

**SANDESTIN OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
November 17, 2011**

MEETING MINUTES

Board Members Present: Dave Stowe, President
Kent Lillie, Vice-President
Hollis Risley, Secretary
Rusty Decker, Treasurer
Andy Salmon, Director
Ken Lloyd, Director
Don McQuade, Commercial Representative *via telephone conference*
Joe Bracciale, Commercial Representative
John Russell, Declarant Representative

SOA Staff Present: Sandy Matteson, Executive Director
Danielle Weller, Executive Assistant/ HR Admin
Kim Ultsch, Executive Assistant/ HR Admin
Victoria Klamerus, Director of Communications
Tom Cooper, Director of Security
Kyle Ray, Director of Property Services
Sharon Drake, ARB Administrator
Robin Sedor, Director of Finance

The Sandestin Owners Association, Inc. Board of Directors held a meeting November 17, 2011, in the Sandestin Owners Association Main Conference Room, Sandestin, FL.

CALL TO ORDER

Dave Stowe, President, called the meeting to order at 8:39 a.m.

ESTABLISH QUORUM

Sandy Matteson, Executive Director, acknowledged that a quorum was established with 8 Board members present and 1 via telephone conference.

DISPOSITION OF PREVIOUS MINUTES

The meeting minutes dated October 20, 2011 should be amended as follows:

- Correct Andy Salmon's name under Disposition of Previous Minutes
- Per Dave Stowe, the language of the last sentence in the first paragraph under Letter From the Board to Walton County Planning Department should read: The letter further requests that the County develop a criteria where some DRI developments, particularly those requiring precedent setting decisions, must be treated as "Major Developments".
- Spell out DCA to Department of Community Affairs
- Page 5 under approval of the 2012 budget change the word "excess" to "projected savings"

Kent Lillie made a motion to approve the proposed minutes dated October 20, 2011, with the above changes. Ken Lloyd seconded the motion and it carried unanimously.

COMMITTEE REPORTS

Finance Committee

Robin Sedor, Director of Finance, reviewed the October Financials provided in the Board Packet and available for review in the SOA office.

Ratification of Members for the Capital Expenditures Strategic Planning Committee

The following members were recommended to serve on the Capital Expenditures Strategic Planning Committee: Linda Obrzut from the Beach Committee, Rusty Decker from the Landscape Committee, Hollis Risley from the Traffic Safety & Security Committee, Steven Powell from the Finance Committee and Joe Bracciale representing Commercial. A representative from the Maintenance Committee will be submitted in December.

Ken Lloyd made a motion to approve the proposed members as listed above. Kent Lillie seconded the motion and it carried unanimously.

Traffic, Safety & Security Committee

Discussion and Approval of Events Policy

Hollis Risley explained that the Event Permitting Policy was established in 2007 and required a \$1,000 fee that was later changed to cover expenses up to \$500. The Traffic Safety & Security Committee members have reviewed and updated the Events Permit with a copy enclosed in the Board Book. The committee members agreed that the events incur cost to the SOA and that there should be reimbursement.

Dave Stowe pointed out that the current language exempts Sandestin Golf & Beach Resort and The Hilton from these fees however he feels that the wording should be changed to require all entities be subject to the policy.

The Board members reviewed the definition of special events as reflected in the policy. Joe Bracciale & John Russell expressed concern regarding asking for approval for events that have occurred year after year such as the wine festival and felt the event permit process allows the opportunity for the Board to deny the commercial entities from doing business. Although they agreed that reimbursement of expenses that incurred as a result of services is needed for these events, they felt the language in the Events Permit Policy should not be changed to require approval but rather just require that these events be communicated to SOA staff to insure proper scheduling.

John Russell made a motion to approve the policy as presented. Joe Bracciale seconded the motion. John Russell, Joe Bracciale and Don McQuade voted in favor, Kent Lillie, Hollis Risley, Rusty Decker, and Ken Lloyd opposed, and Andy Salmon abstained. The motion failed.

It was agreed that the Traffic Safety & Security Committee will revise the wording to accommodate these concerns and bring it back to the Board for consideration.

Discussion of VRBO (Vacation Rental By Owner) Rentals that include golf carts as supplemental to the rental agreements:

Hollis Risley reminded the Board members that concern was previously expressed regarding VRBO rentals advertising golf cart availability for a fee above the unit rental fee. After researching the situation, SOA Staff discovered 9 rentals with this type of advertisement and sent letters to the owners advising that this is a violation of the Golf Cart Policy and that the language must be changed by November 16, 2011.

Rusty Decker explained that per Florida statute a guest has the same rights as an owner and that we cannot deny them the right to operate a golf cart. It was reiterated that, per SOA counsel, we cannot prohibit an owner from including a golf cart as an amenity to their rental unit.

Annual Review and Approval Traffic Rules Policy

Hollis Risley advised the Board that a copy of the revised Traffic Enforcement Rule is enclosed in their board packet and pointed out that the main changes were regarding the addition of the Pedestrian and Cyclist regulations and the authority for a citation to be issued as a result of a violation being recorded via the surveillance equipment.

The Board members discussed whether a policy should be written to define when a citation should be issued, as concern was expressed on the use of cameras that are not apparent. It was pointed out that the fine schedule on The Traffic Enforcement Rules outlines this information and it should be at the discretion of the Security Officers. After lengthy discussion it was agreed that the use of the recordings to issue citations would be communicated to owners prior to going into effect.

Ken Lloyd made a motion to accept The Traffic Enforcement Rules as presented. Hollis Risley seconded the motion and it passed with all voting in favor except Don McQuade who opposed.

Update on Taxi Policy

Hollis Risley proposed creating a Taxi Policy to resolve the issue of price gouging when providing services within the community. The Traffic Safety & Security members will be working with the commercial entities to draft a policy that will be recommended to the Board in the near future.

Development and Government Relations Committee Update

Dave Stowe advised that the Development and Government Relations Committee met to review and discuss the Sandestin Investments Annual Monitoring Report. In addition he, Kent Lillie and Hollis Risley met with the Walton County Administrator, Planning Manager & Attorney to discuss the SOA's concerns with the deficiencies in the report as well as the County's process for review and approval of the report. SOA's counsel, Gary Vorbeck, is involved to ensure we are made aware of any County activity regarding the report. In addition, the SOA attorney has recommended that the SOA hire a Land Planner to review the Annual Report.

Mr. Stowe provided each of the Board Members with a copy of the notes dated 11/1/2011 from the meeting with the County officials.

Landscape Committee

Rusty Decker informed the Board members that the Landscape Committee has been discussing a redesign of the landscaping and signage of the North & South Gate entries as a result of some of the plant material dying back. Discussion with three Landscape Architects occurred earlier in the year with two recently returning to present their preliminary designs.

(9:40 a.m. Don McQuade exited call)

Rusty Decker recommended that the Board approve an expenditure of \$17,500 to contract with Green View Studio, Inc. to prepare conceptual design plans addressing plantings, hardscape, lighting and signage as well as provide preliminary project cost estimates. Slides were presented to show some of the preliminary ideas regarding the improvements to the North and South entries.

Kent Lillie made a motion to approve the expenditure of \$17,500 out of the Operating Budget for the contract with Green View Studio, Inc. Rusty Decker seconded the motion and it carried with all members voting in favor.

Maintenance Committee

Approval of Acceptance of Tivoli Way

Andy Salmon advised the Board members that Tivoli Way is still owned by the Tivoli II HOA and that their Board of Directors has requested to deed the road over to the SOA. The road has been surveyed and meets SOA

standards. All other roads in Tivoli II have been deeded to the SOA except Tivoli Way, which starts at Tivoli Drive and ends at the golf cart path at Baytowne Golf Course Hole #13.

Andy Salmon made a motion for the SOA to accept Tivoli Way via quit claim deed. Ken Lloyd seconded the motion and it carried with all members voting in favor, except Andy Salmon who recused himself.

Approval of 2011 Road Repair

Andy Salmon reminded the members that the 5-year repaving plan was approved at last month's board meeting with the understanding that bids for each job would be brought back to the Board for review and approval. Do to seasonal paving constraints, Andy asked the Board to consider approving the expenditure of \$265k so that the work can begin prior to next month's Board meeting. RFPs have been sent to 3 major paving contractors and bids should be received within the week. The scope of work includes curbing, relocating irrigation (where needed) and paving. A map of the areas to be included was provided in the Board packet.

Andy Salmon made a motion to authorize Dave Stowe to sign the bid request after his review and the joint recommendation of Sandy Matteson, Dave Stowe, Kyle Ray & himself for an amount not to exceed \$150k; the allocation would be for the curbing and irrigation to be expensed out of the 2011 operating funds; further, using the same approval process, sign off on a paving bid not to exceed \$115k to be expensed out of Roadway Reserves. Rusty Decker seconded the motion and it carried unanimously.

HR Committee

On behalf of the HR Committee, Andy Salmon informed the Board members of the 2012 Blue Cross Blue Shield health insurance rate increase of 7%, to go into effect December 1, 2011. He requested that the Board members consider an increase in the contribution toward the employee rate to help cover this expense, with other contributions remaining the same. The current SOA contribution toward employee health insurance premium is \$460 or 95% whichever is less.

Andy Salmon made a motion to increase the SOA's contribution toward the employee health insurance premium rate to \$492.20 or 95% whichever is less. Ken Lloyd seconded the motion and it carried unanimously.

Break 10:01 a.m.

Dave Stowe, called the Board meeting back to order at 10:08 a.m.

ARB Committee

Discussion and Approval of Fines for Contractors

Sandy Matteson explained to the Board members that the ballot that was approved at the October Advisory Board meeting did not match the wording that is currently in the ARB Guidelines that describes contractor fines. The wording of the ballot limits the fines to \$250 per day per violation and the ARB Guidelines currently allow the amount of the fine to double on a per violation basis.

Sandy recommended that the wording in the ARB Guidelines be amended to coincide with the approved ballot and that the proposal to double the contractor fine per violation be presented for approval at the February Advisory Board meeting.

Kent Lillie made a motion to change the wording of the ARB Guidelines to coincide with the approved ballot. Andy Salmon seconded the motion with all voting in favor.

Ratification of ARB Members

Kent Lillie advised that 6 applications were received to fill the 2 seats that will become available on January 1, 2012 on the ARB. All 6 applicants interviewed with Kent Lillie, Sandy Matteson & Sharon Drake.

Kent Lillie made a motion to have Jack Martin & George Hattaway remain on the ARB for an additional term of 2 years. Hollis Risley seconded the motion and it passed unanimously.

Kent committed to advise the other applicants, Anthony Lange, Kandi Reeves, Bettye Mendez and Rick Fransen of the final selections, thank them for volunteering and encourage them to remain involved.

Approval of ARB Supplemental Guidelines

Kent Lillie made a motion to approve the ARB Supplemental Guidelines as presented for the following neighborhoods: Genoa, Harbour Point, Prestwick Place, Deerwood & Villa Lago. Ken Lloyd seconded the motion and all voted in favor.

Andy Salmon asked for confirmation that the approval of the neighborhood guidelines does not affect the SOA's authority to accept or deny the roadways and drainage in Genoa & Villa Lago. Kent Lillie advised that these guidelines pertained to the development and modifications of homes and not the common area within the neighborhood.

Managers Report

Sandy Matteson reviewed the Manager's Report provided in the Board package and is available for review in the SOA office.

NEW BUSINESS

Replacement of Grievance Committee Chairman

Kent Lillie advised that Tom Salmon could no longer serve as the Grievance Committee Chair since he will be on the Board of Directors beginning January 1, 2012. Kent has spoken with Mr. Bev Norment regarding serving as the Chair for this committee.

Hollis Risley made a motion to accept Bev Norment as the Grievance Committee Chair. Kent Lillie seconded the motion and it passed with all members voting in favor.

OLD BUSINESS

Approval of Cox Cable Contract

The members reviewed the proposed contract terms as provided in the Board package. The Finance Committee reviewed and recommends these terms be accepted.

Ken Lloyd made a motion to renew Cox Communications contract with the proposed terms as presented. Andy Salmon seconded the motion.

John Russell expressed interest in having Cox offer extended channels or upgraded services as part of the bulk rate as this would create an equal or more competitive market vs. other properties in the area. It was decided that the contract for the basic services should be established and these upgrades can be discussed in the future.

The motion was voted on with all voting in favor.

NEXT MEETING

The next Board of Directors meeting will be held December 15, 2011 at 8:30 a.m.

ADJOURNMENT

With no further business brought before the Board, at 10:45 a.m., Ken Lloyd made a motion to adjourn the regular session of the meeting. Andy Salmon seconded the motion and it passed unanimously.

The Board members went into Executive Session.

Respectfully submitted,

Hollis Risley,
Secretary

Transcribed by: Victoria Klamerus/Kim Ultsch