

SURFSIDE COLONY BOARD OF DIRECTORS
MONTHLY MEETING
AGENDA FOR
TUESDAY, NOVEMBER 9, 2010

Board Members present: Dave Evans, KC Coultrup, Darlene Cahoon and Sandy Redding

Absent: Steve Wiles

Guests Present: Chressa James, Rich Pearson, Nora Straight A99 and Mark Schubert A104

Mr. Evans opened the meeting at 6:31 pm.

It was agreed the Board would Review the Meeting Minutes for September and October and approve them next month.

Open Forum for Shareholder concerns: Mark Schubert (A104) wanted to thank the Board for addressing the A103 situation.

Colony Finances report by KC Coultrup: He indicated the profit and loss report is on track for the current years budget. He pointed out the year is 33% into the budget. The utility expense line item in the budget is not accurate as the Tax District used to pay them directly and they were not put in the budget this year. The Community Services Tax District has budgeted \$15,000 for the colony utilities this fiscal year. This will be noted by Ms. James but the approved budget will not be altered. The current assets in the bank are approximately \$670,000.00

The Accounts Receivable shows 4 delinquent locations, and their transponders have been turned off. The next step is to revoke the guest passes privileges, so this will occur now.

The trash expense was noted as higher than budget.

Construction at C4 – the owner apparently started construction before city or the Architecture Committee approved changes, and without permits. They now have permits and have submitted drawings of a two bedroom and no garage which was missed as this violates city code. The City has issued a “Stop Work” and is reviewing. Mr. Coultrup has drafted a letter for the city and Mr. Evans will review it. The City of Seal Beach is now the authority to handle the situation

Colony issues report by Dave Evans

Front Gate Plan - The plans are still not permitted by Coastal and the City. Coastal wants some signage and certain plants; and they want a drainage plan. The pavers' bids were expensive, but met the square footage required. We have three bids in that were close to each other but some items seemed higher than expected due to interpretation of those specific items. Mr. Evans and Mr. Coultrup are recommending “Nobest” and JR Haskett construction firm for the projects. They are continuing to gather information and attempt to get the prices down. Mr. Evans and Mr. Coultrup intend to manage many of the sub contractors. This should keep expenses down.

Colony Drainage – Two bids were received. The plans are back in Engineering for five or six items from the City. All of the chambers for holding water runoff will be under the main parking lot. The City has decided that the Drainage

Project needs to go to Coastal, so the plans will need to be redesigned. This might delay the project 4 to 5 months.

The Current bids estimate each project at \$450,000-\$500,000. The Board then discussed methods of paying for the two projects. One recommendation was as follows:

Surfside colony Reserves - \$250,000

Tax District contribution - \$275,000

Loan from community Bank - up to \$500,000

(10 year fixed or 5 year term at 4.5% with payments \$4,000-\$5,000 per month)

The board discussed financing options and decided a proposal would be sent to the Tax Districts requesting their participation in paying for some of the project expenses. Mr. Coultrup indicated he would prepare a request and do a presentation for the Tax districts.

The storm chamber replaced at A30 with 7 chambers is the completion of the maintenance required. It was completed in four hours. The plan is to install 4 more easements (21 more chambers @ \$750 each = \$18,000 cost installed). A10 will need two chambers, and A107 is being looked at for being the next installation.

Mrs. Straight then asked about the working relationship between the Tax district Boards and The Surfside Colony Board. A discussion ensued regarding how the two Boards could work together for the benefit of the Colony.

Navy property: Mr. Evans indicated he had received an email from the Navy indicating they believe the North road at the end of the Colony is on their property. The navy is also questioning if Surfside can continue to use their parking outside the Colony front gate. Mr. Evans and Mrs. Redding said they would look into the ownership of the property at the end of Surfside and get back to the Navy.

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

Respectfully Submitted,

Sandra Redding, Secretary



Next Board Meeting December 14, 2010