

Hammock Dunes Owners Association, Inc.
Board of Administrators Meeting
March 21, 2011

Call to Order

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

Members Present: George Bagnall, Bruce Aiello, Howard Broussard, Kelli Jebbia, Dave Eckert, Phil Henderson, Cosmo DiPerna

Members Absent: Jay Furbay, David Jacobs, Tom Sharpe

Others Present: Travis Houk, Southern States Management Group, Inc.
Don Finch, Hammock Dunes Club

A quorum was established. Members' sign-in sheet located in Association Meeting File.

Approval of the Minutes – February 21, 2011

ON MOTION BY Howard Broussard, seconded by Bruce Aiello, with all in favor, the Board approved the minutes of the February 21, 2011 Board of Directors Meeting as written.

Alternative Lake Bank Restoration Options – Bob Dickinson, DRC

Mr. DiPerna reported the Board asked the Design Review Committee (DRC) to review alternative lake bank options and the DRC responded. Mr. DiPerna distributed a handout to the Board members reviewing the background of the different combinations of lake bank restoration options and the history of each selection. Mr. Bob Dickinson, licensed landscape architect and DRC member, was introduced to present additional lake bank restoration techniques that have been approved by the DRC.

Mr. Dickinson prepared and distributed a "draft" package of documents that is intended to be a hand out to home owners. The document depicts a cross section of a "typical" single family lot indicating the slope conditions and lake bank level. Illustrations were included in the document diagramming coquina rip rap options complimenting a vinyl sea wall. The specific diagram the DRC is more excited about is the illustration showing a combination of two common elements. The first element is a shorter vinyl sea wall of about 2 ft. above the water elevation. The wall provides stability and firm footing at the waters edge. The wall is backfilled with a 5 ft. planting area. The second element is a 2 ft. coquina wall which is stacked behind the planting area. The two walls create stability as well as blend the natural landscape. The Board discussed the sketches and illustrations in detail. Mr. Eckert suggested it's probably better to depict the property line location instead of a dimension. Mr. Eckert asked if the intent of the package is a "design review manual" for a sea wall. Mr. Dickinson stated the package is more of a hand out that home owners can take to their engineer; however aesthetically the package is what the DRC desires.

The Board and Mr. Dickinson addressed audience comments and recommended a licensed civil engineer review the layout before money spent on the installation. Mr. Dickinson said hopefully the engineering plan will compliment the illustrations. One approach is to have the contractor and civil engineer work in concert with each other after they understand the sketches and goal of the DRC. The Board asked the DRC to refine the designs with the comments discussed at the meeting and submit final drafts at the April meeting.

Casa Bella Neighborhood Proposal – Ave. de la Mer

Mr. Henderson reviewed the Casa Bella Neighborhood Committee proposal, included in the agenda package, to settle the traffic issues on Ave. de la Mer. The first page is a summary of why Ave. de la Mer is a thoroughfare. The second attachment in the proposal is a Hammock Dunes Road survey, including 30 roads, and the neighborhoods they serve. The final page is a map depicting the major thoroughfare roads in Hammock Dunes. Mr. Henderson stated Casa Bella is ready to provide a "quit

claim deed” for the Hammock Dunes Owners’ Association to assume responsibility of Ave. de la Mer. Mr. Eckert stated since this is a complex issue, it is better to deal with it in chunks instead of everything at one time. The first step is for the Board to agree that Ave. de la Mer road is a unique situation. Mr. Aiello and Mr. Bagnall stated the dedication of Ave. de la Mer to the HDOA is the problem. The Board discussed the definition of arterial road and if the HDOA should accept the road. Mr. Bagnall stated if Casa Bella Neighborhood requests the HDOA take ownership of the road with specific criteria than the HDOA may not accept the deal. The Board discussed potential “hooks” that Casa Bella Neighborhood may require.

ON MOTION BY Phil Henderson, seconded by Dave Eckert, the Board voted on having Hammock Dunes Owners’ Association immediately assume responsibility for traffic control on the Casa Bella Neighborhood section of Avenue de la Mer, installing a gate at the south entrance of the road, and after monitoring traffic for thirty days, make a determination as to whether a speed hump is needed. Motion amended.

MOTION AMENDED BY Phil Henderson, seconded by Cosmo DiPerna, with Mr. Henderson in favor, and Messr’s Bagnall, Aiello, Eckert, DiPerna Broussard, and Mrs. Jebbia opposed the Board voted on Casa Bella Neighborhood’s proposal deeding Ave. de la Mer with a quit claim deed with the provisions outlined in the first motion. Motion Fails.

Mr. Bagnall stated if the HDOA accepts the Road, the HDOA should have assurance the majority of Casa Bella is in favor of giving up the Road. If the HDOA takes on the road, the Association, not Casa Bella Neighborhood, should decide on to handle the traffic situation. If the HDOA decides not to buy the Road, then Casa Bella Neighborhood is back to taking care of the Road at their cost.

ON MOTION BY Phil Henderson, seconded by Howard Broussard, the Board voted to accept the Casa Bella Roadway predicated on the legal requirements for the Casa Bella Neighborhood Association to turn it over. Motion Amended.

MOTION AMENDED BY Dave Eckert, seconded by Howard Broussard, with Messr’s DiPerna, Henderson, Broussard, and Eckert in favor and Messr’s. Bagnall, Aiello and Mrs. Jebbia, opposed, the Board voted to accept the Casa Bella Neighborhood roadway proposal to include the fact that the road was never designed to be anything but a neighborhood road and may require significant road bed reinforcement, and whatever road reserves that exist in Casa Bella Neighborhood be turned over with the road at the time of transfer if the owners can legally transfer the property to the HDOA. Motion Carries.

Committee Reports:

Communications Committee

There was no report.

Social Committee

There was no report.

Design Review Committee

Mr. DiPerna reported the DRC played a part in the Club accepting suggestions about the tern stand. The issue has been resolved.

Financial Committee

Mr. Aiello reported the HDOA has received approximately \$11,000 in past due member assessments as a result of lender foreclosure on several homes. In looking at the 2010 draft audit HDOA and Granada Estates look good; however Ocean Estates was sent back to resolve the reserve

amendment. Legal action for collection of delinquent assessments for 31 Island Estates Parkway is expected to be resolved this week. Relative to Ocean Estates, the four categories that are being used to pay the \$270,000 due to Hammock Dunes from Ocean Estates is \$1,416 a month for lake bank restoration, \$1,460.28 for seawall construction, \$1,666.02 from the operating account for lake bank restoration, and no money is being put in to the walkovers for \$1,721.72. This is a total of \$6,264.02 a month for the payback. The payback will take about 3.5 years. It was suggested that the Board wait for the final bills for the sea wall work, and then money be taken out as a one time hit this year from reserves for landscaping and irrigation. Mr. Eckert inquired about an actual operating expense of \$23,582 that was expensed to operating cost in Playa del Sur. Mr. Aiello and Mr. Houk will review the expense on the income statement. Mr. Eckert also inquired if Playa del Sur owes money that is interest bearing. Mr. Bagnall stated the CD's are still assigned and it's offset on the income.

Security and Emergency Response Committee

Mr. Aiello reported many residents have inquired again about multi day passes. In 2010, the Board approved permitting owners to pay a security deposit to obtain a Smartpass gate transponder to be used for up to two weeks for guest access to the community. The Island Estates Neighborhood Association has said they will honor multi-day passes on their property. At this time, there are no multi-day paper passes available for anyone at any gates within Hammock Dunes.

ON MOTION BY Bruce Aiello, seconded by Kelli Jebbia, with Bruce Aiello, Kelli Jebbia, Dave Eckert, and Cosmo DiPerna in favor, and George Bagnall, Howard Broussard, and Phil Henderson opposed, the Board voted to issue multi-day passes for guests of owners. The motion carried.

Long Range Planning Committee

Mr. Eckert reported Mr. Tom Sharpe with H.D. Associates is coming to Palm Coast from March 30th until April 4th or April 5th. The HDOA would like an update on the progress of selling their position as the Declarant. A meeting has not been scheduled at this time. Mr. Bagnall stated he had a meeting with HD Club President Dennis Vohs and the Hammock Dunes Club Board is going to meet independently with Mr. Sharpe in Dallas, TX. Mr. Eckert stated unilateral action by the Club Board could have ramifications on the Hammock Dunes Owners Association specifically with pending lawsuits. Mr. Eckert reminded the Board about previous discussion with obtaining a legal opinion on pursuing HD Associates and what process can be used to make offers on their Hammock Dunes assets. Mr. Eckert further reported that Mr. Bagnall passed on a legislative update in July 2010 that confirms the Community can enter into property agreements with enhancing the common property. Mr. Bagnall stated before we obtain a legal opinion on the process, it may be better to wait until the Club's meeting with HD Associates and possibly use the same attorney. Mr. Finch reported the firm that was hired by the Club specializes in this specific litigation as it relates to HD Associates and the HD Club. Mr. Eckert stated it's up to the leadership of the Board to be educated with what's happening. Both Mr. Eckert and Mr. Bagnall agreed to wait on proceeding until hearing from the HD Club regarding their meeting.

Maintenance Committee/Updates

Mr. Eckert reported the Maintenance Committee is soliciting additional bids for a survey of the seawalls, which the Board approved at its last meeting. The response from the Old Tomoka Engineering Company, Wade Trim, was not acceptable. Corey Enterprises has submitted a proposal of approximately \$5,000 to plant a landscape buffer in front of the fence surrounding the billboard on A1A after the fence is installed.

ON MOTION BY Dave Eckert, seconded by Cosmo DiPerna, with all in favor, the Board authorized voted to reinstall a landscape buffer, with additional bids, in front of the fence around the billboard on A1A at a cost not to exceed \$5,000.

Priority projects for the Maintenance Committee in 2011 will be repairing the concrete decking on the main entrance bridge and overseeing installation of a wireless network.

Insurance Signage

The HDOA property insurance company conducted their annual community inspection. They issued suggestions that the Association install signs around the entrance gates warning vehicles of an automatic gate. Mr. Aiello passed along a possible suggestion that says "Slow, Gate Ahead." The Committee will evaluate the insurance recommendations.

Brazilian Pepper

A representative from the Island Estates Board approached the Maintenance Committee regarding Brazilian Pepper in the Community. The Committee will trim Brazilian Pepper plants along the A1A fence going south at least 20 ft.

Association Updates/Discussion:

HD Associates

This item was discussed in the Long Range Planning Committee report.

Playa del Sur Request

Mr. Eckert reported on a two page hand out, included in the agenda package, regarding Playa del Sur residents inquiring about specific topics related to the Sea Wall and possibly forming their own neighborhood committee. Specifically, Mr. Eckert stated he's looking for 3 specific motions on the 3 points in the hand out. The first point is a legal review or opinion regarding the validity of the license agreement the DCDD enforces and if DCDD has responsibility for erosion from their lake water.

ON MOTION BY Dave Eckert, seconded by Howard Broussard, with all in favor, the Board approved obtaining a legal opinion at a cost not to exceed \$3,000, on point one of the Playa del Sur handout, with the cost to be paid by the Hammock Dunes Owner's Association.

The second point is if the Declarant has liability for Lake Bank condition at turnover and unfunded reserves at turnover for lake bank maintenance.

ON MOTION BY Dave Eckert, seconded by Phil Henderson, with all in favor, the Board approved obtaining a legal opinion on behalf of the Ocean Estates Neighborhood Association regarding the east bank of Lake San Gabriel pursuant to point 2 in the hand out, at a cost not to exceed \$1,000 with the cost to be paid by the Ocean Estates Neighborhood Association.

The third point is whether the Playa del Sur Neighborhood should form a legal entity to protect its interests in the seawall matter, and in other matters. Mr. Eckert stated he's not willing to make a motion on this point at this time until the legal opinions are issued regarding the motions for point 1 & point 2.

Mr. Bagnall and Mr. Aiello questioned some of the history in the hand out. Specifically some of the conversations or discussions may not have been in a board meeting or documented in the minutes and therefore not part of the formal record. Mr. Eckert stated he attempted to state the history as accurately as possible and if modifications are necessary he'll do it.

Villas Neighborhood Association Issues

Mrs. Jebbia advised some owners in the Villas Neighborhood Association who are seriously delinquent in paying member assessments, are garnering rental income from their units. A recent change in Florida law permits homeowner associations to require tenants to remit rent directly to the

Association until the owners' accounts are brought current. The Board asked if the owner is a guest or if they have been confirmed as a renter. The Villas Neighborhood Association will attempt to determine if it's a lease or an "under the table" arrangement. Mrs. Jebbia reported that the Villas Neighborhood Association will also obtain a legal opinion regarding maintenance on abandoned homes.

New Business:

Annual Meeting March 28, 2011

Chairpersons will update members on the status of their committees at the Annual Members Meeting scheduled for March 28, 2011.

Vacant Seat Candidates

WCI has not nominated a candidate to fill the vacant seat on the Board of Administrators for the Waterfront community representative. If no candidate is nominated at the Annual Members Meeting, the Board will appoint someone to fill the seat at its next regularly scheduled Board Meeting. Two residents have submitted resumes for the vacant seat.

SSMG Relocation Announcement

Mr. Houk advised Southern States Management Group is moving their business office to the Hammock Dunes Information Center on Friday April 1, 2011 and will be open for business in the new location on Monday, April 4, 2011. The management company will share office space with Luxury Team of Florida Realty Company.

Audience Comments

Audience comments were addressed throughout the meeting.

Adjournment

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