



SURFSIDE III NEWSLETTER



February 2007

Report From the Board of Directors

The meeting that was originally scheduled for Valentines day is cancelled and a regular open board meeting with the board present will be held on February 21.

The Stonemark presentation on the plumbing refurbishment will be held after the initial phase of prototype repairs and investigation has been completed and may be held as early as April.

Stonemark Project Newsletter I, January 2007 from the Project Manager

Stonemark Construction Management was retained by Surfside III Homeowners Association on October 26, 2006 as Project Manager to investigate and assess plumbing and other problems, evaluate the overall condition of the buildings, and provide recommendations, management and supervision to the upcoming major repair project.

Plumbing analysis. Stonemark's initial scope of work has focused on compiling information on the causation of the water damage that has affected so many units at Surfside. Analysis of historical data has provided a wealth of information and a clear and unexpected direction: almost 90% of the water related losses are due to backups and cracked piping of the cast iron drain lines in the condominium buildings. As such, the first priority for the major project will focus on drain lines in these buildings. The relatively few number of problems with the water piping in all buildings and with the townhome drain lines (which are plastic and not cast iron), allows for focus of energy and funds towards the most critical problems – cast iron drain lines. Further evaluation of drain piping is required to determine causation of failure, which is likely from a combination of multiple problems, including improperly supported piping, original installation failures, potential manufacturer's defects, and inevitable corrosion.

Prototype Repairs. The townhome of 786 Seawind has been determined by the Board to be a high priority. Problems in this unit relate to water infiltration from the exterior envelope - exterior wall, deck and roofing problems. Repairs to this unit have been specified and bid competitively, and work will be initiated shortly. Concurrent to repairing this unit, destructive testing and further analysis will be performed to determine what, if any, building envelope issues in the townhomes may require addressing on a project-wide basis.

Regarding the condominium units, Stonemark will oversee prototype repairs on six units in two stacks including 920, 922 and 924 Lighthouse and 620, 622 and 624 Sunfish. The initial scope of work will be replacement of all cast iron waste piping between the first floor slab to just above the water level of the third floor fixtures. Piping will be carefully removed, analyzed, photographed and catalogued, and representative samples will be sent to a metallurgical laboratory. This thorough evaluation of the piping in different buildings, floors, and conditions will be vital in determining the causation of pipe failure, which in turn will inform the most effective plan for future pipe replacement and priorities. The specifications for this work are being prepared and we expect to go out to bid to vendors shortly.

Video camera and hydrojetting. Stonemark also recommended and the Board approved video camera inspection and hydrojet cleaning of the drain lines for the whole of Building 7 to accomplish the twin purposes of proactive maintenance (to reduce the potential for future backups) and forensic investigation. Through our data analysis, Building 7 was shown to have had the greatest number of incidents. *Access to every unit in Building 7 is required for this work.* Expect that

Lordon Management will be contacting you to confirm that there is a key in the Association office for your unit. You will be informed and given advance notice of the dates for this important work.

Further plumbing work. Stonemark will correlate the findings and results of all of the work noted above, including data analysis, video camera inspection, hydrojetting, replacement and inspection of drain lines in the 6 units, and laboratory analysis, into a report providing clear direction for priorities and initiation of the major repiping project. It is possible that further hydrojetting work could be ordered for other buildings or other actions performed to improve the performance of drain piping. Stay tuned for our results and recommendations.

Elevator shafts. There is considerable water damage to the building shafts that house the elevators, particularly the interior fire code drywall and door frames. As it makes no sense to replace the equipment and modernize the elevators if the shafts are leaking, Stonemark will further investigate the exterior wall and roof construction of the shafts through destructive testing, and then prepare recommendations for a scope of work for this project to the Board. We expect to devise an integrated project between the elevator vendor to replace and modernize the equipment, and a general contractor to provide waterproof integrity to the shafts.

Homeowner Meeting. After this initial phase of prototype repairs and investigation has been completed, Stonemark will present our findings at an informational meeting for all homeowners to discuss the findings and present the anticipated project plan and how it will affect you and your unit. This meeting could be held as early as April. Stonemark will continue to issue monthly reports to be incorporated into this newsletter, and will continue to work closely with the Board in keeping all homeowners informed of our findings and progress.

We want to thank everyone in advance for their cooperation.

Committee Briefs

For more committee information visit <http://www.surfsideiii.com/docs/committee/committee.htm>
Please contact the committee chair to volunteer

Budget Committee Chair: Wayne Matayoshi, wayne.j.matayoshi@boeing.com and wjm3206@verizon.net

A budget committee meeting was conducted on 1/13/07 from 10-12 in the clubhouse to discuss December and 2006 year end operational budget expenditures/issues, 2007 operating budget/reserve adjustments, and special assessment accounting. The following members/persons were present: Wayne Matayoshi (Chairperson), Ira Rubinson, and Linda Flores (Lordon Management).

Operational Budget Expenditures and Issues: A review of December and 2006 year end financial data was conducted to compare 2006 actuals to 2007 projected costs. Major plumbing and unit repair costs created an annual overrun of the operational budget (~\$391K). Funding was provided by cash carryover from the November 2005 emergency assessment, also 2005 ended with a surplus of 250K making the two deficits ~150K or 4.4% of revenue for the two years. During 2006 the capital reserve account was not funded. The association should have placed ~300K in that fund, this cash was used to support operations and unit repairs as the association has had a cash drain over the prior years (2002-2004). Since the inception of the association the capital reserve fund has been under funded. The 2007 budget allocates 400K to capital projects. All of this will be spent in 2007 to paint and maintain building surfaces. The five year capital plan will allocate ~400K in each year to maintain building surfaces and other infrastructure. There is no plan to build up cash reserves until after 2011. After the drain and water lines are done and the buildings are painted etc. we can re-assess our reserve requirements without the operational burden of mitigation repairs. Any past under funding should be written off and we start "tabula rasa" Further adjustments to the 2007 budget continue based on two additional on-site personnel this was budgeted, 120 hours per week of maintenance not counting the grounds manager, actual utility costs and service contract rate updates. Line item transfers to adjust for overages and surpluses will be presented during the February open meeting.

Legal costs for 2006 ended up at approximately \$164K, this included defending one lawsuit and handling 11 other matters during the year. We need to address this issue soon and come up with a cost reduction plan. We will discuss with the Board the possibility of having an Internal Dispute Resolution/Alternate Dispute Resolution presentation for owners in March to understand the processes to resolve grievances against the HOA without going to court. Hopefully, this will improve Board-owner communications and reduce overall legal costs that could be used for future capital

reserve replacement.

Lordon provided copies of some of the existing service contracts (fire inspection/safety, landscaping, pool/spa, legal, and security) to review rates, scope, and warranty information. These service contracts will be reviewed by members of this committee prior to next month's meeting to identify covered tasks vs. non-covered/additional tasks. Additionally, a request was made to Lordon to acquire a copy of the existing service contract from Republic (elevator) in order to understand warranted work and parts.

Lordon will schedule for State Farm to attend our next meeting in February to review the current HOA policy. Homeowners are invited for a question and answer session in the clubhouse to address individual coverage issues and concerns.

A review of the landscaping committee's tree removal/trimming proposal was conducted to determine 2007 funding issues. Approximately \$12K has been budgeted for tree trimming in 2007 out of an estimated proposal for \$34K+. A request has been made to the landscaping committee to prioritize their tasks based on safety (trees creating concrete/walkway damage, branches over carports/garages), and dead/diseased tree removal/replacement. They are scheduled to provide the prioritization at the Feb meeting.

Special Assessment: Stonemark has been paid \$18,707.80 to date to continue with the project management for the plumbing effort. Their efforts have covered unit/building plumbing data collection and prototype planning/coordination.

Next committee meeting will be on Saturday 2/10/07 from 10-12 in the clubhouse.

-
Landscape Committee (Chair, Terry Smith 805-648-5433 between 1:15-8PM; smithanterry@yahoo.com)

We have completed our walkthrough with the city identifying problem trees in need of removal due to city-allowed circumstances. Lists identifying these trees have been submitted to the Board. Of course, all dead palms have been identified for removal. Also, the Board has been provided the list of special trimming requests from residents that have been submitted over time to our committee. Budget constraints may limit what will be completed.

If you feel there is a safety issue regarding a tree, the protocol is to contact the management company regarding the safety issue; type of tree, location, and a diagram would be helpful. However, keep in mind that it is very expensive to trim or remove a tree individually, and you pay for it in your dues.

The following is to notify those townhouse units where trees have been identified for removal: 758 Seawind, 782-780 Seawind, 669 Lighthouse, 665 Lighthouse, 683 Lighthouse, 772 Seawind, 683-677 Lighthouse, 673 Lighthouse, 980-978 Lighthouse, 784-782 Lighthouse. If you sell your unit, you will need to include it as a disclosure if the tree has not been removed as yet. After reviewing the list on our website for location and reason, if you have any questions or concerns please call Terry Smith.

Neighborhood Watch Committee (Anonymous for safety reasons) neighborhoodwatch@surfsideiii.com

Our February meeting will not be on our regularly scheduled day; it will be on a different day for February only: Monday February 19th at 7:00 pm. We will have two guest speakers from the Port Hueneme Police Department. Officer Ron Burns will discuss criminal activity in our neighborhood, and answer questions. Crime Prevention Officer Maggie Federico will be on hand to talk about disaster planning. We have also invited our neighboring homeowners associations to join us. Coffee and donuts will be served.

Special messages

All homeowners may opt out of the sharing of his or her name, property address, and mailing address by notifying the Association in writing that he or she prefers to be contacted by someone requesting the membership list via a reasonable alternative, which will be our newsletter. Please send your name, unit number, and account number on your signed request to Lordon Management Company, Attn: Donalea Bauer, 1275 E. Center Court Drive, Covina, CA 91724. An electronic message (e-mail) to donaleabauer@lordonmanagement.com making the request and including the above information to opt out will expedite getting the redacting process of the membership list started.

Response to one of our owners from Grant Fulgham regarding the completion of the pump house construction.

Good afternoon. I believe the majority of the activity and equipment that you are currently seeing results from the contractor removing his temporary facilities and construction aids and cleaning up the site for final grading and landscaping. The project had some major temporary facilities for water control, such as temporary dams, that are now being removed. The two remaining significant construction activities are finish-grading/landscaping and fencing. Although these final two activities will be continuing for several more weeks, they will be contributing to the appearance of the channel and surroundings and to the security of the pump station. Please bear with us for these next few weeks of landscaping and fencing and know that I appreciate your patience.

Townhouse Water Heaters Not An Association Responsibility

The Association recognizes that there has been a period of time over which maintenance personal have replaced water heaters in the townhomes at Association expense. After consulting with our attorney we found that the townhome water heaters are NOT the responsibility of the Association, but are the owner's responsibility. The Board will honor all previous requests, but are now putting all town home owners on notice as of this newsletter, that any maintenance of their water heaters will be at the owner's expense.

OWNERS' CORNER

From the editor

There is still some debate as to what material is really appropriate for this section of the Newsletter. The Board's current policy is that anonymous submissions will not be included (with which I concur); all "signed" submissions from owners will be included; and material from renters will be decided on a case-by-case basis. My personal feeling is that renters should be able to voice their opinions the same as anyone else. (The Board at their January 17th regular open meeting voted to restrict the owner's corner to owners and to allow only items written by the owner in the newsletter. The communication can reference or provide links to other materials. All submittals must be in good taste, factual, and not derogatory.)

To Ira Green, Joe Dehorty, Bill Betts and Inna Giler,

Thank you for **again** making a motion and approving to grandfather in the six townhome gate locks that were singled out. We also appreciate the fact that you have grandfathered in all the different condo doors designs, colors and locks and have **again** asked the Architectural Committee for a standard for the entire complex..

We also appreciate the fact that you researched the bogus claim that there was a "directive from the Port Hueneme Fire department" to remove the locks, especially as there is no Port Hueneme Fire Department. We further appreciate that you had the Ventura County Fire Department inspect the locks and verify that there was no violation of directives or codes.

However, we would appreciate it if the Board went a step further and investigate who is misrepresenting the fire department and possibly other public officials and take the appropriate corrective action that this does not occur again, as it is a liability and embarrassment to the Board and the Association.

Sincerely,

Marion Keleman, John and Connie Ortiz, Bob and Sharon Alumbaugh, Sue Swalec, Ron Theaker and Skip Perry.

An owner who walks frequently around Ormond Beach learned of a shooting which took place recently. She requested that information be provided to owners for their protection and safety. Here are some details, from an article on the internet.

January 4, 2007. County officials identified today a man who was found dead Wednesday near Ormond Beach in Oxnard. Oxnard resident Roberto Carlos Chavez Nuñez was killed by a gunshot to the head, said Deputy Medical Examiner Michael Tellez. He was 28. Chavez's body was discovered on the sand dunes about one-half mile southeast of the Port Hueneme Pier Wednesday morning. His death has been ruled a homicide, said David Keith, a spokesman for

the Oxnard Police Department. Reached by telephone Thursday, Chavez's younger brother described him as a hard worker who was trying to better himself. "He didn't have any kind of problems with anyone," Martín Chavez said of his brother. Roberto Chavez was single and did not have any children, his brother said. Oxnard Police do not have any suspects yet, Keith said. Investigators have begun interviewing Chavez's friends and family. They are trying to determine who last saw Chavez and where he was before he was killed. "We try to backtrack his steps, and sometimes when you do that things start to gel," Keith said.

The stretch of shoreline where Chavez was found is isolated. Getting to it requires hiking for several minutes through the sand from the nearest parking lot. The location is an unusual element of the case, the police spokesman said. "It's unusual to have something in a secluded area of a beach like that." Police are asking anyone with information about the death to call homicide detectives at 385-7600.

... and on the lighter side, from Polly Pride:

Surf Side Three spelled backwards is Frus Edis Eerht. Isn't that Latin for something?

Contact Information

MAINTENANCE/RESIDENT SUPPORT (PHONE NUMBERS AND E-MAILS BELOW):

Contact Jennifer Critchfield; for e-mails always copy Donalea Bauer

Include your phone number(s) and/or e-mail for response before end of next business day.

If more urgent, call Donalea Bauer.

Jennifer M. Critchfield, the assistant community manager can be reached by e-mail at jennifercritchfield@lordonmanagement.com or by telephone at 800-729-5673 x 3380. If you leave a message with your telephone number or e-mail address, Jennifer will return the call within 24 hours. Why do you usually get Jennifer's voice mail? This is because Jennifer is either on the telephone or listening to your messages. She logs all calls and the results. A single call may result in Jennifer calling Linda Flores, the community manager, Donalea Bauer, Vice President at Lordon, our maintenance personnel, or a vendor to schedule some work. Jennifer may also be trying to reach the Board for an item that requires Board involvement. There is a way to get in front of all these activities. When you get Jennifer's voice mail, hit zero. This will get you to the operator. Tell her that you want to wait to speak with Jennifer when she is off the telephone. If you get the voice mail then a second time, hit zero again and ask the operator to page Jennifer again. You WILL get through!

Surfside III Direct Contact:

Surfside III COA
600 Sunfish Way
Port Hueneme, CA 93041
<http://www.surfsideiii.com>
manager@surfsideiii.com

Management Company:

Lordon Property Management
31416 Agoura Road, Suite 105
Westlake Village, CA 91361

Jennifer M. Critchfield, assistant community manager

Email: jcritchfield@lordonmanagement.com

Phone: 800-729-5673 x 3380

Linda Flores, community manager

Email: manager@surfsideiii.com

Donalea Bauer, Vice President

Email: donaleabauer@lordonmanagement.com

Phone: 800-729-5673 x 3342

Our Board:

Bill Betts - President bill.betts@surfsideiii.com

Ira Green - Vice-president ira.green@surfsidediii.com

Wayne Matayoshi - Treasurer wayne.matayoshi@surfsideiii.com

Karl Twyman - Secretary karl.twyman@surfsideiii.com

Linda Kaplan - Director linda.kaplan@surfsideiii.com

LORDON MANAGEMENT DEPARTMENT EXTENSIONS

MAINTENANCE, KEYS, REMOTES, CARDS, GENERAL CONCERNS/QUESTIONS

Jennifer ext. 3380: jcritchfield@lordonmanagement.com

1. Maintenance concerns/questions
2. Request for keys/cards/remotes

ESCROW

Chelia ext. 3339: chelia@lordonmanagement.com

1. If an appraiser calls for information regarding the complex...
2. If an escrow company or homeowner calls for documents, certification form or a demand statement...
3. If an escrow company wants information on a special assessment or litigation for their escrow...
4. If a homeowner is requesting for a refund on from the close of their escrow...
5. If someone wants to know what the association covers...

INSURANCE, LIEN AND LEGAL

Liz ext 3338: icarlos@lordonmanagement.com

1. If a homeowner calls for a copy of the insurance or insurance information on their association...
2. If a homeowner calls and wants to place a claim...
3. If a homeowner is calling about a lien letter or lien...
4. If a homeowner would like to have a lien released...
5. If a homeowner wants to place their account on hold...
6. If a homeowner received a letter from their lender saying that they do not have insurance...
7. If a homeowner calls and they are with an attorney...

ACCOUNTING DEPARTMENT

Pam ext 3325: Pammarczinko@lordonmanagement.com

1. If the homeowner is calling about their bill, late charge or payment...
2. If the homeowner would like to be set up on Auto Pay or a Payment Plan...
3. If the homeowner would like to change their mailing address...
4. If the vendor is calling on payment for an invoice...