

SANDESTIN OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
December 15, 2011

MEETING MINUTES

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

SOA Staff Present: Sandy Matteson, Executive Director
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 December 15, 2011, in the Sandestin Owners Association Main Conference Room, Sandestin, FL.

CALL TO ORDER

Dave Stowe, President, called the meeting to order at 8:36 a.m.

ESTABLISH QUORUM

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

AMEND AGENDA

The revised agenda dated December 15, 2011 was amended as follows:

- Discussion with Developer Tom Becnel on Possible Development was moved to follow the Establishment of a Quorum
- Discussion of Change in Contract Decal Fee under Committee Reports, Traffic, Safety & Security Committee was tabled.

Rusty Decker made a motion to approve the revised agenda dated December 15, 2011, with the above changes. Ken Lloyd seconded the motion and it carried unanimously.

NEW BUSINESS

Discussion with Declarant, Tom Becnel, regarding Possible Gaming Development

Tom Becnel advised the Board that there is currently a Bill in the Florida Legislature to create a State Gaming Commission and the possibility that the state of Florida may eventually permit the licensing of up to five gambling casinos, two in South Florida, one each in Orlando and Tampa and one in the Panhandle.

Mr. Becnel expressed his interest in developing a smaller entertainment based gaming facility, along Highway 98, immediately west of the Marriot Courtyard. He has attended meetings to learn more about the proposed Bill and indicated that there is still a lot to learn. He will continue to monitor the Bill and be prepared to act quickly if it should pass. He feels our area would be negatively impacted if Bay County is issued the license.

He asked the Board to vote on whether or not gaming development at Sandestin would be supported by the SOA. He further commented that his interest is aligned with the homeowners of Sandestin and that he would only seek such a license with SOA support.

The next level of approval would be from the County Commissioners. Mr. Becnel stated that he would commit to a local tax to support law enforcement, education, and roadways. He also would be willing to work with the SOA financially with Capital Projects to improve infrastructure that may be impacted.

Dave Stowe recommended that a forum be established for Mr. Becnel to address the SOA membership regarding the proposed development. Kent Lillie followed by making a motion to schedule a Town Hall Meeting for all members and schedule a Special Advisory Board Meeting the following week to poll the opinion of the membership. Rusty Decker seconded the motion it passed unanimously. Kent Lillie further recommended that the Town Hall Meeting be videotaped and posted on the SOA website following the meeting.

Discussion occurred regarding how a gambling facility would fit into the DRI and how the green space requirement would be met if this facility was built on the existing golf holes. Mr. Becnel stated that the DRI allows for entertainment and that this facility would fall under the category of commercial. He went on to say that the green space requirement is met and that this change should not be an issue. He commented that if the County feels the green space percentage is not accurate as described in the 2011 Annual Report, they will be responsible to resolve it with the County.

Matt Gaetz, a local attorney and member of the Florida House of Representatives, was introduced by Kent Lillie to provide an update on the Bill. Mr. Gaetz feels the Bill to allow gaming at resort destinations has about a 30-35% chance of passing and that it is more favorable in south Florida. He provided details regarding the financial commitments that would be required, which included an initial fee of \$125M.

(Mr. Becnel & Mr. Gaetz departed at 9:12 a.m.)

DISPOSITION OF PREVIOUS MINUTES

It was proposed that the meeting minutes dated November 17, 2011 be amended as follows:

- Under “VRBO Rental Agreements That Rent Carts” make the following changes:
 - The last sentence in the first paragraph should read: 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 on their websites must be changed by November 16, 2011.
 - The last sentence in the second paragraph should be amended to read: It was reiterated that, per SOA counsel, we cannot prohibit an owner from including a golf cart as an amenity to their rental unit and that the SOA Golf Cart Policy of no rentals was reinforced.
- Per Ken Lloyd, on page 5 under “Replacement of Grievance Committee Chairman” Mr. Bev Norment should be Dr. Bev Norment.

Ken Lloyd made a motion to approve the proposed minutes dated November 17, 2011, with the above changes. Rusty Decker seconded the motion and it carried unanimously.

COMMITTEE REPORTS

Finance Committee

Ken Lloyd provided an update to the Board regarding collection efforts and advised that the Finance Committee is researching the possibility of moving forward with foreclosure on some accounts and placing the unit on a rental program. Dave Stowe reminded the Board that before foreclosures are initiated by the SOA, each case will need to be reviewed and approved by the Board.

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

Traffic, Safety & Security Committee

Taxi and Transportation Permit Resolution

Sandy Matteson, Executive Director, requested that the Board members review and approve the Taxi and Transportation Permit Requirements and Rules provided in the Board Packet and available for review in the SOA office. The main reason the policy is being recommended is to avoid price gouging by taxis and shuttles for services offered within the property.

Tom Cooper informed the Board members that the SOA currently has 180 taxis/shuttles registered with decals and feels this policy would assist Security in enforcing rules, as it would reduce the number of vehicles. Tom further advised that Security will do random checks in the taxi queue at the Village and that the licensed providers will also report violators.

Concern was expressed that the policy would limit an owner, visitor or guest from choosing a provider they prefer for services. In order to clarify that this was not the intent of the policy, it was recommended that the second sentence under General be amended to read: Transportation Providers that are requested by a member, guest or visitor to be transported to any location from Sandestin are exempt from this resolution.

Don McQuade questioned whether licensed providers would also be required to purchase a RFID/Decal for access at the gate. Sandy confirmed that both types of registration would be required.

Kent Lillie made a motion to accept the Taxi and Transportation Permit Requirements and Rules, with the above changes. Ken Lloyd seconded the motion and it passed with all voting in favor except Don McQuade who opposed.

Maintenance Committee

Approval of Preserve Fence Easement

Sandy Matteson requested that the Board members review and approve the proposed Preserve Fence Easement provided to the Board members and available for review in the SOA office.

Discussion ensued regarding whether the language should include maintenance for the fence as well as the gate and whether the easement should be non-exclusive. It was decided to add the fence into paragraph 2, so the SOA would be responsible for the maintenance and change non-exclusive to exclusive.

Kent Lillie made a motion for the SOA to accept the Easement, with the above changes. Ken Lloyd seconded the motion and it carried with all members voting in favor, except Andy Salmon and Hollis Risley who recused themselves.

Discussion of Asphalt Repair Bids

Andy advised that the two bids received for the asphalt repair that was previously approved have come in higher than expected. Staff has had difficulty obtaining a 3rd bid as one of the vendors was not interested in the project. The irrigation portion of the project has started, however, the paving and curbing is behind schedule due to the lack

of acceptable bids. Andy requested that the paving and curbing portion of the project be tabled until the bid process is complete. At that time, the Maintenance Committee will come back to the Board for approval.

Due to this delay, the paving will not be done by year end as originally desired. Discussion occurred regarding completion dates being included in contracts for this type of work. It was noted that when project contracts are written, a completion date clause should always be included.

ARB Committee

Approval of ARB Supplemental Guidelines

Kent Lloyd made a motion to approve the ARB Supplemental Guidelines as presented for the following neighborhoods: St. Andrews, Del Mar, and Crystal Lake Phase I. Kent Lillie seconded the motion and it passed with all voting in favor except Don McQuade who abstained.

Andy Salmon expressed concern regarding the maximum number of square feet for green space. Kent Lillie advised that the neighborhood does not want a maximum included; therefore, the SOA ARB Guideline requirement of 40% green space would be applied.

MANAGER'S REPORT

Sandy Matteson reviewed the Manager's Report provided in the Board package and available for review in the SOA office. All BOD Members were asked to return their Policies, Procedures & Contact Information binders to be updated and Heather Neuman was announced as the 2011 SOA Employee of the Year.

Sandy advised that Art Miller was added to the Capital Expenditure Strategic Planning Committee as a representative from the Maintenance Committee. Rusty Decker made a motion to approve this appointment. Andy Salmon seconded the motion and it passed unanimously.

John Russell expressed discontent with the holiday lighting. He stated that it should be upgraded throughout the Resort. Sandy advised that the budget was limited for upgrades this year; however, management will evaluate possible changes. Mr. Russell offered to assist with upgrading the decorations for 2012.

Discussion occurred regarding the lake work at the Genoa Bridge. Andy advised that the Maintenance Committee has been discussing several options to correct problem areas and will bring recommendations to the Board in January or February.

An update was provided regarding the low water level at the Linkside Lake that was brought to the Board's attention last month by a member. A pipe was installed to connect the lake to a neighboring lake that permits the water level to equalize between the two lakes.

NEW BUSINESS

Club Intrawest Trash Compactor Cost

Sandy Matteson informed the Board members that Club Intrawest previously held a contract with Waste Management for a compactor that is used in their trash disposal area. They request that the SOA reimburse them for this expense from 9/2002 to 1/2011 (approximately \$35K).

Rusty Decker expressed concern that the contract on this compactor was not requested by the SOA and is not in the SOA's name; therefore, the SOA should not be responsible for the compactor invoices. Discussion ensued regarding other multi-family buildings trash disposal and whether a compactor is required. Kyle Ray advised that some buildings have compactors while others just have a dumpster.

Rusty Decker made a motion that the SOA deny reimbursement. He further requested that the SOA research the most efficient design for bulk trash processing and pick-up for these types of buildings. Kent Lillie seconded the motion with all voting in favor except Don McQuade who opposed.

Rusty Decker made a motion to request reimbursement from Waste Management for the invoices paid to cover the expense of the compactor at Club Intrawest that is not included in the SOA's contract. Kent Lillie seconded the motion and it passed with all voting in favor except Don McQuade who opposed.

(Don McQuade exited 10:41 am)

Rusty Decker made a motion to discontinue paying any invoices that are not in the SOA's name or for leases that the SOA did not agree to and request reimbursement for any that have been paid. Ken Lloyd seconded the motion and it passed unanimously.

Sandy advised that staff will review leases and invoices and take appropriate action.

Procedure for Election of 2012 BOD Officers

Dave Stowe provided the Board Members with the Officer Election Forms and asked that nominations be returned to Sandy Matteson.

NEXT MEETING

The next Board of Directors meeting will be held January 19, 2012 at 8:30 a.m.

Dave Stowe thanked Andy Salmon for his three years of service on the Board and as the Maintenance Committee Chair.

ADJOURNMENT

With no further business brought before the Board, at 10:45 a.m., Kent Lillie made a motion to adjourn the meeting. John Russell seconded the motion and it passed unanimously.

Respectfully submitted,

Hollis Risley,
Secretary

Transcribed by: Kim Ultsch