

THE PARK REGENCY TIMESHARE ASSOCIATION, INC.

ANNUAL OWNERS MEETING

Friday, March 19, 2010

8:30 P.M.

Held at The Park Regency Resort located at 1710 Prospector Square, Park City, Utah

MINUTES

I. CALL MEETING TO ORDER/ESTABLISH QUORUM

Mr. Richard Sporny, Board President called the meeting to order at 8:30 P.M. Mr. Sporny introduced the board members in attendance. They are:

Richard Sporny – President
Larry Rupp – President
David d’Hulst – Secretary
Rob Tew – Treasurer
Dick Hoopes – Member-at-Large

He then introduced Douglas Wilcox, Vice President of Resort Management for Trading Places International. Mr. Wilcox introduced the management team as follows:

Ricky Stroud, Resort General Manager
Crystal Clayburn, Front Desk Manager
Gail Turner, CPA – Vice President of Association Accounting
Gary Fraizer, Association Accountant
Richard Zimmerman, Director of Resort Operations
Nick Burson, Owner Services Representative.

Proof of Notice and Quorum Requirement. Mr. Sporny announced that the Notice of Annual Meeting and proxy form were mailed to all owners in good standing as of Record Date set on January 5, 2010. Park Regency Timeshare Association documents require that a legal quorum of a minimum of 15% of the members be represented at the meeting in person or by proxy. The association consists of 4,182 intervals with 890 delinquent accounts. Total active members is 3,392 with 15% of this number being 494 accounts to meet quorum. 1,954 accounts were present by proxy and 31 accounts were present in person making a **total of 1,985 owners or 60% of the membership. Therefore, a quorum is established and business may be conducted.**

II. CONDUCT OF MEETING

Mr. Sporny informed the members that the meeting would be conducted following a form of Roberts Rules of Order and asked the members to state their names for the minutes when called upon to make a comment.

III. OVERVIEW OF 2009

Mr. Sporny reported on many of the improvements that had been accomplished during the past year.

1. Changed management companies from Wyndham Resort to Trading Places International. This has resulted in a savings of \$250,000 per year for the members.
2. Completed the remodel of the kitchens on the 3rd floor including the cabinets, granite counter tops, and appliances.
3. Completed the remodel of the lobby in which we are standing. We have added an ADA qualified restroom next to the workout room
4. Added new equipment to the workout room.
5. Completed a board room for meetings by guests or association.
6. Changed companies that handle the housekeeping services for the units. This has resulted in a savings of \$60,000 per year.
7. WiFi had been installed and almost every unit has access to it now.
8. An ADA approved ramp into the resort lobby was constructed and the new front desk has a lowered section to assist members.
9. A new chlorination system had been installed in the pool and this is helping to keep the pool cleaner and consume less chemicals.
10. Handrails have been added to most units baths to assist those who can use them.
11. Security cameras have been added throughout the resort at a large number of locations to help with security.

IV. APPROVAL OF 2009 ANNUAL MEETING MINUTES

Mr. Sporny presented the members with the minutes of the 2009 annual meeting and asked for a motion to approve them. A motion was made by Dwight Friedline and seconded by Don Barr to approve the minutes of the 2009 Annual Meeting. Motion was approved by unanimous affirmative vote.

The Certificate and Report of Inspectors of Election reported that 2,685 members voted in approval of the minutes as well.

V. DISCUSSION OF FINANCIAL STATUS OF RESORT

Mr. Rob Tew, Treasurer reported on the financial status of the association at year-end December 31, 2009. He explained that the association had made some very good improvement over the previous year and had repaid the reserves from the operating fund. The association ended the year with \$943,000 in cash and that in the audit draft it was shown that the association ended the year with \$102,000 net of operating expenses.

He also explained that the association had made improvements to the resort with an expenditure of \$407,000 lobby improvement and \$205,000 expenditure on the 3rd floor unit improvements. He also explained that there was a balance of \$451,000 in the reserve fund at year-end and that we are budgeted to increase reserves in the amount of \$351,000 in 2010.

Rob reported that the delinquency rate for 2009 was 20% of members. In 2010 to date it is at 26%. He also reported that a draft audit performed by the independent CPA firm Porter and

Company had been completed and was being reviewed by the board prior to approval. It will be available to any members when it is ready.

VI. APPROVAL OF TRANSFER OF EXCES FUNDS TO RESERVES

Rob Tew asked for a motion to approve the transfer of excess funds to the association reserve fund should there be any at year-end. Harold Reynolds made a motion to approve the transfer of any association operating funds which are in excess of expenses at year-end to the association reserve accounts. Motion was seconded by Jeff Nielson and approved by unanimous affirmative vote.

The Certificate and Report of Inspectors of Election reported that there are 2,675 yes votes in favor or approving the Transfer of Excess Funds to Reserves.

VII. DISCUSSION OF ANNUAL MEETING SOLICIATION OF PROXIES FOR ELECTION AND APPROVAL OF DECLARATION AND BYLAWS AMENDMENTS

Mr. Sporny introduced the association's legal counsel, Mr. Kenneth Bitner from the firm Terry, Jessop & Bitner in Salt Lake City, Utah. Mr. Bitner introduced a letter of response from the association board of directors to a letter sent to the members of the association from Mr. Mike Muldoon, President of Geo Holiday Club and Starpoint Resort Group on March 8, 2010 concerning certain claims and statements made in an effort to persuade members to sign new proxy forms selecting his candidates Mr. Alan Dickler and Mr. Woody Cary who were not included on the original proxy ballot form delivered to the membership from the association.

Mr. Peter Donaldson, legal counsel to Mr. Muldoon and Geo Holiday Club, called a point of order according to Roberts Rules of Order and asked where this matter was located in the agenda. He was informed that it was part of the introduction as it is introducing to the members the situation with the proxy solicitation performed by Geo Holiday Group through a letter and phone call campaign. Mr. Donaldson obtained agreement from the board and Ken Bitner that his client, Mike Muldoon would have an opportunity to respond to the board's response letter after it was read to the body of the meeting.

Mr. Bitner then read the full text of the letter from Mr. Muldoon dated March 8, 2010 and the letter in response from the board. A copy of each is attached here to for reference.

Mr. David d'Hulst, then reported on the process for securing an amendment to the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the amendment to the Bylaws stating that there are important changes and improvements to these documents that need to be completed to correct them and update them. He explained that the board hired legal counsel to produce the proposed amendments and explained how the board felt it was their fiduciary duty to ensure the health of the association. He commented that the reason the board did not renew the marketing agreement with Starpoint and Geo Holiday was because they had obtained ownership of over 570 intervals in the association and they had threatened the board to take over the board if they did not renew the marketing agreement. Also, that with one organization having that many intervals the board felt they should stop giving intervals to them to sell in their club because if they go out of business in the future that would create a serious financial problem for the association. The board feels they needed to take action to protect the

association from that possibility by not giving intervals to Starpoint but to find an alternative to sell intervals as individual weeks and also have the association earn something from it.

Mr. Peter Donaldson, legal counsel to Mr. Muldoon and Geo Holiday Club, called a point of order and demanded that his client have equal time to respond to the reported items.

Mr. Mike Muldoon, President of Starpoint Resort Group and Geo Holiday Club, addressed the body of the meeting and explained that he brought Starpoint to the Park Regency eight years earlier and over the time had sold 570 intervals which became a part of the Geo Holiday Club. It was the boards directive and goal and his goal to secure dues paying members and he accomplished that. Geo Holiday pays for 570 interval maintenance fees each year and that is over \$1 million in the past few years. This has been a fantastic benefit to the association.

He explained that he could not understand the boards stand on this marketing agreement as it is his goal to help the board foreclose on delinquent accounts which all the members of the association have to cover when they go unpaid in paying higher maintenance fees. He explained that this board has allowed the reserves to fall in amounts and that they are using reserves to pay operating expenses. He didn't understand why the board would want to block him from continuing in sales when he has shown he can get delinquent accounts to become dues paying accounts.

He explained that he is not just protecting Geo Holiday but he is protecting the whole membership, all 5,000 owners. He cares deeply about this resort and its success. He explained that he has offered to pay the expense of foreclosure from \$500 to \$600 per interval to assist the board and association so they could secure ownership of the intervals and pay maintenance fees without cost to the members but the board just quit the marketing agreement.

VIII. APPOINTMENT OF INSPECTORS OF ELECTION

Mr. Douglas Wilcox explained the process for voting to approve the amendments to the association documents and for voting for two of the board of director positions. He explained that once the vote had been performed he needed four inspectors of election to count the ballots cast at the meeting and finish the count of the proxies that had been delivered by the membership prior to the meeting.

Calling for volunteers Mr. Dwight Friedline, Edward Armstrong and Robert L. Tew offered to assist Mr. Richard Zimmerman from TPI in the final count of the ballots and proxies.

IX. ELECTION OF BOARD OF DIRECTORS

Mr. Wilcox then introduced the known candidates who had been nominated and asked each of them to make a short statement to the body of the meeting. He then called for nominations from the floor three times and finding there were none announced that nominations were closed.

Mr. Richard Sporny, Mr. Dick Hoopes, Mr. Alan Dickler and Mr. Woody Cary then addressed the body of the meeting and stated why they wanted to be on the board of directors.

Mr. Wilcox then asked the members of the association who held a ballot to proceed to vote and turn those ballots in to the inspectors of election. The inspectors then retired to the board room to complete the count.

X. GENERAL DISCUSSION / OPEN FORUM

The following questions, statements and answers were made during the open forum:

Lynn Angel – Stated that he originally purchased a one bedroom unit in 1987. He has been trying to upgrade to a two bedroom. In August 2009, he received a call from Geo Holiday to attend their presentation at Sweetwater. He was told by the salesman if he gave Geo Holiday his one bedroom and a little extra money he would be upgraded to a two bedroom ownership. Instead he has lost his ownership and voting rights at the Park Regency. He has also lost his ability to use Bonus Time at Park Regency.

Sondra Moffett – She has been receiving calls from Exchange International. They have told her that if she pays them \$279 she will no longer have to pay any Park Regency fees. They claimed to be taking over the Park Regency They called again to give her a user ID and password for her membership with them. She has asked them to send her a letter or provide her with some form of identification.

Unknown Name – Called Trading Places to space bank his week. He was told he had to pay his 2010 maintenance fees in full before he could bank a week for trade and he felt this was unfair.

The board responded and explained that it is the policy of the association that in order for an owner to deposit their timeshare with an exchange company they had to be paid in full because if they gave their week to an exchange company and didn't pay the exchange company would own that weeks use and the association couldn't stop them.

Unknown Name – He has had to pay delinquent fees in excess of \$400 in the past to Wyndham. He does not like the fact that the late fee is being changed from \$10 to \$50. He argued the fact that maintenance fees have to be paid in full before you could space bank. He had been able to bank in the past without having his fees fully paid. How can he sell his timeshare?

JoAnn Hicks – Asked when we had changed housekeeping companies. During her stay in September, the housekeeping in her room was horrible.

Don Barr – Has received a lot of mailings and phone calls from Geo Holiday. He has attended a presentation where he was told Geo Holiday had purchased the Park Regency. They offered to buy his week. He felt pressured and lied to by the salesman. He complimented the board all the things they have done from the resort.

Mrs. Goldhanger – Questioned the “first come, first serve” policy on specific rooms. Does that apply to the board members? Whenever she comes to stay during board meeting times, the rooms she would like have already been given to the board members. She listed some items that were broken in her current unit.

George Hicks – What's the plan for the first and second floor rooms? Do we have a budgeted plan for that? He wants a firmer time frame (i.e. Fall 2010).

JoAnn Hicks – Why did the board spend so much money on the lobby instead of all the rooms? She felt the lobby was fine and the rooms needed the remodel instead.

Bill Trawbridge – He came up two years ago and the pool was down. He would like more notice when repairs of this nature are going to occur. He would book his week for another time.

Dave Davis – Now that the third floor is done, will owners get first chance on those rooms or will they be given to rental guests over owners?

Larry Mueller – Is Bonus Time available for one night stays?

John Miller – He is having issues with booking online with Trading Places. He does not understand the booking requirements, (7 days in advance with a three night minimum). He is upset with the two night minimum for bonus time on the weekends. He did not agree to that when he bought his timeshare. He does not think that the cost to clean is more than \$50. He is unhappy with the budget numbers. He is voting for the Geo Holiday candidate because he feels the board needs new members.

Russ Thompson - He has seen things breaking down and thinks the board has done a great job fixing up the resort. He is worried about someone having 570 votes. What is to stop them from taking over?

Unknown Name - Is it true that those that are delinquent still get a vote?

Board responded and explained that NO, they do not get a vote.

Dwight Freedline – He is concerned that a owner of so many multiple units could take away his ability to book his own week during peak times.

Doug Wilcox of TPI responded and explained that Geo Holiday does not make bulk reservations in the best times but works very closely with reservations department to spread their reservations over the year and in the high and prime times they actually own. They are not getting an advantage over the other members.

Rob Howell – What is the board doing to actively sell the delinquent intervals?

Board responded with a brief explanation that they were entering into a sales contract with Trading Places to use a company called Compass Resorts to handle the sales. A major discussion about why is it with Trading Places if it's for Compass Sales. Discussion was cut short since the agreement has not been signed as of yet.

Unknown Name – She would like detailed information on some line items in the budget.

Mr. Wilcox thanked the members for their comments and suggestions and then introduced Nick Burson a TPI Exchange customer service agent. Nick then thanked the owners for staying for such a long meeting and held a drawing for three 7-night vacation certificates. The winners of the drawing are:

Dick Hoopes
Alan and Janet Burch
Josephine Manning

XI. ELECTION AND AMENDMENT APPROVAL RESULTS

The inspectors of election delivered their Certificate and Report of Inspectors of Election to President, Richard Sporny. He announced the following results:

Richard Sporny	1,384 votes
Dick Hoopes	657 votes
Woody Cary	1,060 votes
Alan Dickler	863 votes

Twelve other members also received votes of 13 or less. Those persons are not named herein.

Richard Sporny and Woody Cary have the highest number of votes and are therefore, the new board members each with a two year term of office.

Approval of the Amended and Restated Declaration of Covenants, Conditions and Restrictions:

1,130 votes	Yes	1,578 votes	No
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Thus, the Amendment does not pass having required 2,194 yes votes.

Approval of the Amended and Restated Bylaws:

1,143 votes	Yes	1,583 votes	No
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Thus the Amendment does not pass having required 1,678 yes votes.

XII. ADJOURNMENT

Meeting was adjourned at 12:45 A.M.