

Hammock Dunes Owners Association, Inc.
Board of Administrators Meeting
June 18, 2018

Call to Order:

The duly noticed monthly board meeting was called to order at 10:00 a.m.

Board Members Present: Mike Gill, Bruce Aiello, Michael Heller (Via Phone), Jef Amsbaugh, Marge Rooyakkers, David Yoder, Stan Pierce, Jane Ann Gass, Cosmo DiPerna
Board Members Absent: Scott Keiling
HD Club Administrator Present: Ted Robinson (via phone)
Community Management Present: Carsten Georg and Tyler Schreiner, Southern States Management Group

A quorum was established. Members' Sign-In Sheet located in Association meeting file.

Approval of Minutes – May 21, 2018

ON MOTION BY Bruce Aiello, seconded by Cosmo DiPerna, with all in favor, the Board approved the minutes of the May 21, 2018 Board of Administrators meeting with the following amendment:

- **On Page 1 under the FPL Update the third line from the bottom “Mr. Yoder mentioned that a couple years ago” should read “Mr. Yoder stated that about a year ago...”**

FEMA Vote- Town Hall Meeting, July 11, 2018

Mr. Gill would like to call an emergency HDOA Board meeting next week to discuss a recommendation for the HDOA Board to consider litigation against FEMA. If an emergency Board meeting is not necessary, the Board would just have a continuation of this current meeting. Mr. Gill stated that Mr. David Eckert, Mr. Bruce Aiello and he will be on a 30 minute call with FEMA along with outside counsel and the head of the head of Florida Emergency Management later in the week. Further, Mr. Gill stated he has reached out to 7 law firms, all major litigation firms, regarding the HDOA's claim against FEMA. Along with Becker, HDOA's general counsel, the HDOA's current special counsel, Clark Hill, has been representing the HDOA against FEMA and has the most experience and working knowledge. Clark Hill provided a bid to represent the HDOA with their claim.

By consensus, the Board approved to have a continuation HDOA meeting of this current meeting at 2:30pm on Wednesday, June 27, 2018 at the Southern States Management Group Office located at 2 Camino del Mar, Palm Coast, FL. The agenda will include FEMA Vote – Town Hall Meeting, July 11, 2018.

Beach Status Update

Mr. Gill stated Flagler County is currently on the HDOA's beach and the ultimate goal is to be completely finished with the reconstruction project by September 1, 2018. Mr. Aiello stated the County indicated they may stop working on the beach and relocate to Flagler Beach as necessary. Mr. Gill stated the Matthew breach on the North End would need to be addressed with the County for potentially putting more than 10 cubic yards of sand.

2018 Crossover Protection Approach/Initial Work to Date

Mr. Heller stated the main take-away learned in 2017 is to stabilize the walkovers after a storm to prevent damage from future storms. Mr. Heller stated one of the first objectives should include equipped assets that can be used for immediate attention on the beach. Mr. Heller is suggesting renting a CAT skid steer for 3 months for a \$5,000 a month or approximately \$15,000. The estimated cost of labor

from Corey would be approximately \$1,000 per walkover. The Board discussed this approach and would seek feedback from the condos.

2017 Crossover Repair Allocation Vote

Mr. Gill opened the discussion by confirming this has been discussed for two or three months. Mr. Gill stated there was one contract to build 29 walkovers with the cost approximately \$850,000. Mr. Gill went on to state the contract has had two amendments to it. The first amendment was to repair damage after Hurricane Irma and signed in November 2017. The second amendment was signed to reconstruct the 4 walkovers in April 2018 from the Nor'easter in January 2018. The Board reviewed an opinion provided by HDOA general legal counsel, Robyn Severs, about the walkover expense allocation. Mr. Gill reviewed his opinion about the issue and the GAP (General Accepted Accounting Practices) approach which has been confirmed as an acceptable expense allocation. Mr. Gill turned the discussion over to Mr. Heller. Mr. Heller presented and defined to the Board the 1/29th approach including the chronology. He reminded the Board about the straw vote during the previous meeting which confirmed the 1/29th approach. Mr. Heller stated on a percentage basis that is 65.5% in Ocean Estates, 17.2% condos, 13.8% per the HDOA, and 3.5% for the Club. Each Board member expressed their opinion on the proposed walkover allocation methods. Audience members expressed their comments. The Board had considerable discussion on the subject.

ON MOTION BY Mike Heller, seconded by Jane Ann Gass, with Mr. Heller, Mr. Gill, and Ms. Gass in favor, and with Mr. Aiello, Mr. Yoder, Mr. Pierce, Mr. DiPerna, Mr. Amsbaugh, and Ms. Rooyakkers opposed the Board voted on whether to use the allocation methodology proposed by Mr. Heller of the 1/29ths allocation cost method, allocating the post Irma repair costs accordingly. Motion Fails.

ON MOTION BY Bruce Aiello, seconded by Cosmo DiPerna, the Board voted on whether to have the Ocean Estates summary of the walkovers funding dated March 31st, 2018, which shows the allocation of the walkover money, deferred maintenance, natural disaster, from the three neighborhoods with a loan to the Playa del Sur Neighborhood from Carino and Grande Mer to offset the costs of the walkovers which would result in a 5 year, 0% interest loan from the two sub-neighborhoods within Ocean Estates to Playa del Sur to fund the walkovers.

During the discussion, Mr. Gill stated the motion should be concrete and define/state how the walkovers will be expensed not the finance deal between the Ocean Estates sub-neighborhoods.

Motion Amended by Bruce Aiello, seconded by Cosmo DiPerna, with Mr. Gill, Mr. Yoder, Mr. Pierce, Mr. Amsbaugh, and Ms. Rooyakkers in favor, and Mr. Heller opposed, with Ms. Gass abstained, the HDOA will specifically allocate to each condominium association, neighborhood association, Hammock Dunes Club, and HDOA the individual walkover expenses associated with their specific walkover construction including repair/replacement. Motion carries.

La Grande Provence Open Board Seat

Mr. Gill stated that Mr. Yoder submitted his resignation from the Board effective after this meeting. Mr. Gill stated he would like for Mr. Georg to reach out to the La Grande Provence's president and ask for a recommended replacement.

111 Island Estates- Self Help

Mr. Aiello stated this is the procedure that has been in place for 5 years now. Mr. Aiello stated this property is in foreclosure and nobody is maintaining the lot. The HDOA will do a mow, edge, and blow on the front of the property only.

ON MOTION BY Bruce Aiello, seconded by Marge Rooyakkers, with all in favor, the Board voted on whether to approve Self Help for 111 Island Estates. Motion Carries.

Hammock Dunes Club Administrator Report:

Mr. Robinson stated the headline is the construction that's currently taking place at the Club. The plan still remains to complete the project by the end-of-the year. Mr. Robinson also stated the budget numbers are looking good as well. The only additional discussion item is the Bylaws revision and the amendments on membership issues. That discussion will be at a Town Hall Meeting scheduled for Thursday June 21st to potentially adopt the proposed amendments.

Committee Reports:**Communications & Community Relations**

Ms. Gass stated the Inside the Gates articles are due July 16th! Ms. Gass stated she will get with Carsten and legal counsel regarding the language of the proxy for the FEMA vote.

Maintenance Committee

There was nothing to report.

Social Committee

Mr. Pierce stated he is working on the beach party! Mr. Pierce stated his RSVP list for the showing of "Jersey Boys" on November 25th is full.

Community Planning

Mr. Gill stated he would like to find and also take recommendations for a team of "strategic thinkers" to task as a Board with real, firm strategic planning on a view of what Hammock Dunes will be in 3-5 years.

Security & Emergency Response Committee

Ms. Rooyakkers stated the new software is up and running and working great!

Design Review Committee

Mr. DiPerna stated there was nothing to report.

Financial Committee

Mr. Aiello stated the amount of monies owed to the association is around \$200,000 from Lennar. Mr. Aiello stated the neighborhoods of Granada Estates and all three neighborhoods in Ocean Estates are operating within budget. Mr. Aiello also stated the HDOA Master is this month alone \$96,000 over budget. Mr. Aiello stated 64 owners have not paid their first quarterly \$500 of the special assessment.

Declarant & Development Committee

Nothing additional.

Association Updates/Discussion

Mr. Aiello updated the Board regarding the lease agreement with Southern States Management Group. Mr. Aiello stated the lease agreement has been signed, with an increase of \$1,000 a month from \$6,000 to \$7,000. Mr. Aiello went on to state Southern States has a right to renew for a 5 year period and then after that its 24 months.

New Business

Nothing additional.

Audience Comments

Audience members addressed the Board about the walkover discussion.

Adjournment

The meeting will be continued at 2:30 pm on Wednesday, June 27th at Two Camino Del Mar.