

**CLUB SEVILLA II CONDOMINIUM ASSOCIATION, INC.
SPECIAL MEETING OF THE BOARD OF DIRECTORS
HELD AS A CONFERENCE CALL
APRIL 23, 2014, 8:30 P.M., E.S.T.**

I. CALL TO ORDER:

Present for the Board of Directors:

Barry Faughnan - President
Kennith Reese - Vice President
Kim McCarty - Vice President
Jackie Spears - Vice President/Secretary/Treasurer
Donna Latham - Vice President

Present for Osceola Resort Management Company:

Robert A. Slaman - President
Michael Osborn - Vice President
Michelle Duarte - General Manager

The meeting was called to order at approximately 8:35 A.M., E.S.T. by Mr. Faughnan.

Minutes:

Ms. Latham made a motion to approve the minutes to the February 26, 2014 Board of Directors Meeting. Ms. Spears seconded the motion. The motion was approved unanimously.

II. RESORT STATUS:

Ms. Duarte reported the following:

Current occupancy is approximately 83%.

Owners Coffee Chats are going well. The ice machine in building five has been replaced. The old ice machine lasted seventeen years. One of the commercial dryers was replaced.

III. OLD BUSINESS:

Association owner unit-weeks:

There are thirty-five (35) unit-weeks in inventory. Management informed the Board, since the bulk sale, there have been twenty-nine (29) sales with nine (9) unit-weeks being Phase II sales.

Bulk Sale Update:

Of the seventy-two units sold in bulk, only two (2) remain unsold.

Building Ceilings:

Ceiling repairs are on hold.

Front Entrance Landscaping:

Management is still collecting bids for the landscaping around the buildings.

Tank-less hot water heaters:

Mr. Slaman reviewed with the Board an electrical consumption analysis comparing conventional hot water heaters to tank-less hot water heaters. The total cost of a tank-less hot water heater conversion is \$1,039.00 per unit. The annual savings in electrical consumption is \$333.00 per unit. The payback period is 3.12 years.

Telephone System:

Management submitted three bids for the replacement of the resort's telephone system.

Mr. Reese made a motion to approve the bid from BH Communication. Ms. Latham seconded the motion. The motion was approved unanimously.

Fabricated Leather Storage Ottomans:

Management put a sample ottoman in unit 511 as a test unit to see how it looks and holds up to daily use. The ottoman seems to be working out great.

Management was able to negotiate the purchase, in bulk, eighty (80) ottomans for \$300.00 each plus tax and \$200.00 shipping. Phase II's share is \$9,064.82.

Mr. Reese made a motion to purchase the ottomans. Ms. McCarty seconded the motion. The motion was approved unanimously.

Guest Bedroom Furniture:

Management discussed the need to replace some of the old guest bedroom furniture because of a

mildew smell that the furniture retains.

Management suggested that all guest bedroom furniture be replaced in building seven and that the old mildew smelling furniture in the other buildings be retired. The total cost would be \$10,739.21.

Mr. Reese made a motion to purchase the guest bedroom furniture for building seven. Ms. Latham seconded the motion. The motion was approved unanimously.

IV. NEW BUSINESS:

Board of Director's training Seminars:

Mr. Slaman explained to the Board that changes to the Condominium Act that were passed by the Florida Legislature this past year require new Board Members to attend Board Member training seminars or submit an affidavit to the Association stating they have read the Association's documents and understand them. Board Members of Timeshare Associations are exempt.

D & O Insurance:

Management was asked by the Phase I Board to see how much it would cost to increase the D & O Insurance to five million dollars. Management shared with the Board that a five million dollar umbrella policy would cost \$590.00 per Association for a total premium for both Associations of \$1,180.00. The Board asked that the additional insurance be purchased.

Reserve Fund Investments:

Management informed the Board that \$150,000.00 of long term reserve funds were invested in a five year J.P. Morgan CD. The annualized return over the life of the CD is 2.050%. This is ten times the rate the Association currently earns in the Money Market Account with PNC Bank. This investment is fully insured by the FDIC.

Front Desk Software:

Management will research timeshare property management software for the resort. This will be added to the open items report.

Exterior Building Painting:

Management informed the Board that the exterior of the buildings need to be painted. It has been eight years since the buildings were painted and the reserves are fully funded. Management recommended Aldee's Enterprises, LLC the company that painted the buildings the last time. The total cost for Phase II is \$26,910.26. Phase II's exterior building painting reserve is \$40,468.00.

Ms. Spears asked Management how many coats of paint are included in the contract. Mr. Slaman

explained that all surfaces would be sealed, primed and then painted with one final coat.

Mr. Reese made a motion to approve Aldee's Enterprises, LLC's bid. Ms. McCarty seconded the motion. The motion was approved unanimously.

V. FINANCIAL REVIEW:

Financial Review:

Mr. Osborn reviewed the financial report with the Board Members.

VI. COMMENT CARDS:

Comment Card:

The Board reviewed the RCI comment cards.

VII. SET A DATE FOR THE NEXT BOARD MEETING:

Set a date for the next Board Meeting:

The next Board of Directors meeting will be scheduled in July to review the first draft of the 2015 budget.

VIII. ADJOURNMENT:

Adjournment:

Ms. Latham made a motion that the meeting be adjourned. The motion was seconded by Ms. McCarty. The motion was approved unanimously. The meeting was adjourned at approximately 9:21 P.M., E.S.T.

ACTIONS TAKEN BY THE BOARD OF DIRECTORS:

Board of Directors Meeting Minutes:

The Board approved the minutes to the February 26, 2014 Board of Directors = Meeting.

Fabricated Leather Storage Ottomans:

The Board approved the purchase of the fabricated leather ottomans.

Guest Bedroom Furniture:

The Board approved the purchase of guest bedroom furniture for building seven.

PBX Telephone System:

The Board approved the purchase of a new telephone system.

Exterior Building Painting:

The Board approved painting the exterior of all buildings.

Donna Latham, Vice President/Secretary/Treasurer

Date

