

Hammock Dunes Owners Association, Inc.
Board of Administrators Meeting
June 20, 2011

Call to Order

The meeting was called to order at 10:00 a.m.

Members Present: George Bagnall, Bruce Aiello, Kelli Jebbia, Dave Eckert, George DeGovanni, Andy Furia, Jay Furbay, Phil Henderson, Don Finch, Tom Sharpe (via telephone part time)

Members Absent: Cosmo DiPerna, David Jacobs

Others Present: Fred Annon, Jr., Travis Houk, Southern States Management Group, Inc.
A quorum was established. Members' sign-in sheet located in Association Meeting File.

Approval of the Minutes – May 16, 2011 Board of Administrators Meeting

ON MOTION BY Bruce Aiello seconded by Phil Henderson, with all in favor, the Board approved the minutes of the May 16, 2011 Board of Directors Meeting with the following amendments:

- **On page 2 under Financial Committee, the second sentence of the third paragraph should read “The initial sea wall expense...”**
- **On page 2 under Security, the last sentence should read “The gate officer on duty that night did not...” Omit the word “to”.**
- **On page 3 under Long Range Planning, the last sentence should read “... HDOA should get legal opinions if the...” Omit the word “on”**
- **On page 3 under Long Range Planning, the fifth sentence from the end should read “... with developing their own marketing plan with or without HD Associates.”**

Committee Reports:

Long Range Planning Committee Presentation – Hammock Dunes Database

Mr. Dave Eckert and Mr. Jeff Annon (Southern States Management) prepared a visual presentation using Microsoft Access to demonstrate how the Long Range Planning Database will be constructed. County property records (hundreds of thousands of records) were obtained and “sniff tests” were conducted to ensure the data made sense. Mr. Annon reviewed the table structures and how the table data will be processed and queried. Mr. Eckert stated the county data is only available through 2004; however the Southern States records begin in the late 90's. Mr. Annon and Mr. Eckert reviewed the database functions with specific examples and answered questions about the fields, data entry, and parcel id's. Mr. Eckert stated the Committee has spent around \$600 to get to this point and would like to continue with the allocated budget amount of \$7,500 to proceed with the construction of the database. Concerns were raised about who would have access to the database. Mr. Eckert stated if a request is submitted by a resident and it's for the benefit of the community, then it should be available; however that does not need to be decided at this time. The Board discussed if the Club would be interested in contributing to the database.

ON MOTION BY Dave Eckert, seconded by Phil Henderson, with all in favor, the Board delegated the responsibility of building the database to David Eckert and one other Board member, at a cost not to exceed \$7,500.

Mr. Bagnall stated as the database is being constructed a policy should be developed to ensure the Association is complying with legal requirements. Mr. Aiello agreed and recommended a fee should be charged (once the database is complete) to someone requesting the information. Mr. DeGovanni

stated some procedures need be developed and reviewed. Mr. Eckert confirmed the database project will take time and not to expect fully defined procedures in the next couple months.

Communication Committee

Mrs. Jebbia reported the community bulletin board has been installed at the Comfort Station and is in use. She asked the Board members to look at the bulletin board and provide feedback on any additional information they feel should be posted. Mrs. Jebbia asked for input on topics for the fall/winter *Sandscripts* newsletter to be mailed in October or November of 2011. E-mail addresses are being added to the community server, and a link will be added on the community website to assist owners in registering their e-mail addresses to receive community news. Mrs. Jebbia suggested promoting wellness in the community by using colored paint to mark half mile and kilometer indicators on the sidewalks. She also suggested providing information about the community and local wildlife on pedestals/posts at various points on the sidewalks. These projects could be implemented in phases to stagger the associated costs. Mrs. Jebbia will organize a walking committee to develop a more detailed proposal.

Social Committee

Mr. Andy Furia reported approximately 40 residents attended the first summer beach party. Mr. Furia stated one recommendation is for the guitar player to have a microphone. Mr. Aiello suggested the tables placed on the lawn. The next beach party is scheduled for July 20, 2011. If it is not well attended, Mr. Furia recommended suspending the party planned for August and possibly scheduling more parties in the fall/winter when most of the residents are back in town. Mr. Bagnall stated one deterrent to the winter parties is the cold and short days.

Design Review Committee

Mr. Travis Houk reported two new homes were approved for construction at the June DRC meeting. Mr. Aiello reported the DRC collected over \$7,000 in review fees. Mr. Houk reported four seawall submittals were reviewed resulting from the new DRC erosion manual. Mr. DeGiovanni stated he, Mr. Houk, and Mr. Gus Mitsopoulos met with the Ms. Rasmussen to discuss her side of the story. The negotiation committee will also meet with the Tarvers. The Tarvers will be required to submit for DRC approval for the cameras, fence, trellis, and removed landscape. The committee will work with Corey to develop a plan for the removed landscape between Tarver & Rasmussen. The committee will meet again with both parties for final discussion.

Security & Emergency Response Committee

Mr. Aiello reported the committee met with Securitas Regional Manager Mr. Carlos Valentin to discuss a few open issues. The Securitas contract terminates on December 2011. Mr. Aiello reported Securitas gate officer Yolanda has been promoted to a supervisor position at the Island Estates gatehouse. There was discussion regarding the need for a turnaround big enough for an 18 wheel truck at the Hammock Dunes main entrance. The Committee will evaluate the heavy truck post orders and attempt to add clarity to ensure all big trucks do not come through the main gate. Mr. Jay Furbay stated the refuse trucks should not come through the front gate.

ON MOTION BY Jay Furbay, seconded by Andy Furia, with all in favor, the Board voted to not allow trash removal trucks to enter the community through the front gate.

Financial Committee

Mr. Aiello reported the Association has not received the FY 2010 year-end audit which was due last week. The committee will attempt to meet with the auditor to discuss the delay in completion. Past due assessments have been collected from several owners who were delinquent including the Rudolph residence in Montilla. Mr. Bagnall stated the delinquency number totals are incorrect. Mr. Aiello reported two CD's are up for renewal and the Committee will check with a bank in Jacksonville that is offering 4% for an international CD. Mr. Bagnall stated before the money is invested, the bank

must be ensured. Mr. Eckert asked about the sea wall payment schedule. Mr. Aiello reported the Committee developed a draw down sheet that identifies the payment each month. The bridge numbers for light fixtures and light repairs are still backwards and will be corrected. Mr. Eckert asked about foreclosing on vacant lots since the risk is minimal. Mr. DeGovanni stated he is in favor of the idea of chasing vacant lots. Mr. Bagnall stated each account should be judged case by case. Mr. Aiello stated he'll review the delinquencies and select a vacant lot to pursue.

Mr. Eckert asked if the Board should hire an outside accounting firm to assist with the accounting issues. Mr. Bagnall stated the Committee needs to sit down with their CPA and go through the issues. Mr. Aiello said the Board does not have a traditional way of handling bad debt which is creating the majority of the issues.

Mr. Bagnall stated the WCI delinquencies are late fees and interest. One pad is more than the other because they were late two additional months.

Long Range Planning Committee – Lake Bank Survey

Mr. Eckert reported the lake bank survey for Lake San Gabriel is complete. He reviewed the survey with the Board using aerial photos and colored survey lines projected from the electronic files distributed by the survey contractor. The survey contractor confirmed the sea wall is 7ft. 4in. Mr. Eckert reported Association legal reviewed the completed survey and the recommendation from the attorney to the DRC is for them to take a neutral position and not require residents to sign a DCDD license agreement. Mr. Eckert asked the Board if they wanted to undertake additional legal fees to have a meeting with DCDD. Mr. Bagnall asked if her opinion is that DCDD has liability. Mr. Eckert confirmed her opinion was that the Master Association has a fiduciary responsibility to attempt to reclaim some of the money. Mr. Eckert stated the attorney still has more research to do. Mr. Furbay stated a discussion with DCDD without attorneys might be the first step before spending additional money on attorneys. Mr. Bagnall volunteered to work with Mr. Eckert on scheduling a meeting with Dick Ryan, DCDD General Manager, to discuss the findings of the survey before involving a meeting with attorneys. The Board agreed another attorney that specializes in these cases might be necessary.

Maintenance Committee

Mr. DeGovanni distributed a hand out on maintenance activities and current status. Speed bumps have been installed and painted on the section of Avenue de la Mer in the Casa Bella neighborhood. A pothole on Cordoba Court has been repaired. Irrigation timers have been adjusted; however due to water pressure from everyone watering at night some irrigation may come on during peak times. Most of the irrigation timers have been adjusted. Maintenance Committee members had a quality control meeting with Corey to discuss their performance. The Maintenance Committee will contact P&S Paving about sealing the cracks in the road. The Maintenance Committee recommended postponing the paving of Camino del Mar since the road is good condition and the paving can be done without encroaching on the bridge decking. The contractor is waiting on a permit from Flagler County to move the fence on A1A. The Committee received approval from St. John's Water management to proceed with the installation of the coquina wall on Cordoba Court. The Committee believes another coquina wall may be necessary on the west side of Cordoba Court as well and will solicit bids. Committee members met with the Security Committee to establish a set of requirements that can be turned over to a contractor to implement the backbone. The Committee is working with Corey to develop a landscape plan for the south gate and south gate parking lot. The Board discussed the commercial signage outside the gate. Committee members will review the signs and if they can be changed.

Island Estates Neighborhood Association Legal Request – 184 I.E. Parkway

Island Estates Neighborhood Association requested the HDOA to write off past due member assessments if the Island Estates Neighborhood Association takes title to the property at 184 Island Estates Parkway. It was noted the Island Estates Neighborhood Association should be treated like every other owner, and be required to pay the delinquent assessments once they take title. There was

discussion regarding the HDOA collecting only twelve months of delinquent assessments on the property instead of the entire past due balance.

ON MOTION BY Bruce Aiello, seconded by Dave Eckert, with Jay Furbay, Dave Eckert, George DeGovanni, Andy Furia, and Bruce Aiello in favor and Kelli Jebbia, Phil Henderson, and George Bagnall opposed, the Board voted to respond in writing to the Island Estates Neighborhood Association request regarding 184 Island Estates Parkway requiring payment of twelve months past due assessments plus late fees, for a total of \$1,668, a savings of approximately \$1,586. After taking title of the property the Island Estates Neighborhood Association will be responsible for paying the monthly assessments due to the Hammock Dunes Owners Association. The motion carried.

Lake San Gabriel Survey

This item was discussed during committee reports.

Maintenance Updates

This item was discussed during committee reports.

Association Updates/Discussion:

Delegation of Maintenance Procedures – Villas Neighborhood Association

The Villas Neighborhood Association would like to hire a contractor and pressure clean a roof of an abandoned house. The law firm of Taylor & Carls has issued a legal opinion to the Villas Neighborhood Association advising the Hammock Dunes Owners Association to delegate their rights of “self help” to the Villas as long as a resolution is adopted granting their rights for this specific situation. The Villas does not have the authority to perform maintenance on private party unless the rights are delegated by the Master Association. Mr. Bagnall stated the Villas Board should be careful because they will open themselves to significant liability once they begin maintenance of a home. Mr. Bagnall also said the Villas must hold harmless the Master Association regarding this situation.

ON MOTION BY Kelli Jebbia, the Board voted to delegate its right to of self help to the Villas Neighborhood Association with the following stipulations:

A – The Villas Neighborhood Association signs an indemnification agreement for the Hammock Dunes Owners Association and its Board of Administrators.

B – Following the procedure recommended by Taylor and Carls, in steps 1 - 4 on page 5 of the legal opinion. The motion was withdrawn.

ON MOTION BY George Bagnall, seconded by Dave Eckert, with all in favor, the Board voted to delegate the Hammock Dunes Owners Association rights, powers, and obligations regarding self help under the Master Declaration to the Villas Neighborhood Association, and prior to delegation, requiring the Villas Neighborhood Association, to provide the HDOA with documentation releasing the HDOA from any liability stemming from the delegation of this authority and approval of the delegated authority by a unanimous vote of the Villas Neighborhood Association Board of Directors.

6 Via Bellano

There was discussion regarding taking legal action against the owner of the residence at 6 Via Bellano to require them to repair the deteriorated condition of the property. The property is not in foreclosure, nor is it occupied. There is a fence surrounding the pool, but the screen has fallen down.

ON MOTION BY George Bagnall, seconded by Andy Furia, with all in favor, the Board authorized the Association's attorney to contact the owner and take whatever action is necessary to have the property brought into compliance.

New Business

Mr. Bagnall confirmed the Association engaged Holland & Night to review their documents.

Audience Comments

The Board addressed member comments throughout the meeting.

Adjournment

ON MOTION BY Bruce Aiello, seconded by Phil Henderson, with all in favor, the meeting was adjourned at 1:20 p.m.