

**Hammock Dunes Owners Association, Inc.
Board of Administrators Meeting
October 17, 2011**

Call to Order

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

Members Present: George Bagnall, Bruce Aiello, Cosmo DiPerna, Kelli Jebbia (via telephone), Tom Sharpe (via telephone), Dave Eckert, Phil Henderson

Members Absent: George DeGovanni, David Jacobs, Andy Furia, Jay Furbay

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

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

Approval of the Minutes – September 19, 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 September 19, 2011 Board of Administrators Meeting with the following amendments:

- **On page 2 under 13 San Marco Court Foreclosure, the third sentence, option 2, should read "...submit a bid for up to the amount the Association is owed..."**
- **On page 2 under 13 San Marco Court Foreclosure, the motion should read "...the Board voted on whether to bid up to the amount..."**
- **On page 2 under 13 San Marco Court Foreclosure, the last sentence should read "...however there will be a resolution."**
- **On page 3 under Design Review Committee, the sixth sentence should read "...President to coordinate communications."**
- **On page 4 under Gardner Staging Area, the motion should include "any damage to the common areas would be repaired at the cost of Mr. Gardner."**
- **On page 1 under Long Range Planning Presentation, the third to last sentence should read "...rest of the community of quickly as possible." Omit "accurate".**
- **On page 1 under Long Range Planning Presentation, in the third sentence, the word "Villas" needs to be capitalized.**

Long Range Planning Presentation – Hammock Dunes Database

Mr. Eckert reported Mr. Jeff Annon and he met several times over the past month and all Hammock Dunes neighborhood data has been incorporated into the database. Two different sample projections were created for the Board to see how the tool can be used for budget preparation and future planning. Mr. Annon narrated a power point graphical presentation on the database which he split into 3 sections. The first section analyzes data from "yesterday" 1992-present. The second section profiles the Hammock Dunes community as it exists "today." The third section projects how the community will look "tomorrow" over the next few years. Mr. Annon reviewed average transaction prices of improved lots, generational ownership, age profiles, and build-out rates. Mr. Eckert indicated if the HDOA takes the position of being the developer, the Board has to be cognizant of how to market each unit differentially based on the data. The final slides in the "tomorrow" section forecasted future re-sales assuming the owner sells at the age of 85. Mr. Eckert stated the Board will now be able to engage in additional projections as additional future discussion evolves.

**Sidewalk Committee: Audubon Trails to Fitness (AttF):
Presentation / Discussion**

Mrs. Jebbia confirmed her follow up notes and colored photos of the information site markers were included in the agenda package. Exercise trails and environmental sites for posting information on area wildlife have been identified. There are currently six sitting areas, with plans for a seventh location. Mrs. Jebbia reviewed the colored site plan which describes each trail. The Committee is collaborating with Keith Cook, Graphic Signs, on animal & mile stencils and Audubon site markers. Mr. Eckert noted that some animals identified by its corresponding trail, may not be seen along the route. The Board discussed the geography of each route and how they are mapped through the Community. Mrs. Jebbia confirmed the animal stencils will be painted on the bullnose of the street curbing to direct residents along the route. Mr. Eckert indicated the multiple color striping may be confusing. Mrs. Jebbia expressed concern over some of the preliminary pricing, \$600 per site marker; however the Board indicated the pricing appears to be accurate. Multiple Board members cautioned the Committee about doing this project cheaply which may not be aesthetically pleasing. Mrs. Jebbia stated her budget appears to coming in around \$6,000. The Committee has been coordinating with Vicki Dillard and the Luxury Team of Florida on a display map for the comfort station. Mr. Bagnall said the Board should not use a map with Luxury's name on the bottom since every realtor will approach the Association. Mr. Tom Sharpe advised the artwork may still be owned by HD Associates and be cautious about using the rights. The Board agreed nothing should be posted advertising any realtors. The Committee is working with DCDD on a sidewalk extension at the front of the community which is incorporated within the trails. Mrs. Jebbia stated she'll continue to fine tune the design and approach the Design Review Committee and the Board in November.

HD Associates:

Contract to Sell Remaining Membership to Club

**Plan for Remaining Assets Currently Owned Pending Closing of Transaction with Club
Sales Center**

Mr. Sharpe, HD Associates representative, reported HD Associates is under contract to sell the 193 unissued equity club memberships it owns, along with all of the rights and responsibilities currently owned by HD Associates as it relates to the Hammock Dunes Club with a hopeful close in November 2011. There does not have to be a vote from the membership for the Club to contract with HD Associates. The Club transaction has no relation to the HDOA. Mr. Sharpe reviewed the assets currently owned by HD Associates and his proposal for the HDOA to potentially purchase the assets. Mr. Sharpe indicated he's had discussion with multiple members regarding the situation. Mr. Bagnall indicated he had some general discussion with Mr. Sharpe regarding the Sales Center and presented his calculations and assumptions to the Board. He reminded the Board of the legal opinion the Association received that stated the Association has the right to buy assets and take a loan; however the loan must be backed by the assets or the Board would have to go out for a vote of the membership. Mr. Eckert stated he believes the deal with HD Associates is more doable if more assets are included. Mr. Sharpe reviewed some of the financial numbers pertaining to the assets, specifically citing 3.3 million for everything. Mr. Eckert expressed his frustration and anger with Mr. Bagnall having discussions with Mr. Sharpe without having any authority granted from the Board. Mr. Bagnall stated his discussions with Mr. Sharpe were not negotiations or presented that he had the authority to confirm a deal on behalf of the Board.

ON MOTION BY Dave Eckert, seconded by Kelli Jebbia, with Cosmo DiPerna, Dave Eckert, Phil Henderson, and Kelli Jebbia in favor, and Bruce Aiello and George Bagnall opposed, the Board voted on whether to require at least three Board members be involved in any aspect relative to negotiations with HD Associates on this range of desired sale by HD Associates. The motion carries.

The Board stopped the meeting briefly to confirm the motion per the digital recorder.

Mr. Henderson stated he believes the three Board member Committee involved in the negotiations should be identified in a motion. Mr. Eckert stated Mr. Bagnall and he should not be on the Committee together due to their differences; and he removed himself from the Committee. Mr. Eckert stated Mr. Bagnall should name his Committee members. The Board discussed the procedure on how the HD Club negotiated with HD Associates.

ON MOTION BY Bruce Aiello, seconded by Cosmo DiPerna, with Bruce Aiello, Cosmo DiPerna, and Kelli Jebbia in favor, with Phil Henderson and Dave Eckert opposed, and Mr. Bagnall abstained, the Board voted on whether to appoint Kelli Jebbia, George DeGovanni, and George Bagnall to a Negotiation Committee with the responsibility to negotiate a reasonable purchase price for the assets HD Associates is offering for sale. The motion carries.

ON MOTION BY George Bagnall, seconded by Cosmo DiPerna, with all in favor, the Board voted on whether to allocate \$3,000 for an appraisal of the properties for sale by HD Associates. The motion carries.

Committee Report

Finance Committee – FY 2012 Budget Meeting/Workshop

I.E. Core Landscape Proposal

Mr. Aiello reported finances for all of the neighborhoods, with the exception of the Ocean Estates—Playa del Sur neighborhood, were favorable to budget. Mr. Aiello stated the Association has not been issued the certificate of title by Flagler County for 13 San Marco Court; however the Association was the successful bidder at the public sale. The winning bid submitted by the Association was \$100. Mr. Bagnall stated there were three day laborers granted access to 13 San Marco over the weekend. The men claimed they were hired by Bank of America and assigned to drain, clean, & cover the pool. The pool was drained; however since the water is shut off the pool could not be cleaned or covered. Mr. Aiello confirmed the Association is moving forward with the Association's legal counsel to force the bank to foreclose on the property. Some of the lingering questions about who really owned the property before the Association received title will be confirmed with legal.

Security & Emergency Response Committee

Securitas Contract Proposal

Mr. Aiello reported after a second meeting with members of the Committee, Securitas submitted a final contract proposal for vehicle access control and security monitoring services. The pricing including the additional upgraded cameras at the three manned gates, additional cameras at Grande Mer & Clicker Beach, upgraded DVR's & software, and one mobile camera is a monthly contract increase of \$288. Mr. Eckert questioned if the new system uses the wireless internet technology originally proposed with the wireless mesh network. Mr. Aiello and Mr. Henderson confirmed the new system will rely on a wired internet connection due to the video data being pushed through the internet. The wired internet will be utilized via the HD Club and gate houses. The wireless signal will be transmitted thru antennas at Grande Mer and Clicker Beach which will transmit to a wired internet connection. The Committee will meet with Securitas and Rapid Security Solutions to review and confirm the plan before initiated.

ON MOTION BY Cosmo DiPerna, seconded by Dave Eckert, with all in favor, the Board voted on whether to accept the 3-year Securitas contract proposal pending the confirmation of the internet connections. The contract expense will be included in the FY 2012 Operating Budget. Motion carries.

The Association's policy is Smartpass entry gate transponders may be sold to owners, but not to tenants. Mr. Aiello reported Southern States developed a nice welcome package assisting owners and tenants.

Mr. Aiello reported the Island Estates Neighborhood Association pays Corey Enterprises \$1,400 a month, or \$16,000 annually, for landscape maintenance at both Island Estates Neighborhood entrance gates and the center divider. The Island Estates Board is requesting the HDOA to fund and maintain this property since it's technically HDOA property.

ON MOTION BY Dave Eckert, seconded by Bruce Aiello, with all in favor, the Board voted on whether to take over the full responsibility for landscape maintenance for Mariner's Gate and the main Island Estates Neighborhood entrance from the bridges eastward. Beginning January 1, 2012, the Hammock Dunes Master Association will assume the cost for landscape maintenance of these areas with full discretion as to landscape design and implementation. The motion carries.

Design Review Committee

Mr. DiPerna reported the DRC is continuing to operate very effectively. Mr. DiPerna spoke on the matter of an easement by the golf course for the purpose of collecting golf balls. The DRC feels this easement is unnecessary regarding the property at 18 Corte del Mar. A new vinyl sea wall has been approved for the Roberts residence at 4 Via Verona that meets the DRC requirements.

Maintenance Committee

There was discussion about the frequency of annual flower rotations in the landscape beds. The Corey contract calls for the flower beds to be rotated three times per year. The annuals currently being planted thru Corey's new subcontractor will not last four months and therefore must be rotated four times per year. Many residents during the year commented the flowers have looked great. To increase the Corey contract to include four rotations using the same flower plantings, it will be necessary to increase the landscape maintenance budget by \$12,000 in 2012.

ON MOTION BY Cosmo DiPerna, seconded by Kelli Jebbia, with Mr. DiPerna, Mrs. Jebbia, Mr. Henderson, Mr. Bagnall, Mr. Aiello in favor and Mr. Eckert opposed the Board voted on whether to approve the extra expenditure of \$12,000 for the increase in the number of flower rotations. The motion carries.

Mr. DiPerna commented on the excellent installation of the coquina rock at Cordoba Court. He stated that this is a good alternative that should be made available to the community. The top blew off of the Canary Island Palm Tree at the entrance to Granada Estates. Mr. Houk reported the professional opinion is that this tree is not going to grow back. The landscape company will investigate whether fungus is present in the soil where the tree is located prior to replacing the tree. The Board agreed the tree at the Granada Estates sign and the palm tree at the corner of Camino del Sol and Camino del Rey should be removed since the trees have "but rot."

Maintenance Updates:

Tree Trimming Bids

There was discussion regarding bids to trim the trees and raise the canopy on oak trees on Camino del Mar, Camino del Rey, Camino del Sol, and Granada Drive.

ON MOTION BY George Bagnall, seconded by Bruce Aiello, with all in favor, the Board voted on whether to accept the bid of \$3,200 from Shaw Tree Service for trimming the oak trees located along Camino del Mar, Camino del Rey, Camino del Sol, and Granada Drive. Motion carries.

Association Updates/Discussion:

13 San Marco Update

This was discussed under the financial report.

Villas Neighborhood Update – New Board Members

Mr. Jebbia reported Mr. John Carney resigned his position as Vice President of the Villas Neighborhood Association Board of Directors since he sold his property in Monterrey. The Board appointed Marge Rooyakkers to fill the remainder of Mr. Carney's term. Mr. Houk included the paperwork regarding delegating enforcement responsibility to the Villas Neighborhood Association from the Master Association in the agenda package.

New Business

No additional new business.

Audience Comments

The Board addressed member comments and concerns.

Adjournment

ON MOTION BY Phil Henderson, seconded by Cosmo DiPerna, with all in favor, the meeting was adjourned at 1:36 p.m.