

SANDESTIN OWNERS ASSOCIATION, INC.
ADVISORY BOARD MEETING
February 18, 2011

Board Members Present: Dave Stowe, President
 Kent Lillie, Vice President
 Hollis Risley, Secretary
 Rusty Decker, Treasurer
 Andy Salmon, Director
 John Russell, Declarant Representative
 Ken Lloyd, Director

SOA Staff Present: Sandy Matteson, Executive Director
 Jami Williams, Executive Assistant
 Tom Cooper, Director of Security
 Robin Sedor, Director of Finance
 Victoria Klamerus, Director of Communications

The Sandestin Owners Association, Inc. Advisory Board held a membership meeting on Friday, February 18, 2011 in the Grand Ballroom A & B at the Linkside Conference Center at Sandestin Golf and Beach Resort, Sandestin, Florida.

CALL TO ORDER

Kent Lillie called the meeting to order at 9:01 a.m.

ESTABLISH QUORUM

Sandy Matteson, Executive Director, verified that the quorum requirement of 1,576 was established with 2,248 out of 5,254 owners represented. She noted that the sign-in booklet will be kept on file at the Sandestin Owners Association office.

APPROVAL OF THE PREVIOUS MINUTES

A motion was made by John Yarbro of Burnt Pine to approve the October 2010 meeting minutes as proposed. Jim Blunt of Deerwood seconded the motion and it carried unanimously.

ADVISORY CHAIRMAN'S REPORT

Kent Lillie reminded the members that the application to serve on a Committee this year is due back to the SOA office by Monday, February 21st. He then reviewed a slide that listed the 2011 Committee Chairmen as approved by the Board of Directors.

OPERATIONS UPDATE

Sandy Matteson provided an operations update beginning with the committee's goals and objectives as well as the accomplishments of the past year. A copy of the slide presentation is on file at the SOA office.

Kyle Ray, Director of Property Services, reviewed the projects completed during the last quarter of 2010 which included the Linkside drainage project, curbing and paving at the North Gate, drainage repairs at St. Andrews, the swale on Audubon Drive, and the renovation of the East Gate.

Kyle then went on to review the 2011 approved projects which includes

- New concrete at Southwinds SOA beach access
- GIS Mapping of Irrigation
- Perimeter fence ownership and maintenance being evaluated by Maintenance Committee
- Northgate landscape and gate house evaluation and possible improvements
- Ongoing drainage issue evaluations
- Additional street light evaluation
- Expand recycling program to mid-rises, high-rises and rental units.

Victoria Klamerus, Director of Communications reviewed the slides covering the upcoming projects for 2011 to include launching a new interactive website that will include a secure page for members to view financial reports and an on-line owner directory. She reminded the members that the printed directory will be produced this year and in order to be included, owners must return the authorization card providing their name and phone number. Monthly newsletters will continue to be mailed and weekly emails will also be sent to provide Association updates accordingly.

Sandy Matteson introduced and welcomed Sharon Drake as the new ARB Administrator. An update was provided regarding ARB activity:

	<u>2009</u>	<u>2010</u>
Homes Under Construction	38	29
Homes Completed	16	13
Contractor Fines	2	5
Modification Fines	7	3

Transportation Update

Hollis Risley thanked Rusty Decker and the Transportation sub-committee for their time commitment and research regarding transportation within the community. He advised the members that the Board believes a transportation system is important and the SOA documents authorize the Association to control community transportation; however, it is a complicated topic given the variety of stakeholders within Sandestin. There are also many unknown factors such as ridership and the funds needed to operate an efficient system. Hollis explained that there are 2 third party contractors interested in bidding on this service for the current year.

A survey was sent to the membership with over 1,100 responses received. Hollis reviewed the results of the survey pointing out that security is the most important factor for our membership and that transportation was rated very low. Most of those that felt transportation was important were not willing to pay an additional fee. About 70% of the membership was not aware of an additional fee for amenities at the time they purchased.

After reviewing the survey results, Hollis advised that at this point, the only options of funding a system would be “pay as you ride” or consider collecting a fee through assessments. The Traffic, Safety, & Security Committee will continue to research this issue and hopes to have enough information to make a recommendation to the Board of Directors in March.

Discussion ensued regarding the changes in parking at the beach. Sandestin Investments has proposed to gate-off the parking spaces close to Finz allowing access for members that have a business relationship with them. A slide was presented that indicated where the current parking is available and the proposed gated area. John Russell explained that they would like to maintain premium parking for their guests and owners that have a

commercial relationship with them, such as club members, keeping out those that don't have rights to this area or the beach.

SOA management and the Board will continue to follow up on this change in order to ensure this can be worked out with a solution that is beneficial to all.

Security Operations Update

Tom Cooper, Director of Security provided an update for the Security Department. He explained that having the Beach Security officers present was a great success and therefore, this program will be implemented this year as well.

Security statistics were provided as follows:

	<u>2009</u>	<u>2010</u>
Assistance Calls	4496	3865
Property Loss	132	59
Accidents	128	112
Citations	1079	1059
Traffic Crashes	124	101
Traffic Count	3,423,936	3,280,416

Tom then provided an RFID update reviewing the timeline of the equipment purchase and install as well as the dates the RFID's and Gatekeeper access will be available. A question from the floor was asked regarding why owners will have to show vehicle registrations to obtain an RFID. Tom explained that this is to reduce the volume of owner decals issued and to improve access control.

2010 AUDITED FINANCIALS

Robin Sedor, Director of Finance, reviewed the audited financials that were presented to the Board of Directors by Carr, Riggs, & Ingram. The SOA received an unqualified opinion, which means the Association financials are presented in accordance with Generally Accepted Accounting Principles and are free of material misstatements. Robin reviewed the balance sheet and provided a summary of the 2010 expenses in comparison to 2009. A graph with the number of sales and average price was presented that indicated the number of sales has increased from 2010 to 2009; however, the average sales price has dropped.

A question was asked regarding whether the new recycling program is an expense to the SOA. Robin responded that it is not an expense and that it may be a savings over time as it will result in less dumpster pulls.

2011 GOALS

Sandy Matteson reviewed the goals for each department within the Association that included improving the level of service for sanitation services while reducing the costs, reduce ground water usage, improve community appearance to maintain property value while controlling costs, improve overall communications, develop a clear and understandable reporting procedure which identifies problems and opportunities, improve the value of the annual audit, converting Board minutes and legal documents and other reference material into electronic format, update the ARB Guidelines and develop commercial Guidelines.

Kent Lillie then took the floor to provide further information regarding the ARB Guidelines advising that the first step is to ensure that the neighborhoods are more involved in the process. Staff has started by emailing the

agendas to the neighborhood presidents and association managers prior to the meetings. In the near future, each neighborhood will be asked to review and update the guidelines that pertain to their area, submitting changes to the SOA ARB and then to the Board for approval. If the neighborhood association's governing documents allow for an Architectural Review Committee, they will be asked to update their Guidelines and submit them to the ARB for record. Kent reiterated that the goal of the committee is to give the neighborhoods more input regarding the decisions that are made that affect their area and to ensure that the Guidelines and rules are enforced.

The members were reminded that they are welcome to attend any of the ARB meetings and that the notes are posted on the website following each.

After the Guidelines have been revised and approved, the Committee will have a meeting with the builders as well as the neighborhood presidents and association managers to review the changes.

QUESTIONS

A question was asked regarding how a particular area would know if a pump was shut down affecting irrigation supply. Kyle advised that unless it is an emergency, the association managers are usually emailed from Irrigation Management Systems, which is the company that maintains the pumps. In addition, they can contact Kyle if they should have any questions.

John Russell was asked why glass is not being recycled. Mr. Russell explained that the companies providing the recycling service have advised that there is no market for glass therefore leaving no resale value. Most areas across the US have stopped recycling glass and even if it is being picked up, it is not being recycled.

Discussion ensued regarding whether the merchants in the Village are members of the SOA and what authority the SOA has over this area. It was explained that CNL owns part of the Village and Sandestin Investments owns the remainder. The merchants are leaseholders. CNL and Sandestin Investments are commercial members of the SOA.

FUTURE MEETING

The next meeting will be held in October.

ADJOURNMENT

With no further business brought before the Advisory Board, Mr. Kent Lillie adjourned the meeting at 10:25 a.m.

Respectfully submitted,

Kent Lillie
Advisory Board Chairman
Vice President, SOA Board of Directors