

SANDESTIN OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
September 15, 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
Joe Bracciale, Commercial Representative
John Russell, Declarant Representative

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

CALL TO ORDER

Dave Stowe, President, called the meeting to order at 8:31 a.m.

ESTABLISH QUORUM

Sandy Matteson, Executive Director, acknowledged that a quorum was established with 8 Board members present. Andy Salmon was not present.

DISPOSITION OF PREVIOUS MINUTES

Dave Stowe wished to clarify the last sentence of the fifth paragraph on page five to read “ask the court for a declaratory judgment” instead of “have legal counsel become involved”. A suggestion was made to insert language in the last sentence of the third paragraph on page four to read “there is a clear”, and to replace “pursued” with “available”. Kent Lillie made a motion to approve the minutes with the proposed changes. Ken Lloyd seconded the motion and it passed unanimously.

Andy Salmon arrived at 8:36 am.

COMMITTEE REPORTS

Finance Committee

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

Ken Lloyd provided a Finance Committee update, explaining that with the help from Raymond James, they are researching other investment options that will yield a higher return, on funds that are not needed for current operations.

Additionally, Mr. Lloyd updated the Board members on receivables and explained that the SOA attorney, Michelle Anchors, is working to reinstate the foreclosure process on the “Nifty Fifty” list. He explained that Ms. Anchors has been working out the details on how to handle new Florida law that went into effect in July permitting master associations and sub associations to collect past due assessments from each other when foreclosure occurs by one of the entities. Following approval of the new law, some associations filed Joint and Several Liability claims, which would have made the SOA responsible for the claims of the plaintiff. Ms. Anchors contacted several of the attorneys who represent sub associations and negotiated foreclosure litigation that would waive these types of claims. Since this is now resolved, she feels comfortable moving forward with the pending cases.

Ken Lloyd made a motion to adopt the Foreclosure Litigation Assessment Agreement (FLAA). Andy Salmon seconded the motion.

Discussion followed regarding whether or not the SOA should foreclose and take ownership of a property. Don McQuade expressed concern over the SOA owning property and explained that doing so could create problems. Andy Salmon explained that the SOA does not intend to own a large number of properties, but foreclosing is the only method we have that will urge banks to react. All members agreed that before the SOA obtains property through foreclosure, Board approval is to be required.

The motion was voted on and passed with all Board members voting in favor, except for Don McQuade, who opposed.

Transportation Subcommittee

Hollis Risley advised the Board members that the Transportation Subcommittee continues working on a license agreement for the transportation system, and they hope to submit the final document for approval next month.

Nominating Committee Update

Dave Stowe advised that the Class A Nominating Committee will hold a Candidates Forum at 3:00 pm today. Sandy Matteson informed the Board that there was a nomination withdrawal from two candidates, Linda Obrzut and Frank Cartier.

Rusty Decker advised that the Class B Nominating Committee met and found that only one candidate to be in good standing; therefore an election is not necessary. Mr. Decker informed the Board that Joe Bracciale will remain on the SOA Board as a Commercial Representative for a three year term beginning January 1, 2012.

Advisory Board

Kent Lillie reviewed the draft agenda for the upcoming Advisory Board meeting. A suggestion was made to have the Foreclosure Litigation Assessment Agreement added as an agenda item. The Board members agreed that the FLAA should be included on the agenda and explained to the neighborhood association presidents.

Managers Report

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

Sandy provided a handout to the Board members regarding the easement request for the fence repairs in the Preserve. Some felt this maintenance was required for security purposes of access to the gate. Sandy suggested that a draft agreement be written and then presented to Burnt Pine East and the SOA Board for consideration.

NEW BUSINESS

ARB Grievance Regarding Genoa – Huff Development

Sandy Matteson informed the Board members that Huff Development wished to appeal an ARB decision regarding a variance requested for a stone color and stucco finish on the house they are building at 1646 Genoa. Sandy invited the Huffs to speak in front of the Board.

Mr. Brandon Huff explained that Huff Development wishes to offer a variety in the stone color and stucco finish for their property development in Genoa using the same manufacturer as the current stone and stucco in Genoa. Mr. Huff displayed samples of the current stone color and stucco finish as well as the proposed stone and stucco. Sharon Drake, the ARB Administrator, provided the Board members with Genoa's Architectural Guidelines and highlighted the area in the guidelines that discusses these items, indicating the approved color for stone and stating that the stucco finish should be compatible with that already used in the community.

Don McQuade made a motion to deny the grievance appeal from Huff Development. Ken Lloyd seconded the motion and it passed with seven Board members voting in favor, except John Russell and Joe Bracciale, who abstained.

Discussion and Appointment of Capital Expenditure Committee

Ken Lloyd advised the Board members that the Finance Committee would like the SOA to prepare a plan for the next five years regarding the Capital Reserve Funds. The Finance Committee wishes to organize a Capital Expenditure Committee to gather background information on different SOA capital projects that are needed, and then make recommendations to the Board regarding how to prioritize and reserve for these projects.

Ken Lloyd made a motion to appoint a Chairman for the Capital Expenditure Committee, and then form the members of the committee. Hollis Risley seconded the motion and it passed unanimously.

Joe Bracciale expressed interest in chairing the Capital Expenditure Committee. Kent Lillie appointed Mr. Bracciale as Chairman of the Capital Expenditure Committee.

Sandy Matteson will prepare a charter that will be submitted to the Board next month for approval.

Update on Issues at the Village of Baytowne Wharf

Hollis Risley advised the Board members that there is concern regarding security in the Village. Mr. Risley explained that since the SOA responds to all calls in the Village during hours that the Village security personnel are not on property, it is necessary for the SOA to be aware of all incidents that occur there. The policy of the BWNA Board of making these reports available has been discontinued. John Russell suggested that the SOA and CNL work together regarding the security reports being provided, but that they should not be published to the general membership.

Market Shops Discussion and Vote

Sandy Matteson informed the Board members that in September 2006 a formal agreement was made regarding full assessment fees being paid by the Market Shops in exchange for the SOA providing full services, which include security and trash pick-up. Sandy explained that the Market Shops have requested to reduce their assessments

back to 10% with only those services provided under the Amended and Restated Supplemental Declaration to the Sandestin Declaration of Covenants, Conditions and Restrictions, recorded February 29, 1988.

Discussion occurred regarding allowing the Market Shops to reduce their assessment and services effective January 1, 2012 since the SOA's 2011 Budget is based on this revenue. Refunding their assessment fees paid for this year should not be considered as services have been provided.

Kent Lillie made a motion to continue charging the full assessment fees to the Market Shops until the end of 2011, reducing the assessment fees back to 10% effective January 1, 2012 with a reduction of services, as outlined in the Amended and Restated Supplemental Declaration to the Sandestin Declaration of Covenants, Conditions and Restrictions, recorded February 29, 1988. Hollis Risley seconded the motion and it passed unanimously.

OLD BUSINESS

Discussion of Heron Walk Common Property Maintenance

Dave Stowe reminded the Board members that in May the SOA agreed to maintain the landscape for this property and then bill Mr. Cramer for reimbursement. The SOA has followed this plan and received objections from Mr. Cramer with no reimbursement; therefore, the SOA ceased maintenance. Mr. Stowe explained that the SOA is entitled to lien this property for non-payment and that Mr. Cramer will not be eligible to submit plans to the SOA ARB if this occurs.

John Russell made a motion to extend the maintenance until the end of the calendar year and bill Mr. Cramer. Andy Salmon seconded the motion. Andy Salmon, Joe Bracciale, John Russell and Don McQuade voted in favor. Hollis Risley, Kent Lillie, Ken Lloyd and Rusty Decker opposed, causing a tie between Board members. Dave Stowe opposed, causing the motion to fail.

At this time, the SOA will pursue reimbursement from Mr. Cramer and request that he maintain the property.

Discussion occurred regarding repairing the bridge and sidewalk located on Mr. Cramer's property. Andy Salmon expressed concern regarding safety and suggested that the SOA repair them and then bill Mr. Cramer. Sandy Matteson advised that it is not SOA property and Mr. Cramer claims that it was built without his permission. Sandy will follow up with Michelle Anchors regarding these repairs.

NEXT MEETING

The next Board of Directors meeting will be held October 20, 2011 at 8:30 a.m.

ADJOURNMENT

With no further business brought before the Board, at 10:39 a.m., Don McQuade made a motion to adjourn the meeting. Rusty Decker seconded the motion and it passed unanimously.

Respectfully submitted,

Hollis Risley,
Secretary

Transcribed by: Danielle Weller