

SANDESTIN OWNERS ASSOCIATION, INC.
ADVISORY BOARD MEETING
October 22, 2010

Board Members Present: Dave Stowe, President
 Roger Ganger, Vice President
 Tom Salmon, Secretary
 Andy Salmon, Treasurer
 Rusty Decker, Director
 John Russell, Declarant Representative
 Joe Bracciale, Commercial Representative

S.O.A. Staff Present: Sandy Matteson, Executive Director
 Jami Williams, Executive Assistant
 Tom Cooper, Director of Security
 Robin Sedor, Director of Finance

The Sandestin Owners Association, Inc. Advisory Board held a membership meeting on Friday, October 22, 2010 in the Grand Ballroom A & B at the Linkside Conference Center at Sandestin Golf & Beach Resort, Sandestin, Florida.

CALL TO ORDER

Roger Ganger called the meeting to order at 9:04 a.m.

ESTABLISH QUORUM

Sandy Matteson, Executive Director, verified that the quorum requirement of 1660 was established with 3,030 out of 5,560 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 Bob Mannes of Prestwick Place to approve the February 2010 meeting minutes as proposed. Howard Schloss of Anchorage seconded the motion and it carried unanimously.

A motion was made by Hollis Risley of the Fountains to approve the June 2010 meeting minutes with a typo correction on page 1 concerning the quorum requirement. The correct number for the requirement is 1641. The motion was seconded by J.L. Franklin of Sandpiper and it carried unanimously.

APPOINT A VOTE COUNTING COMMITTEE

A voting committee was appointed with the following members: Phil Hummel of Raven Oaks, Chuck Stoyer of BeachWalk and 4 SOA staff members: Victoria Klamerus, Heather Neuman, Verda Lawrence and Marci Todd.

Sandy asked if there were any other blue envelopes left to be collected by the voting committee. She also asked for members to bring forth any questions they had regarding the voting process. She reviewed the changes in voting this year which have allowed members to split their votes in order to better represent their neighborhood population. Sandy advised that the voting committee would assist members with correcting their ballots if it

was found that the ballot was filled out incorrectly due to procedure confusion. Sandy also reminded members to keep in mind that their total vote count would be affected if there were any delinquencies in their neighborhood at present.

ELECTION OF NEW SOA BOARD MEMBERS

Ballots were cast by the representatives and collected by staff members for processing.

MANAGER'S REPORT

Committee Updates

Sandy Matteson proceeded with updates from each committee. The Beach Committee shared that they had finalized and obtained approval of the Hilton Beach Access Easement and the Beach Conduct Rules. They also kept abreast of the affects of the oil spill and continued to be ready to address related issues as necessary.

The Environmental Committee made it a focus for Sandestin to be recognized as a Green Community with representation for all entities within Sandestin, Subcommittees have been tasked to research and address the following issues: chemical use, energy use, water conservation, eco-system, recycling, communication and resource conservation. It was also noted that the SOA changed over to organic fertilizers when possible to treat the lakes on property. Commercial entities are currently changing light fixtures and bulbs to energy efficient and installing timers in common areas. Sandestin has also reduced their vehicle fleet and will begin using more efficient service and tram vehicles. Spay and Stay continues to be helpful in controlling the stray cat population in the community as well. A logo to promote environmental efforts in the community has been created and table will be set up at the Rental Owners Weekend to share the committee's mission.

The Finance Committee has created and obtained approval for the SOA Delegation of Authority Policy and implemented a Travel Policy. The committee also created and presented the final budget for 2011. Collection issues continue to be a main focus of the committee and how to go about resolving this issue successfully.

The Traffic and Safety Committee has been working with security to address the issue of disturbances associated with the Village of Baytowne Wharf. The committee also established a Memo of Understanding with the VBWNA regarding security efforts by SOA staff. An electronic gate system has been reviewed and recommended by the committee for the Sandestin community. This system is scheduled to be implemented this year.

The Maintenance Committee has researched and recommended for approval the solution to the salinity intrusion problem in SOA lakes. The committee has also addressed several drainage, lake and roadway issues throughout property and worked with staff to make recommendations for repairs and expenditures.

The Landscape Committee continues to meet weekly with Brickman Landscape to address concerns in the common areas throughout the community. The committee also noted that they were responsible for reviewing all landscape portions of the East Gate Renovation project.

The Governance Committee revised and obtained SOA Board approval and Membership approval of the SOA Declaration. The committee also revised and obtained Board approval for the proposed changes to the By-Laws and Articles of Incorporation.

Sandy encouraged Members to get involved with the community in 2011. She noted that application forms will be available in late January to join a committee. All updates regarding committee sign-ups and any changes to the current structure will be sent via e-mail and in the SOAR newsletter.

PROPOSED CHANGES TO SOA GOVERNING DOCUMENTS & EXCESS FUNDS REAPPORTIONMENT

Rusty Decker introduced the proposed changes to the SOA governing documents noting universal changes, then specific changes. Rusty also reviewed the proposal for Excess Funds Reapportionment. All proposed changes to the governing documents and the proposal for excess funds were provided to each member and are on file in the SOA office.

Rusty called for any questions regarding the proposals. Bobby Davis of Luau asked if excess funds could be applied to capital contributions. Rusty advised that a recommendation was made to the Board to allocate excess funds to paving reserves by the Finance Committee instead. Funds for Capital Contributions were collected only at closings. Steve Highdecker of Beachside II inquired about the total number of current delinquencies. Rusty directed Mr. Highdecker to the SOA accounting staff who were available to answer questions regarding specific numbers and delinquencies.

With all questions and concerns addressed, Kent Lillie of Genoa made a motion to approve all changes as proposed for the By-Laws and Articles of Incorporation, and to approve reapportionment for excess funds. John Yarbrough of Burnt Pine seconded and the motion and the ballots were distributed.

OLD BUSINESS

Operations Update

Sandy Matteson provided an Operations Update. She began her update by recognizing two Board members for their outstanding service to the community and presented each with an award keepsake of appreciation. She commended Roger Ganger for his diligence in his role as the Vice-President of the Board and Chair of the Traffic and Safety Committee. She also noted his involvement on the Finance Committee. Sandy also commended Dr. Tom Salmon for his commitment and contribution as a Board Member and Chair of the Beach Committee.

Sandy proceeded with the Operations Update starting with the ARB. She noted that applications are currently being collected to fill 2 homeowners seats that will become available January 1, 2010. All agendas for meetings are e-mailed to Neighborhood Representatives prior to all bi-weekly meetings to improve communications. Guidelines are to be reviewed and revised in 2011. As part of this effort, all Neighborhood Representatives will be asked to review their sections and update accordingly.

An update for the Property Maintenance Department was provided. Some of the projects completed in 2010 were: Weed Harvester Repairs, Arrowhead Bridge Repairs, Tivoli Bridge Repairs, Salinity Intrusion at Horseshoe Lake, Horseshoe Lake at Beachwalk Villas- Additional Aeration, Arrowhead Lake Lining, Boardwalk Lights on Baytowne Village Drive, Linkside Drainage, and the South Walton Residents Amnesty

Day. Some of the on-going and future projects of 2010 include: East Gate Renovation, Northgate Curbing and Road Repairs, Curbside Recycling, Salinity Project at Inspiration, Lake Dredging, St. Andrews Drainage Work, Bridge and Rail Repairs at Linkside/Fairways, and a Reserve Study for the Sandestin Community.

The Communications Department reminded members of the monthly newsletter and weekly blast e-mail which were put in place to increase communication within the community. The department will be collecting information for the 2011 SOA Directory in December. Information can be submitted via mail and online through a response card. The Communications Department will also be implementing a new SOA website which has been designed to be user-friendly and may allow for online payments through a secure financial system. Some of the events for 2011 were also noted including: St. Patrick's Day Treasure Hunt, Bill Dowdle Fishing Rodeo, Golf Cart Parade & Decorating Contest, and the White Lights Decorating Contest to take place in December.

An update for the Security Department was also provided. Improvements have been made in the department including a solar-powered radar sign at Baytowne Village, an additional security patrol cart promoting environmentally friendly practices and new technology for gate access. Reconstruction of the East Gate continues to be underway and is expected to be completed before Thanksgiving.

Sandy asked members if there were any questions regarding her update. Howard Schloss of Anchorage asked if gate clickers would still be in working order with the new gate system. Tom Cooper, Director of Security, informed members that all clickers would continue to work for the time being.

NEW BUSINESS

White Lights Competition

Sandy announced that the judging for the 2010 White Lights Competition would take place on December 8th. She also noted that "a touch of color" among the lights would be acceptable in the completion this year.

2011 Budget Presentation

Robin Sedor, Director of Finance, reviewed the approved 2011 Budget and September financial report. This report is available for review in the SOA office.

Joe Bracciale gave an update on the status of the real-estate market within the Sandestin community. He noted that the market was healing more quickly than original thought. He advised that loans were still difficult to obtain but sales were 33% above what they were previously with an average price of \$380,000.00.

Election Results

It was determined that Hollis Risley and Kent Lille would be the two newly elected members by majority vote of the Advisory Board to take their seat January 1, 2011 and serve a 3 year term.

Changes to the Articles of Incorporation, By-Laws and Excess Funds Reapportionment Voting Results

Roger Ganger announced that the proposal for Excess Funds Reapportionment and all changes to the Articles of Incorporation and By-Laws had passed with 100% approval of membership.

FUTURE MEETING

Mr. Ganger advised that the next meeting has been scheduled for February 18, 2011. Further details will be provided at a later date.

ADJOURNMENT

With no further business brought before the Advisory Board, Mr. Ganger adjourned the meeting at 10:26 a.m.

Respectfully submitted,

Dave Stowe (on behalf of Advisory Board Chairman, Roger Ganger)
Board of Directors President

Prepared by: Jami Williams