

**PARK HOTEL CONDOMINIUMS ASSOCIATION OF UNIT OWNERS  
REGULAR BOARD OF DIRECTORS MEETING  
Park Regency Resort  
Park City, Utah  
September 19, 2017**

**I. CALL TO ORDER/ROLL CALL**

The meeting was called to order by President Brent Zepke at 10:07 a.m. (MDT) at the Park Regency Resort in Park City, Utah. A quorum was present to conduct business. The following persons participated in the meeting:

**Board Members**

Brent Zepke	President
Robert Hale	Vice President
Yuri Chan	Director
Elizabeth Lucido	Director (via telephone)
Nelda Israelsen	Director

**TPI Management**

Terry Bricco	Vice President of Resort Operations
Nancy Scott	Park Hotel General Manager

**Owners/Guests**

Keith Chan

**II. APPROVAL OF AGENDA**

*Robert Hale made a motion to approve the agenda adding an approval of the ABC policy to section VI New Business Item B and to add the Trading Places Management Agreement to section VI New Business Item E. Nelda Israelson seconded the motion. The motion passed with a unanimous vote.*

**III. APPROVAL OF THE MINUTES OF PREVIOUS MEETING**

**A. Minutes of the June 6, 2017 Board Meeting**

*Nelda Israelson made a motion to approve the minutes of June 6, 2017. Robert Hale seconded the motion. The motion passed with a unanimous vote.*

A discussion was held about the cost of using Fed-Ex to deliver board packets. Mr. Bricco assured the board that USPS will now be our mode of communication. Another discussion came up to make sure Norse was aware they were approved for the alcove alteration. The

board discussed why the tenant Craig Tassainer's unit was lost due to the increase in rent and the tenant wanting to down size her operation and use the internet more.

The board discussed staying in front of the folks in California that deal with rentals and sending them a thank you postcard along with giving them a unit to use from time to time. Nancy Scott said she would get the names of those working in the rental department at Lake Forest and send postcards. Giving them a unit to use might have tax consequences we are not aware of but TPI will check into it as a possibility.

#### **IV. REPORTS**

##### **A. Financial**

Terry Bricco reviewed the July 31, 2017 financials with the board. Revenue is up due to an increase in rental income. Total operating expenses were down leaving a deficit of (\$15,356.00). The deficit was caused by the \$34,190 in bad debt expense, but everything else is tracking as it should for the first seven months. The questions asked by Brent Zepke about the managers health insurance and postage were answered. Mr. Bricco read an email sent by the rental department reporting \$4,300 in rental bookings since September 1, 2017.

*Robert Hale made a motion to approve the July 31, 2017 financials. Elizabeth Lucido seconded the motion. The motion passed unanimously.*

The delinquency report was reviewed with 19.28% being delinquent in 2017 and 14.72% being delinquent in 2016 which is a 4.56% negative change from 2016. There were two delinquents on the commercial side of the maintenance fees. We are confident one has already been taken care of.

Terry Bricco discussed the process and expense of foreclosures with the board. He explained that some resorts are adopting an exit policy which will allow owners to deed their weeks back for a fee. Some resorts charge two to three years of maintenance fees plus all the deed back fees to allow owners to leave the HOA. This gives the resort some money to try and liquidate the week and save money in foreclosure expenses. The board wants to have an exit policy discussion at the next board meeting.

*Nelda Israelson made a motion to approve the delinquency report. Elizabeth Lucido seconded the motion. The motion passed with a unanimous vote.*

The reserve and replacement fund reports were reviewed. A total of \$2,102 have been spent from reserves this year. A discussion was held on the importance of growing the reserve fund. There are \$149,000 in the reserve fund.

*Robert Hale made a motion to accept the reserve expenditures to date. Nelda Israelson seconded the motion. The motion was passed with a unanimous vote.*

The 2018 Budget was reviewed and discussed. Income was higher than 2017 because we have a momentum going with renting some of the HOA weeks. Because of inflation and the need to keep key employee's expenses were up \$4,606. Discussions were held in three separate areas: housekeeping, maintenance and reserves. The board was also aware that the General Manager was not budgeted for an increase and everyone on the board felt this was not right.

*A motion was made by Robert Hale to increase reserves by \$2,000 to a total of a \$12,000 contribution in 2018 and to approve the 2018 budget. Elizabeth Lucido seconded the motion. The motion passed with a unanimous vote.*

*A motion was made by Robert Hale to increase the General Manager's salary by 2%. Brent Zepke seconded the motion. The motion passed with a unanimous vote. Nancy Scott was not present at this discussion. Brent Zepke will send her a nice letter and thank her for her hard work along with putting her employees first.*

Before Nelda Israelson had to leave, Terry Bricco distributed a copy of the Trading Places / Park Hotel Management Agreement. Mr. Bricco does not believe it has been reviewed for some time and should be. The renewal period is January 1, 2018 to December 31, 2018. Notice to non-renew the contract is before October 1, 2017, otherwise it will automatically renew for another year. Terry Bricco also explained it might be wise to renegotiate the contract for a five-year term. The board will review the contract and Terry Bricco will contact them prior to October 1<sup>st</sup> for any questions or concerns.

The board felt that, at this time, they would leave the contract the same for this year. They are aware the contract will be updated with the correct address for TPI and include any other addendums or changes since the last review.

## **B. Management**

### **1. Update**

Nancy Scott reported on the maintenance finished this past year and on the projects which will be completed this fall. Some of those items included the Air Handler on top of the roof, shower rods, replacing all of the outlets and the doors on the front of the resort. Ms. Scott discussed the leaks from old pipes which are going to happen with the age of the structure. There is a plumber who comes quarterly to unclog drains. Maintenance staff did tar the roof by themselves which saved a considerable amount of money. Maintenance week is in November.

### **2. Action Items**

There were no action items other than those discussed above by the manager.

### **3. Comment Cards**

RCI, Trading Places and TripAdvisor comment cards were reviewed.

Brent Zepke thought it humorous that Park Hotel would be scored lower for RCI not spelling the individuals name right.

A discussion was held on the Victorian theme of the units. It is becoming too expensive to renovate and maintain the Victorian look. The tubs are very high and pose a liability to the resort should someone fall.

### **4. Occupancy**

The occupancy report is showing 57% unoccupied from January 1, 2017 to July 31, 2017 with rentals at 3%. The new budget does reflect the effort that the TPI rental team is now putting forth for Park Hotel. Terry Bricco said that the rental department for both VRI and Trading Places is being very aggressive with new staff and technology. Mr. Bricco said he believes the additional \$9,106.00 in rental revenue on the July statement and the \$4,200 booked in September is indicative of that effort. Brent Zepke is going to visit the Lake Forest office with Terry Bricco on October 17 and discuss rentals with Trading Places.

### **5. HOA Inventory**

HOA inventory was reviewed and there are currently 185 weeks owned by the HOA. The price to buy has been \$1000 and \$500 for the paperwork.

## **V. OLD BUSINESS**

There was no previous business to discuss.

## **VI. NEW BUSINESS**

*Robert Hale made a motion to appoint Yuri Chan as Secretary / Treasurer of the Association. Elizabeth Lucido seconded the motion. The motion passed with a unanimous vote.*

*Brent Zepke made a motion to approve the Maintenance Fee Letter with corrections and the ABC Policy. Elizabeth Lucido seconded the motion. The motion passed with a unanimous vote.*

The letter needs work to reflect page 20 of the budget packet and the signature needs changing to Brent Zepke.

The audit engagement letter was reviewed. All references to Skiers Lodge need to be changed including the address.

*Robert Hale made a motion to accept the audit/taxes bid with changes in the name of the resort. Elizabeth Lucido seconded the motion. The motion passed unanimous.*

The meetings for 2018 were reviewed and the Budget Board Meeting was changed from September 18<sup>th</sup> to September 11, 2018.

The next board meeting will be March 10, 2018 and will include the Annual General Meeting.

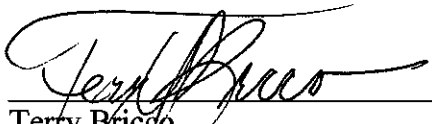
**VII. OTHER BUSINESS**

Robert Hale discussed his election effort for the position as Mayor of Midvale, Utah in November. At this time, he does not know if that will affect his membership on the Park Hotel Board.


**VIII. ADJOURNMENT**

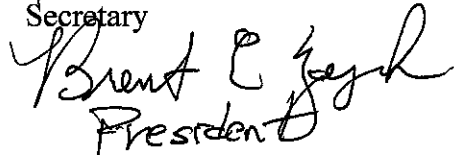
Robert Hale made a motion to adjourn the meeting at 1:25 p.m. (MDT).

Submitted by:  
Trading Places International  
Its: Managing Agent

  
\_\_\_\_\_  
Terry Bricco,  
Vice President of Resort Operations

Accepted by:  
Park Hotel Condominiums Association of  
Unit Owners

  
\_\_\_\_\_  
Yuri Chan  
Secretary

  
Brent E. Zesch  
President