

**STRAND MASTER ASSOCIATION
BOARD OF DIRECTORS MEETING
JULY 8, 2009**

A regular meeting of the Board of Directors of the Strand Master Homeowners Association was held Wednesday, July 8 at 3:00 p.m. in the Strand Boardroom.

DIRECTORS PRESENT: Bob Polizzotto, President (Via Speakerphone)
Anthony DeFeo, Vice President
Bill Young, Secretary
Honey Gardiner, Treasurer
Rick Tessmer (Via Speakerphone)
Ken Hedges

ALSO PRESENT: W. Neil Dorrill, Dorrill Management

ABSENT: Tom Guthrie

The Board discussed the problems that some Board members may have with the new time, and noted that the meeting time may have to be changed.

ROLL CALL/APPROVAL OF AGENDA

The meeting was properly noticed, and it was noted that a quorum was present, with the members as listed above in attendance. A copy of the notice is on file in the Association offices at 5672 Strand Court. With the addition of items 4E, Re-approval of Commercial Loan, and 6E, Segregated Reserve Funds, **the Agenda was unanimously approved on a MOTION by Honey Gardiner and a second by Bill Young.**

APPROVAL OF MINUTES OF JUNE 17, 2009 MEETING

With the corrections as noted by Mr. Polizzotto, the minutes were unanimously approved as amended on a MOTION by Honey Gardiner and a second by Bill Young.

TREASURER'S REPORT

A. Restatement of 2008 Financials

The restated balance sheet as of December 31, 2008 was provided to the Board members, as well as the restatement of revenue and expenditures. As of December 2008, the loss was \$207,959, before the special assessment. Dr. DeFeo asked about the amounts that were charged in 2009 but attributable to 2008, which were never accrued or paid for by the previous accountants. The loss in 2008 was therefore understated by almost \$60,000. The monthly balance sheets were also restated for the Board.

B. Review of Current Month Financials/New Cash Flow Report Review

The May 31, 2009 financials were reviewed by Mrs. Gardiner for the Board. She indicated that the balance sheet showed a prior year fund balance, which is the restated loss for 2008 plus all the years prior to 2008, of minus \$236,957. The year to date loss in 2009 only is \$53,531. The total equity is \$83,686 which is due primarily to the paper reserve fund of \$226,685 and the payments offsetting in prior year of \$147,489.

In June, \$30,000 was borrowed from reserve cash to pay the bills, as there was no credit line in place. Accounts receivable is now up to \$65,000, which is primarily the Club at \$56,000 from the cost sharing agreement. The Commercial Association also owes \$9,000 to the Master Association.

Under statement of revenue and expenses, Preserve Maintenance, Legal Fees, and Entrex fees are over budget, and Mrs. Gardiner explained to the Board the reasons for this.

A breakout of what these fees are allocated to will be noted on the financials in the future. A discussion will be had in the future regarding a proposal by Mrs. Gardiner whether a separate budget should be for those special issues with the water permitting that does not affect all residents in the community.

Mr. Polizzotto noted that these special items for the well and permitting have already been discussed and presented at the May 11th meeting, and are being separated as shown on the cashflow report. Dr. DeFeo asked that for the expenses to date for the permitting, a summary presented to the Board each month. Mr. Polizzotto also stated that the discussion about a separate budget to separate the wells' yearly expenses should be tabled until we got closer to installing the wells and we investigate restrictions per the Association Documents as it relates to splitting the expenses.

As it relates to the cash flow statement, the first five months are actual, or what is shown in the checking account. Leigh Briant at Dorrill Management did this for the Association, and Mrs. Gardiner felt she had done an excellent job. Mr. Polizzotto noted that the cashflow report which includes the special assessment shows a surplus of \$117,241 at the end of the year. Assuming no further money is taken from the reserve fund, on December 31, we would owe the reserve fund about \$75,000 to \$80,000.

The cash flow report will have the \$226,685 for the reserve fund as noted by Mrs. Gardiner.

On a MOTION by Rick Tessmer and a second by Bill Young, the Treasurer's Report with unanimously accepted with the changes as noted by Mr. Polizzotto.

The restated financials and cashflow reports will be posted on the web for the residents.

C. Spending Restraints and Discretionary Approval Limits

Dr. DeFeo noted that this related to an e-mail he had sent, and he reminded the Board that he felt the limit should be \$1,500. Mr. Polizzotto felt it should be less than this, and Mr. Dorrill noted that there are instances with repairs to gate arms, especially during the summer, and asked that this not include repairs to the gates and camera repairs. The Board agreed, and after a brief discussion, the Board agreed that the limit would be \$500.

On a MOTION by Ken Hedges, the number was set at \$500 for a three month

period, to be evaluated after that period of time, excluding acts of God and reoccurring expenses, and was unanimously approved.

D. Re-Approval of Commercial Loan

Mrs. Gardiner advised the board that the original line of credit was paid off in March and the bank requested that there be a resolution by the Board to re-approve the line of credit. **On a MOTION by Ken Hedges and a second by Rick Tessmer, a unanimous resolve was made that the line of credit be re-approved.**

MANAGER’S REPORT

A. Completion of Landscape Contract

Mr. Dorrill advised the Board that this was completed, and there was a final item on the number of additional pine straw bales, and Mr. Powers has resolved that.

B. Fountain Ownership – Commercial

Mr. Dorrill confirmed that the Commercial Association does own and operate the fountain adjacent to Mr. Gilhart’s complex, and they are paying the costs associated with that. The Commercial Association has issued a check for the repayment of monies paid by the Master Association for these expenses.

C. Update on Preserve Areas and SFWMD

Mr. Dorrill advised the Board that he had sent a second notice and request to Roxanne Clifton at the Water Management District, and has yet to hear from her. He felt that she was surprised to learn that Strand, Ltd. had never conveyed the ERP permit to the homeowner’s Association. Mr. Dorrill will call her supervisor at the Fort Myers office if necessary.

D. Update on Preserve No. 6 Lake Bank Erosion Repair, Meeting with Strand

Mr. Dorrill asked the Board if there had been any updates on the lake bank erosion repair. Mr. Polizzotto indicated that he had sent the Board an e-mail summarizing the situation the previous evening, and he gave a brief history of the actions of Strand, Ltd. and the Association’s actions in this regard. He had a conversation with Bruce the previous week on this issue, and Mr. Nelson maintained that the Association was responsible for the lake banks, and he did not mention the golf paths or the drain, but did mention that he had contracted for work to be done for about \$28k. Mr. Young noted that he had visited the area and there is presently no repair work being done. Dr. DeFeo visited the site and noted that where there was lake bank erosion it had been filled in with sand and grass and the bank looks quite good. The cart path and drains have still not been repaired. Mr. Polizzotto feels as though the Association should wait to see how this transpires as they have heard nothing else from the Club and noted that our Water Management Agreement of 1997 allows us to collect any funds due the Association.

Dr. Defeo disagreed with the idea that the Association should wait and do nothing, and felt that a note should be sent to the Club advising them once again of their policy, that anything other than the lake banks will be a shared cost.

After further discussion, it was agreed that Mr. Polizzotto will send the e-mail to Mr. Nelson regarding the Board's responsibilities, including previous notification made to Strand, Ltd. regarding the Board's position and the Water Management Agreement of 1997 as it relates to this.

Mr. Dorrill added that Mr. Nelson continues to blame the Master Association for the problem with the drainage at Anna's Place, and felt it should be made clear to him that the Association is not responsible for site drainage. Mr. Young also agreed that there is a problem with the drainage at Anna's Place which is a large part of the problem because there are no gutters on a number of homes and there is a large volume of water that flows from behind the homes onto the cart path. If there are any drains behind the homes or between the tee boxes to collect water from these homes they should be checked for blockage.

After further discussion, **on a MOTION by Ken Hedges and a second by Bill Young, The previously discussed e-mail will be prepared by Mr. Polizzotto, who will copy the Board for approval before being sent to Bruce. The Motion was unanimously approved.**

E. Update on Capital Contribution from Mango Cay Sales

Mr. Dorrill has asked Mr. Powers to prepare a schedule showing the \$500 deposits to match the last six sales in 2009. In response to her question as to where these deposits appear on the operating account, Mr. Dorrill advised Mrs. Gardiner that they would probably be noted as deposits under the capital contributions.

F. Other Previous Meeting Follow Up Items

As it relates to the bridge ownership, Mr. Dorrill has provided a copy of the most recent e-mail he sent to Leo Salvatori to the Board and the response he received back from him. The date of the response was April 16, and there has been no further communication between Mr. Dorrill and Mr. Salvatori since that time on this issue.

Additionally, Mr. Dorrill provided the first letter he sent to Roxanne Clifton at SFWMD following the first inspection on June 2. Mr. Dorrill will provide a copy of this letter as well as the one sent to Tuscany Reserve to Mr. Polizzotto. Mr. Dorrill explained that Tuscany Reserve has a responsibility, per their permit, to clear the property along our northeast border which they are trying to get removed from their permit. If the clearing is done, we may have to install a fence, landscaping and irrigation for visual and security concerns

The last item noted by Mr. Dorrill related to the article in the Naples Daily News regarding the selection of DMG as the manager of Pelican Bay which did not relate the entire story as to fees. An explanation was provided and sent to all of DMG's clients to further explain the differences in his contract with Pelican Marsh.

DIRECTORS REQUESTS

A. SFWMD Permit Application Update

Mr. Polizzotto had a recent conference call with Mr. Walker, Ms. Phillips and Mr. Salvatori. Monday he had received an email from Mr. Feeney that the request for additional information has been accepted by the water authority, and they see no need for further information. They are waiting until the issues between Strand, Master, Commercial and Mango Cay are settled before they do anything further, as they want to make sure that the original total acreage in the permit applications is not exceeded. Mr. Polizzotto stated that he was not sure if the SFWMD would hold up the Club's permit based on this.

The Board discussed the further work that Mr. Walker indicated he must do, and the fact that they must wait for their permit until the Commercial Association and Mango Cay go through the steps for their applications. Dr. DeFeo asked about updating the 8 communities about the cost and progress of the litigation and permit process and Mr. Polizzotto advised that there was a meeting of all Presidents on May 11th to update everyone. After further discussion, it was agreed that no further work would be done with Mr. Walker, and Mr. Feeney will be contacted to see if he and Mr. Polizzotto can complete this process quickly for the Association. An e-mail will be sent by Mr. Polizzotto to Mr. Walker advising him of the Board's decision as it relates to Mr. Walker's involvement, which will be provided to the Board for approval and input before it is sent.

B. Security Software Data Input Update

Mr. Hedges advised the Board that the upgrade has been loaded into the system, which allows many more functions. He is in the process of fixing the address issues, and in a few days he will begin amending the automobile list. The presidents of the associations will then be sent the list to distribute to their residents.

A memo by Mr. Joe Cavelli was then read by Dr. DeFeo into the record regarding permits being issued at the gate house to renters who have not been cleared beforehand by the Board of Directors, and the set up procedure has not been followed. David has indicated that if the owner tells him to let a particular person in, he has no option but to do so. The Board discussed this and their previous decisions on this matter, and Mr. Cavelli was advised as to what should be done, and David will be advised to follow the procedure the Board has set out. Anyone who has been improperly given a bar code will be taken out of the system.

C. Strand Master E-mail System Neighborhood Input Update

Three communities have yet to input their information, the Links, Grand Reserve and Wedgewood. All others have responded, and Mr. Tessmer expects those three to be responding soon.

D. Other Previous Meeting Follow-Ups

Mr. Tessmer advised the Board that he is still waiting to hear from Comcast. Their response should be received by July 30, and once received, it will be executed.

E. Reserve Funds

Dr. DeFeo and Mrs. Gardiner asked about the segregation of the monthly expenses including the reserve accounts for the communities associated with the wells and permitting. Mrs. Gardiner asked what the estimated annual expenses would be for the wells and Mr. Polizzotto stated that it would be about \$12k to \$20k per year. Mr. Polizzotto felt that the accounts should not be segregated at this point, and indicated that our documents might not allow it. He said we should have some input from the community in the discussion and that the decision on this should not be made at this time. The Board agreed to table this item and discuss it further when the 2010 budget is done.

ADJOURNMENT

With the agreement that the August meeting would be held on the 12th, and with no further business to come before the Board, the meeting was adjourned **on a MOTION by and a second at 4:43 p.m.**