

CLARCONA RESORT CONDOMINIUM ASSOCIATION, INC.
MANAGER'S FORMAL REPORT TO THE MEMBERSHIP
Thursday, April 08, 2004

The Board of Directors has a detailed Management Report which was a part of their Board File. If you need a copy, one is available at this meeting.

In addition to those detailed items, I would like to update you on a few other issues.

1. Mr. Adkison and I have met and laid out a potential track for the paving of a wheel chair roll up to a drop box on the end of the Office Trailer. Because of the configuration, we decided that total concrete paving would not be practical. We laid out a pattern for an asphalt track that will blend in with the natural surroundings of the park.
2. Audits for the Year 2003 are available for those persons who would like a copy. A few residents have picked up copies.
3. Management is very concerned about the negative attitudes of some youth in the park and has talked to a few of the youth. They have expressed to management that they feel that there is nothing here for them to do and that nobody cares about them. I am going to provide a Forum for the Youth only next Thursday afternoon at 6:00 p.m. I have explained to them that the assembly must be orderly and respectful. Jack Jordan has agreed that he will prepare some refreshments for the meeting. If you know of youth in your neighborhood, please encourage them to come. I would like for them to feel that it is their meeting without adults being present. I feel that this is the only way that they will open up and be honest and candid about their feelings. Hopefully these kinds of meetings may result in a decrease in vandalism and problem areas.
4. Management is holding employee evaluation conferences with all the departments. Nine of the conferences are completed.
5. The sewage disposal plant was recently inspected and the operation was found to be in compliance with the terms and conditions of the permit.
6. One matter that the office staff has asked me to bring to your attention has to do with the confidence that is placed in the staff. Frequently we get requests for copies of payroll records, aging reports, legal updates and other records. We are happy to cooperate and at the same time it makes us feel that there is distrust of our intentions and methods or, in the alternative, that we might be being manipulated by some faction of the membership. I want to say to everyone that you have an excellent, hardworking and extremely honest and ethical staff in the office. It hurts me to see that they are made to feel that someone does not trust them. If those kinds of feelings do exist, I believe they are etched from past experiences that are not applicable to us today. I believe that our staff has a deep and abiding commitment to honesty and forthrightness and I commend them without reservation.
7. I apologize that the adult hours were not listed in the mail out that was included in the electric bills. That was an inadvertent error and a correction will appear in the next bill. Meanwhile, I am having signs made to post at the pool to announce those hours, as well
8. The installation of the new No Diving tiles and Depth Markers will begin next week and we ask everyone's cooperation in closing of the pool while that work is being done.
9. Please greet and welcome the new owners in the park. There were 4 in January, 6 in February and 2 in March.
10. We had 23 violation letters in March; we have 60 violation letters going out in April. Fines that have gone unpaid for several years are now at collection with the attorney. I want us to tighten up on the enforcement of the Covenants and the Rules and Regulations.

Clarcona Resort Condominium Association, Inc.

Board of Directors Regular Meeting Minutes April 8, 2004

- I. **CALL TO ORDER:** The Regular Meeting of the Board of Directors was called to order at 7:00 p.m. by Vince Bufalini, President, in the Recreation Hall.
- II. **ROLL CALL:** The roll call of Directors was made by Jerald Pierce. Board members present were: Lee Adkison, Vince Bufalini, Charles Caldwell (by speaker phone), Ken Coffman, Sylvia Colfer, Lawrence DeGeus, Janet Lawton, Laura Rodriguez and Dan Sievers. Also, present was Jerald Pierce, representing management.
- III. **READING AND APPROVAL OF MINUTES:** The minutes of the meeting of March 11, 2004 were presented. A motion was made by Laura Rodriguez, seconded by Dan Sievers to approve those minutes. The motion passed unanimously. The minutes of the April 1, 2004 Workshop were presented for approval. A motion was made by Charles Caldwell, seconded by Laura Rodriguez to approve those minutes. The motion was passed unanimously.
- IV. **OFFICER REPORTS:**
 - A. There was no report from the President.
 - B. There was no report from the Secretary.
 - C. Treasurer's Report: The Treasurer, Ken Coffman, presented a report, giving an account of the assets and liabilities of the association and stated that a copy of the financial reports had been placed in each Board members file.
- V. **MANAGEMENT REPORT:** The Management Report was given by Jerry Pierce. A copy was given to each Board Member and is available for inspection in the Condo office.
- VI. **OLD BUSINESS:**
 - A. The proposed AERC rule changes were made available to each board member and the proposals were read aloud by Dan Sievers. A lengthy discussion of the proposed set back changes followed. Both homeowners and Board Members participated in the discussion. Questions raised related to the part that Orange County would play in the ultimately established set backs. There was also concern related to the parking of vehicles if the reduced set backs were put in place. Consequently, the matter was referred back to the committee for more answers so that the matter can be re-addressed at the May meeting.
 - B. The matter of a truck purchase was re-visited. Board Member Ken Coffman made a presentation of various proposals that have been received. The case was made for the purchase of a more current model truck than had been previously approved. After lengthy and in depth discussion, a motion was made by Chuck Caldwell, seconded by Sylvia Colfer that the Manager should obtain bids up to \$35,000 for a suitable truck and that the payment can come from the Reserve established for Equipment Replacement. The motion was passed by a unanimous vote.

VII. NEW BUSINESS:

- A. Ken Coffman presented a review of the higher CD rates and terms that are available at Southern Community Bank. He asked that the Board authorize the Treasurer to choose banks in which to deposit CD's on behalf of the association based upon the favorable rates available at a particular time. The motion, made by Laura Rodriguez and seconded by Chuck Caldwell, was to authorize the Treasurer to place CD funds into Southern Community Bank. The motion was passed by a unanimous vote.
- B. A motion was made by Laura Rodriguez, seconded by Dan Sievers, to establish a commission to codify and bring together all the Rules and Regulations of the Association. During discussion, Charles Caldwell requested that the motion be amended to require the commission members to complete their work within 6 months and that they make monthly reports on the progress to the Board of Directors. Both Rodriguez and Sievers agreed to that amendment to the motion and a vote on the motion was unanimous.
- C. A summer schedule for Board Meetings was discussed. A motion was made by Janet Lawton that Board meetings be suspended for the months of July and August. After discussion, a roll call vote was taken and the measure failed by a vote of 5 against and 2 in favor (Note: The maker of the motion, Janet Lawton, left the meeting room prior to the vote; if her vote were to be counted as in favor, the vote result would have been 5 against and 3 in favor).
- D. Regarding summer Board Meetings, a motion was then made by Charles Caldwell to suspend the Workshop sessions for the months of June, July and August. That motion was seconded by Sylvia Colfer and was passed by a unanimous vote.

Ken Coffman made a motion that the remaining three items on the agenda be tabled to be discussed at the next Board meeting. The motion was seconded by Dan Sievers. Lee Adkison asked that, prior to doing that, he would like for the President to appoint a study commission to address the possibilities for obtaining some form of heat for the pool during the winter months. President Bufalini agreed to do that and the Manager read into the record that the President would so do.

Adjournment: A motion was made by Sylvia Colfer to adjourn; seconded by Rodriguez. The motion was passed unanimously and the meeting was adjourned at approximately 9:15 p.m.

Prepared by Management for the Secretary, Dan Sievers

Certified Approved:


_____, Secretary

Date: May 04

CLARCONA RESORT CONDOMINIUM ASSOCIATION, INC.
MANAGEMENT REPORT
April 2004

MONTHLY RECURRING ITEMS:

- Collected assessments, posted payments and deposited funds.
 - Discussions with attorneys regarding collections and coordination of payments
 - Handled letters and telephone calls from residents in response to dues notices
 - Updated records and liens on outstanding assessments.
 - Updated new owner records per warranty deeds submitted
 - Updated records regarding foreclosure actions
 - Communicated with title companies regarding closings and assessments
 - Balanced monthly checking statement
 - Arrangements for private use of Recreation Hall
 - Issued gate passes and cards according to documents
 - Handled letters and telephone calls in response to Violation letters
 - Discussions with residents regarding complaints; issued letters in cases of merit
 - Discussions with residents regarding AERC applications
 - Proofing and coordination of Newsletter
 - Authored Manager's Message and article for Newsletter
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ADMINISTRATIVE:

1. Received request for records inspection from 5 homeowners. The records were provided.
2. Terminated the services of Randy Hillman for collections and for registered agent.
3. Collection letters have been sent to all those property owners with unpaid fines (8).
4. The 2003 Audit has been completed and copies are available to any Unit Owner. Notices to that effect were mailed in the electric bills so as to comply with the 718 FS requirement that notice be given within 90 of the end of the fiscal year.
5. Per the instructions of the Board, management has sent a demand letter to all the Unit Owners who have unpaid fines. No funds have been received to date and Management, per the board's instructions has now turned those over to Taylor and Carls for the filing of a law suit to collect.
6. We have received notice of two violations contained in Department (of Environmental Protection) records concerning our Consumer Confidence Report being late on July 1, 2003 and a late certification of Delivery on August 10, 2003. I have forwarded these to Excel Engineering and I have talked to the Department of Environmental Protection and received permission to make the explanation of the late filing in my 2004 Report. Does not require any Board Action and no fine was issued in connection with the matter.
7. Management has scheduled an open meeting with the park's young people for a forum on April 15, 2004. We hope that this might give our young people a feeling that their voice is heard and hopefully they may help the community to eliminate some of the problems with vandalism, nuisance, etc.
8. The Directors and Officers Insurance policy for the year 2004-2005 is in effect and paid for until March 26, 2005. The Vehicle insurance was also renewed with the same insurer as last year (Nationwide). Management is, however, trying to see if we can find a better price and will report if a better premium is found.

9. Management has held Employee Evaluation Conferences with 9 employees during March and will hold the remaining 7 evaluations conferences in April. Small raises (\$.25/hr) were granted to some employees that Management felt are deserving. I explained that it is mandatory for me to stay within the budgeted figures for the year.
10. The Wastewater Treatment Facility (Sewage Disposal Plant) was inspected and the overall operation was found to be in compliance with the terms and conditions of the referenced permit (OCEPD Permit: D004-01). The Compliance Certification is available for inspection.
11. For long distance, I have changed our carrier from Sprint to MCI and we are saving about .24 per minute (Sprint was .30 and MCI is .04).
12. Inordinate numbers of requests come into the Management office for current, monthly documentation of payroll records, aging reports, legal updates, etc. to seemingly enable some unit owners to keep their own "little office". My staff is happy to cooperate with all unit owners. We are made to feel, however, that we are the subject of some mysterious distrust. Those requests are, perhaps, etched from past experiences. As the Manager of the Condominium, I want to express that I and my staff have a deep and abiding commitment to honesty and forthrightness. I commend the entire staff without reservation.

GROUNDS AND MAINTENANCE:

1. Management meets every morning with Herb Palmer, the Maintenance Supervisor, concerning the daily activities and schedules for the Maintenance Crew.
2. We are in the process of reviving the back-up water pump at the Maintenance Garage. We have just purchased a 10 gallon fuel tank for the motor and are ordering a new Battery. Then I will call in Locke Well and Pump to get the motor going so that we will have back up for the water in case of a power outage.
3. The issue of finding a small truck that we can use for leaf and yard trash pick-up is still on our agenda.
4. There continues to be vandalism at some of the bath houses, but we have not yet resorted to locking them at night. One Bath house has been the location of cooking with a microwave, use of a coffee pot, and playing of recorded music. Management has written the owner of the lot that is involved via Certified Mail to see to it that there is a cease and desist from that theft of electricity and violation of Health codes.

LEGAL:

1. All of the accounts that were with Randy Hillman for collection have now been turned over to Taylor and Carls.
2. Management has notified Randy Hillman that we no longer require his services either for collections nor as registered agent. I have also filed an amended Uniform Business Report with the State informing them that the registered agent is Jerald J. Pierce, 3000 Clarcona Road, Suite 201.
3. The determination of the fine for late production of documents is being appealed by our attorney. Also, Judge Quattlebaum responded to a letter from the complainant regarding review. A copy of the correspondence was placed in the Board Files. Attorney Robert Taylor has also sent a list of stipulations to Atty. Garwood who represents the DBPR
4. Claims of Lien have been filed in the matter of #434 and #711.
5. Taylor and Carls collected and sent us a check for the full amount owed (\$1,131.05) on Lot # 463. Lot #465 (same owner) is going forward for foreclosure.

6. Taylor and Carls collected and sent us a check for the full amount owed (\$2,006.08) on Lot # 815.

AERC:

1. Received and filed a copy of all AERC minutes each week.
2. There have been some problems with building permits being displayed that were not, in fact, valid. Management is coordinating with the Orange County Building Services Department to make sure that permits displayed are valid and in date.
3. The observation has been made that work has begun on additions before getting approval from the AERC. Management asks the cooperation of all unit owners in NOT starting any project without prior approval from the AERC.

RECREATION:

1. We mailed a copy of the newly approved recreation area hours in the March Electric bills. Signs are being made to place in strategic locations around the recreation areas. Note that the adult hours were not listed. That was an error and will be corrected in the new electric bills and will be posted on signs also.
2. The replacement of the pool tiles and the installation of the No Diving and Depth Marker tiles has been ordered and management asked that it be done as soon as possible.

ACTIVITIES:

1. The newly instituted accounting system for the Activities is working very well. All of the formally recognized Activities participate and are producing weekly reports submitted to the Manager for review. Use of the cash register has enabled us to make sure that all the books balance and that we have accounted for all income.

NEW OWNERS:

January 2004

Phyllis Guthries, Lot 833

Gary David Hibbard, Lot 2702

Drew and Paula Guyett, Lot 754

Jack and Mozelle Craft, Lot 745 and Lot 749

February 2004

Rev. Galarza Family Trust, Lot # 743

Robert Shankland, Lot # 202

Robert & Janice Stemock, Lot #315

Allen J. Petty, Lot # 682

Eddie & Alice Potts, Lot # 468

David & Georgiana Norgreen, Lot # 2709 and Lot #2710

March 2004

Richard & Mary Freeman, Lot # 636

Donald & Darlene Sawyer, Lot # 621

GATE:

1. Management met with all gate personnel in March to discuss some improved procedures for access control. An hour and a half meeting produced some very positive results.
2. The Manager reviews all the gate reports every morning (as well as the Sheriff's Patrol report.)

3. Management has recognized some repair and maintenance and repair issues at the gatehouse and has, subsequently shared those concerns the Sun Resorts representative so that some more in depth inspections can be made and so that the Condominium and the Sun Resorts can address those issues.

VIOLATIONS:

1. The Violations Committee has been making regular inspections and the Manager has been following up with confirmations.
2. In March there were 23 violations letters sent out; on March 24, Beth Lucas and the Violations Committee did a check up on those violations and 11 of the 23 had been corrected.
3. The April inspection has been done by the Violations Committee and there are 60 letters to go out in this current list.
4. Major topics of violations included: units that need to be washed or painted, trash in yards, signs, weeds, utility trailers, tires in yard, pets unattended, inoperable and unlicensed vehicles, parking.