

**PARK PLAZA CONDOMINIUM ASSOCIATION**

**MINUTES**

**ANNUAL MEETING**

**January 8, 2015**

The Annual Meeting of the Park Plaza Condominium Association (the 'Association') was held at The Beaver Creek Lodge, 26 Avondale Lane, Beaver Creek, Colorado on January 08, 2015 at 3:00 p.m.

**Board Members in Attendance:** Bernie Scharf, - Board Member and Jim Crocker, Commercial Board Member, after the election Charles Kafadar joined the board.

**Additionally Present:** Gregory Perkins, Wear Travers Perkins LLC counsel to the Association, Aimee Daniels Legal Assistant to Greg Perkins, Julie Timparo, General Manager Park Plaza,

**Owners Present in Person:** Charles & Ursula Kafadar, Robert Landis, Sarah Baker, Ron Fine, Bobbie Yates, Mike & Dorothy Mihaly, Shari & Dave Vines, Les Baledge, Louis Gohmert & Susan Gohmert Josephs, Roxy Heyse, Carol & Scott (Peter) Walker, Dean & Barbara Laudeman, Andy & Sarah Jagger, Kevin & Diane Reddington, Martin Reddington, Gary Barton, Carlos Goulard, Amanda Kennan & Scott MacKenzie, Dave & Nancy Fairchild, Peter L. Macdonald, Robert & Alicia Kornblat, Jeri & Chuck Hurst, Ronee Chelm, John Courtney. Other homeowners attended via teleconference, but did not participate in the meeting.

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**Call to Order:** 3:10 p.m.

**Determination of Proper Notice and Quorum:** Mr. Scharf confirmed that 20% of the ownership or 70 votes were in attendance by determination of proxy votes and in person.

**Introductions:** Bernie Scharf introduced Greg Perkins as counsel to Park Plaza Condominium Association, Jim Crocker from Vail Resorts and Julie Timparo, General Manager.

**Election of Residential Board Seat:** Vote was independently counted by 2 homeowners (John Courtney & Scott MacKenzie). The proxy vote was counted and shows 253 votes for Charles Kafadar - 46 votes for Robert Landis.

A question was raised as to which board seat was being elected – Class A or Class C. There is some confusion about this from past meetings. Mr. Crocker stated that Commercial Unit typically does not and has not voted for the residential seat, but maintains the right to vote. Given that the Commercial Owner would not vote, Mr. Perkins stated that the election would be valid whether it was Class A or Class C.

As a result of the confusion, Mr. Perkins will review prior minutes to determine the correct order of election of the board seats, and the board will consider any action necessary to clarify the status.

Mr. Fine suggested an increase total number of seats on the board. Mr. Perkins stated amending association documents would be required in order to increase the number of board members.

Mr. Crocker stated that he would not be in favor of increasing the number of board members without an increased number of the commercial board seats.

**Votes were tabulated and Charles Kafadar was elected to the board and was asked to join the existing board members at the front of the room.**

**Consideration of**

**Minutes of the Previous Meeting:**

Prior 2013 minutes were circulated prior to the start of the meeting.

Ms. Baker requested the prior minutes be reviewed by counsel, and, should counsel deem necessary after review, to amend minutes prior to next annual meeting.

Consideration of minutes of the previous meeting the motion was accepted, and all in favor, none opposed, motion carries.

**Business/Management Report/Budget:**

Bernie discussed rentals over the last few years. As of 40 days into the 2015 ski season, the association is currently \$104,000 ahead of rentals last year during same period, which is a 41% increase. They are currently running at 80% occupancy. 32 of 36 units are rented today. Bernie expects 80% occupancy average for the season.

2010 Gross Rentals \$683,000  
2011 Gross Rentals \$673,000  
2012 Gross Rentals \$777,000  
2013 Gross Rentals \$855,000  
2014 Gross Rentals \$963,000  
2015 Gross Rentals expected \$1,200,000

Bernie discussed the relationship with Destination Hotels & Resorts that was initiated in the summer of 2012 and their interface with Vail Resort's reservations system – SynXis (CRE) Sabre/Hospitality Solutions. Bernie and Julie discussed the variance of 8% - 28% commission structure. Julie clarified that the association gets 30% of the gross rental and that the association is paying the commission to Destination Hotels & Resorts or to the travel agents out of the 30% - no impact to owner receipts.

Estimated commissions to travel agents is \$65,000 for the upcoming budget year.

The financial condition of Park Plaza is in great shape. The Fund Balance from 2010 has grown from \$1,422,000 to \$2,450,000 at the same time \$961,000 of major capital improvements were completed. Also the reserve/investment funds earned \$293,000 during the same period.

There have been no dues increases from 2010-2014. 6 years ago Park Plaza was a Gold rated property, and for the last 5-6 years Park Plaza has been a Platinum rated property.

The heating system has been completely renovated. Usage of fuel is approximately 30% less than the prior system.

A question was posed regarding Mr. Scharf's position as property manager and whether a conflict of interest exists due to Mr. Scharf's serving in both capacities as Board President and Property Manager. Mr. Crocker stated that it was not intended to be long term, it was a short term solution during difficult times. The board will look at Mr. Scharf as Board President and Property Manager and determine how to move forward. Mr. Perkins responded that it is not illegal for a board member to serve in the two capacities.

Concerns were raised by Robert Landis that if Bernie is "hit by a bus" what assurances does the association have in the form of a back up plan? Discussion quickly turned to hiring a Property Manager or having two back up staff members as it was similar to when Tamara Teubel was employed for Park Plaza. Suggestions were also given to hiring an assistant for Julie by one homeowner. Bernie stated that he was waiting for a new board to be elected and that the board and he will do what is in the best interest for Park Plaza. The board will

act as an oversight to the property manager. Bernie will abstain from anything that has to do with him personally. The board will determine if Bernie will remain on as Property Manager. Mike Mihaly suggested Bernie resign. Robert Landis stated Jim Crocker doesn't get a vote. Jim Crocker clarified that he does get a vote and votes plenty on board related matters, just not on a residential seat for the board member vacancy.

Mr. Crocker continued to state that Park Plaza is currently running smoothly, and the board will evaluate and try to plan for the future so that Park Plaza is not left in a critical situation of something were to happen to Bernie.

Mr. Mihaly commented that the board could be sued and Bernie could be sued due to a conflict of interest. Several audience members stated for what reason. No response was given by Mr. Mihaly.

Ron Fine requested to see an audit from all the rentals 5 years before Tamara Teubel to this portion of time, and wants to see how the money flows. Other owners stated interested that they would like to know where the restitution money went.

Scott MacKenzie asked what happened to the 70% of the costs (gross rental)? Did Tamara Teubel use her own units or in one of the owners units? Bernie responded it could have been either way. Some of the 76 nights could have the potential to have been one of the owners units as well as Tamara's own two units. Bernie stated if there is specifically one of those nights that Park Plaza didn't get compensated or if the Owners did not get compensated to notify him.

Questions were posed to Bernie and Julie as to what is the procedure for rentals. Julie stated the rental process is a first come first serve basis. January 1<sup>st</sup> of each year for the following year is the first day the homeowners can put in their dates.

Scott MacKenzie made a motion to circulate to owners the procedures of how the rental process works and a second motion for Ron Fine to search for software since he stated that there is a better way than Julie's current procedures.

Another homeowner who didn't provide his name wanted to make an amendment to Mr. MacKenzie's motions that a committee be appointed by the board to research software solutions, and to study the functions of Julie and how the rooms are rented.

Gregory Perkins stated that the board could appoint a committee and will take these motions as suggestions for consideration.

An owner requested how the rental procedures work, and that more details be provided to owners about the website, and owner's directory. Bernie stated he would be happy to provide this information to the owners.

Mike Mihaley stated Bernie still has a conflict of interest sitting on both the board and as Property Manager. Jim Crocker stated that the Board will take it under advisement.

An owner asked if the board/management will look into rekeying the doors to make the property more secure. Bernie stated they will look into it.

**Approve and Ratify  
2015 Operating Budget  
and Adoption of the  
Reserve Study:**

Ratification of the Operating Budget for 2015 & Adoption of the Reserve Study was approved by all owners present and those represented by proxy.

**Approve Replacement  
Reserve Expenditures:**

Unanimous approval of the replacement reserve expenditures by all owners present and those represented by proxy.

[Whereas the members desire that the Association shall act in full Accordance with the rulings and regulations of the Internal Revenue Service, now therefore the members hereby adopt the following resolutions by and on behalf of the Association.

Resolved that the amount collected by or paid to the Association for Capital Replacement purposes during the Fiscal year ending November 30, 2014 shall be set aside for future major repairs and replacements and allocated to Capital components as provided by the guidelines established by the IRC Section 118 and Revenues Rulings 75-370 and 75-371. Such amounts shall be deposited into separate account. Any amounts so added to replacement funds shall be allocated to the various components at the discretion of the Board of Directors.]

And be it further resolved that all actions taken by the Board of Directors on Behalf of the Association during the prior year be and hereby are ratified.

**Open Discussion:**

Mrs. Mihaley wanted to know why homeowners were not informed of the criminal investigation/litigation involving Tamara Teubel initially and only notified of these issues when the candidate statements came out in November 2014. Bernie stated that the minutes mentioned the issues with Tamara Teubel and the minutes were available on the website. A suggestion from one of the homeowners was that issues like this should have been put into the homeowners updates that Bernie sends to owners. A request that there be more transparency as they feel that there is an element of cover up.

A question was asked how Bernie found out about Tamara Teubel's actions and what has been done so that this does not occur again. Bernie responded that internal controls have been implemented, we converted to a new accounting system, and an outside accounting firm is being utilized. Bernie stated that if an owner feels that they have a unit that was rented and occupied and was not paid, the records have not disappeared and management will investigate.

Bobbie Yates asked how she (Tamara Teubel) get caught. Bernie stated that one check that was made to payable to Park Plaza was deposited into one of Tamara Teubel's accounts, this was discovered by a summer rental being credited out and obtaining a copy of the check from the renter.

Mr. Mihaley wanted to know who came up with Bernie's salary. Bernie responded that he came up with the amount of \$60,000 and the new budget is \$66,000.

Mrs. Mihaley stated she wanted to obtain contact information for homeowners, and was told they would have to contact Bernie directly to obtain this information. Bernie responded that homeowners who have chosen to have their contact information published can be found on the homeowners' website.

Bob Landis stated that one of the owners can't vote for him because if Julie saw this person's vote it would affect rentals. Julie stated that is not correct.

Sherri Vines suggested that, when trust is broken, independent of how hard anyone of us has worked to make this place successful, it can only be rebuilt on our further action. What is important for the board to say is that these are the key issues that the board heard, and here is to what the board commits.

Les Baledge is encouraged by the owners, the board and counsel and feels that everything will turn out okay.

One of the owners asked the newly elected board member to talk about his objective/agenda for the Park Plaza. Mr. Charles Kafadar responded as follows:

All of the substantive points raised in the meeting had merit, and that he plans to address them in a timely manner. He has spoken to Bernie about a succession plan for the Property Manager position. He wants to review carefully the Reserve Study as well as the current rental system, which he thinks could perhaps be improved by using established software. He does not want to give the impression that a software solution could be implemented overnight. His intuition is that it could be done, but he does not know how long it would take. He likes everyone's idea of sending out information to the homeowners on how the current rental system works. He would like to have a consultant's opinion on the current rental prices. He believes it's important for the association's esteemed counsel to notify the association of any legal problems that arise.

Bob Landis recommended that the Park Plaza seek interior design help from some of the current owners. He stated that he is not selling unit 409, and that he remains concerned about transparency. He also mentioned his concerns about the current rental procedures.

Regarding his concerns, Ursula Kafadar stated that Julie Timparo runs the rental system, and much of the Park Plaza, extremely well, and she objected to any suggestion that Julie is dishonest because she believes that Julie's record demonstrates that she is an honest, capable, hard-working employee and is doing her best to be fair to every one of the homeowners.

Several owners stated that they vote to adjourn the meeting. Seconded.

**Meeting Adjourned:**

The meeting concluded at approximately 4:55 p.m.