

SURFSIDE COLONY BOARD OF DIRECTORS
MONTHLY MEETING MINUTES
FOR
TUESDAY, APRIL 12, 2011

Board Members Present – Dave Evans, KC Coultrup, Sandy Redding, and Steve Wiles.

Absent: Darlene Cahoon

Colony Administrator: Chressa Lockhart

Guests: Rich Pearson, Robert Richardson, C4 and his attorney, Mark Tundis

Meeting Opened at 6:30 pm by Dave Evans.

Review and approval of Meeting Minutes for March 8, 2011.

Motion: by KC Coultrup to approve the March 8, 2011 Board Meeting Minutes as submitted

Second: by Steve Wiles

Vote: All in favor

Motion carried

Open Forum for Shareholder concerns: Mr. Richardson, C4, the son in law of Phyllis Anderson, owner of C4 and General Manager of the family Limited Partnership addressed the Board. He requested that his \$5000 construction deposit be returned to him immediately. He also wanted to know why he was required to rent a reserved parking space. Mr. Tundis was asked to leave, as the Board did not have counsel present. A discussion then ensued regarding the agreement between Mr. Richardson and the Colony on requiring him to have a reserved parking space as the house went from a one bedroom to a two bedroom. The Board offered to Mr. Richardson that if there were one tenant in the home no parking space would be required. If he rents to two tenants, he would be required to rent a reserved parking space. Mr. Richardson said he would think about it and left.

Finance report by KC Coultrup: The accounts receivables look good over all. Mrs. Lockhart is communicating with the shareholders who owe past 60-90 days.

The budget is now 75% of the way through the year. The income and expense are as follows:

- Income is \$643,069 or 72% compared to budget
- Expenses are lower than the budgeted amount at \$444,137 or 60% of budget.

The Board agreed to meet at 5pm before the next Board Meeting on May 10, to work on the 2011-2012 Colony operating budget.

The Balance Sheet was then reviewed. Current assets are over \$800,000.00.

Mrs. Lockhart brought up the issue of a renter moving out and wanting a refund of the prorated amount of time not used for their parking decal. The Board discussed the issue and agreed there would be no credit issued.

Mrs. Lockhart told the Board there had been no response to the letter sent out to residents who use their garages for storage and not for parking their cars. It was agreed that the issue should be brought up at the Annual Shareholder Meeting.

Mr. Evans brought up the issue of the new dog-barking ordinance in Seal Beach. He requested that the new ordinance be emailed to Colony residents.

The Seal Beach Budget was then discussed. Mr. Coultrup outlined the letter sent to Seal Beach requesting \$15,000 for sand fill, \$9000 for putting up and taking down the berm and to allocate funds for the revetment maintenance. He reported, the City Council agreed to pay \$9000 for the berm but left the other two issues on the table. It was agreed that these issues would be pursued again in the future. Mr. Coultrup reminded the Board, the City of Seal Beach had agreed to a 2% increase on the amount paid to Surfside for monthly beach cleaning expense. Mr. Coultrup will follow up on this issue and report back. Mr. Coultrup will submit the request to the City for the sand fill, berm and revetment on the City budget form due by April 18th. The City Council did indicate they would take action on the revetment in the event of an emergency.

Sand Fill Committee: Mr. Evans said he spoke to Shawn Crumby at the City of Seal Beach. Mr. Evans believes it is a legal issue as to whether the City is responsible for the sand fill or not. The Board then reviewed the 2008 Sand Fill Agreement.

Motion: by KC Coultrup that the Board write a letter to the City of Seal Beach and the Storm Water Tax District notifying them to not enter into any contracts with, make agreements or pay any funds with respect to any future sand fills and assist the Surfside Board of Directors to change the documents so that the City of Seal Beach is billed.

Second: by Dave Evans

Vote: all in favor

Motion carried

Front Gate Project Report by Dave Evans: Mr. Evans indicated the permit from the Coastal Commission should be in hand by Thursday or Friday. The Board then reviewed the letter to be sent to the Shareholders regarding the front gate project.

Motion: by KC Coultrup to send the letter to the Shareholders as written

Second: by Dave Evans

Vote: 3 in favor, 1 opposed

Motion carried

It was agreed that residents with reserved parking by the front gate would be notified of restriping to be done Thursday. The logistics of starting the project were discussed.

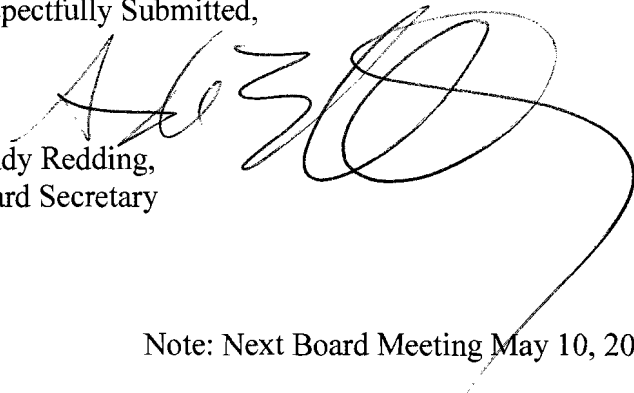
Colony Drainage report by Dave Evans: Mr. Evans indicated he is working on permitting with Seal Beach. He plans to discuss the drainage project at the Annual Shareholder Meeting to determine how the Shareholders want to move forward on the drainage issue.

Tax district report by Sandy Redding: Mrs. Redding reported the Storm Water Tax District agreed to reimburse an additional \$28,000 for emergency drainage work.

As no further business was brought before the Board, the meeting was adjourned at 8:47 pm

Respectfully Submitted,

Sandy Redding,
Board Secretary

A large, stylized handwritten signature in black ink, appearing to read 'S. Redding', with a long, sweeping underline that extends towards the bottom right of the page.

Note: Next Board Meeting May 10, 2011