat. Jackie Meredith took it on last year, when the former Board member sold his unit. Jackie is being presented as a candidate for this open seat. There were no other candidates nominated from the floor. Jackie was elected to the Board by general consensus which was unanimous.
 4. President Emeritus Roger made a motion that we all express an acclimation of gratitude to the Board for the job they have done, especially to Marty who has taken a lot of time and effort in keeping things running smoothly.
 5. Adjournment: A motion was made to adjourn the meeting. The motion was seconded. There was no discussion. The vote to adjourn was unanimous. Meeting was adjourned at 16:29 hours.

Respectfully submitted by,



Linda M. Sakai

White Pine Lodge Board Secretary