



SURFSIDE III NEWSLETTER



December 2006

Messages From the Board of Directors

ANNUAL MEETING: Reminder: the Annual Meeting is December 2, 2006.

ACCOUNTS RECEIVABLE: The association has a cash flow problem. Right now more than 70 units owe either monthly dues or all or part of the special assessment. The total exceeds \$157,000. The Board has filed liens against 28 units, and has authorized foreclosure proceedings be evaluated for the most seriously delinquent units.

This will impact the ability to deliver on the 2007 operating plan and the special assessment repairs.

The Board has notified delinquent owners that it will suspend their voting privileges and cancel access to the clubhouse at the next open meeting.

SPECIAL ASSESSMENT UPDATE: Stonemark Construction Management has been retained to manage the special assessment repair project. They are responsible for:

- Evaluation of potential solutions to eliminate drain and water line problems.
- Preparation of bid specs, scope of work.
- Reviewing bids from contractors and advising Board on selection process.
- Designing chosen solution for drain and water system.
- Day to day project management.

Republic Elevator was given the contract for the elevator renovations. The contract they submitted for signature was 10K more per elevator than their bid. After several discussions we settled on a price of 43K per elevator as compared to the original price of 40K. The next contract sent to us stated the price as 45K. We decided Republic was not acting in good faith and we ended negotiations. Negotiations with the other bidders have begun.

WATER METERS: By mid 2009, Port Hueneme will eliminate commercial water rates and switch to volumetric billing on all existing meters.

Surfside has the following meters:

Each condo building has a three-inch meter. The clubhouse has two one inch meters. Each townhouse has an individual meter. The sprinkler system has one meter.

The Association will attempt to install individual water meters with the pipe restoration program. City will provide technical assistance.

This will allow for individual billing by the city removing a pass through charge from the association.

Currently we all pay the same, 69.15 per month for water, sewer and trash in Association budget. By switching to individual billing we will all be billed for what we use.

Some of the benefits of individual billing are:

Investor owners transfer the cost to tenant.

Singles, seniors and part-time resident owners will benefit since they are low users of water.

The monthly maintenance fee would be adjusted when individual water billing commences, and will be more reflective of services that should be provided rather than just pass through of expenses.

While we don't know what future volume water rates will be, experience shows residential volume rates are lower when compared to flat fees.

GANG INJUNCTION: Recently many parts of the city were included in a gang injunction zone. Surfside was not included in the gang injunction zone because we don't have multiple confirmed acts that are attributable to gang activity. The Board has been in contact with the city and the police department. The police will monitor crime reports from Surfside III and will provide statistics to the District Attorney for inclusion of Surfside III should the activity warrant it.

OWNERS CORNER: We had several people talk to us at the last open meeting and received some e-mails asking about putting items into our newsletter. As such we are establishing an "Owners Corner." Actually this was already available to you, but apparently not well publicized. You may send in your contributions to the newsletter to: Daniel Kessner at dkessner@csun.edu. Dan collects input during the first 10 days of the month. If he receives it after the 10th, it will be included in the next month's newsletter. Since the association is responsible for the content, please be sure what you send in is in good taste and please don't stretch the facts so that we do not have to edit or just not print it. One of the owners said that they would like to share some of their experiences with everyone. This may be a fun vacation, something you did at Surfside III or observations of a vagrant or gang member. It may be a call for a social event.

SECRET BALLOT: On Monday, October 30, we mailed the secret ballot along with instructions and the agenda for the annual meeting on Saturday, December 2, 2006. Please vote. Less than 155 ballots received will mean that we do not have a quorum and no ballots will be opened. In this case the Board will continue as presently constituted, another election will have to be scheduled at an open meeting, and another mailing will have to go out. There are 6 candidates for 5 board positions, so your vote will make a difference in how the board is constituted. The candidates will be in the Surfside III Clubhouse at 9:00 am on Saturday, December 2, 2006, for a question and answer session. Unlike the "OWNERS CORNER," the candidate nominations and statements are NOT the responsibility of the association by law. There is no editing of these statements by law. This will be your chance to challenge the candidates, their statements, and then make your choice and turn in your ballot.

If you cannot attend the meeting, please mail the ballot in so that your vote can be counted. Once the ballot is mailed, it is considered received by the inspector of elections and can NOT be revoked. This means if you want to change your ballot, it is too late and the earliest postmark will count. This is the same as with our city, county, and national elections. You are advised not to mail your ballot if you are going to attend the meeting so that you can make a decision after hearing the candidates and then submit your secret ballot. Ballots will be available at the meeting if you forget yours and we have not received a ballot from you. The inspectors of election are Linda Flores, Rod Kodman, Anneliese Hardiman, and Pat Fromin (alternate).

If you have not received your secret ballot, please call Jennifer Critchfield at Lordon. You can look at the package on our website <http://www.surfsideiii.com>. Please click on "INFORMATION" and then on "MEETING MINUTES." You may also use the link: <http://www.surfsideiii.com/docs/minutes/2006-12-02ElectionPackage.htm>.

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 11/11/06 from 10-12 in the clubhouse to discuss October operational

budget expenditures and issues, 2007 operating budget/reserve, and special assessment accounting. The following members/persons were present: Wayne Matayoshi (Chairperson), Ira Rubinson, Marvelle Ross, and Linda Flores (Lordon Management)

Operational Budget Expenditures and Issues: October financial reports and a detailed list of payments were provided for review by Lordon. Key concerns are that the plumbing and unit repair costs continue to create a monthly overrun of the operational budget. It is expected to end 2006 with a significant budget deficit.

Monthly maintenance logs will be provided by Lordon to the Budget Committee starting in November to audit repair cycle time, contractor bids, and actual billing costs (labor and materials). The intent is to ensure that there are consistent and fair processes for contracting services in a timely manner. A metrics chart will be used to show performance (cost/time) for conducting unit repairs. It will also be a performance measurement tool for Lordon and the HOA. We will make a recommendation to the BOD to place it on the website for owner access.

2007 Operating Budget and Reserve: The 2007 proposed budget was presented on November 8th during the open meeting. Key points to next year's budget are that the HOA monthly dues will remain at \$390 per month. The operating budget will include the addition of an on-site building and grounds manager and an office assistant 20 hours per week. A Reserve expenditure plan of \$400K (to cover exterior painting, replacement of pagoda lighting, townhouse landing repairs, and termite control) will need to be prioritized. A copy of the 2007 budget will be posted on the website.

Special Assessment: We currently have 45 owners who have not paid someportion of the special assessment. The Board has initiated liens on owners who have not paid. There have been no expenditures to date since Stonemark was just awarded the construction management contract. The elevator replacement contract is still under negotiation since Republic backed out in October.

If any owner has any issues about unit maintenance charges (since April 2006), they should contact Kellie Egan at surfside3_budget1@yahoo.com. Emails should include date of reporting to Lordon, date of work performed and specific facts of the service performed/not performed. Kellie and Marvelle will try to review these services based on cost and timeframe in order to determine whether a recommendation should be made to the Board for further review.

Next committee meeting will be on Saturday 12/9/06 from 10-12 in the clubhouse.

Landscape Committee Chair: Terry Smith, 805-648-5433 between 1:15 pm-8pm, smithannterry@yahoo.com

Happy Holidays from the Landscape Committee!

Maintenance Committee. The Maintenance committee is soliciting additional membership. Right now there is only one active member. Please contact me at 805-488-0033 or eliwigg@adelphia.net. Thanks, Eli Wiggins.

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

We had 10 neighbors attend our November 2nd meeting. We discussed neighborhood safety and reviewed the police log. Our next meeting will be Thursday December 7th at 7:00 pm. At this time we do not have a guest speaker scheduled but that may change, so keep an eye on the clubhouse bulletin board.

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Inactive Committees (Contact ira.green@surfsideiii.com to Volunteer)

CC&Rs/Rules & Regulations Update; Recruitment Committee; Rules Enforcement Committee

Owners Corner

Tony Truex generates some relevant correspondence regarding the Port Hueneme Pump Station Project.

Dear Grant:

I am sorry Duane left, but the facts remain -- the project is over budget, has not been completed pursuant to the time requirements specified, and a definite completion date is not in sight. How much over budget are they? Are they paying penalties for not being completed? How much have they spent on the project to date?

Grant Fulgham <Grant.Fulgham@ventura.org> wrote:

Good afternoon Mr. Truex. The gentleman that you are referring to was the Project Superintendent for the Pump Station Construction Contractor, Southwest Engineering Inc. (SEI). He was a very skilled and experienced pipe fitter and performed well for the Contractor in moving the work through its major piping phases. It was not his intent to remain with the project through the end and he has been replaced by SEI's Mr. Jason Sadeghi, who will be superintendent through the completion. The Contract-required completion date for the project is December 1, 2006, and while some minor work such as landscaping and equipment testing may continue beyond that date, all of the original project's construction should be complete by then. The new Pump Station is a major expansion in capacity and storm water pre-treatment over the old plant and will protect your property from the risk of a 100-year flood event and will protect the Ormond Beach Lagoon from pollutants that would have migrated from Hueneme Drain.

The engineer in charge of the long delayed and mismanaged pump project and the trailer he lived in while supervising this mess has left. What is the status of this bungled boondoggle and who is going to finish this project and when??

Anthony Truex, Surfside III

Linda Kodman asks for your help

Fellow residents - Sometime after 7:30 pm on 11/14 and 6:30 am on 11/15 my green Beetle was hit by a hit-and-run driver while parked in its stall. My parking spot is to the left of a two-car space. There is no evidence of damage to my neighbor's white car, which suggests it may not have been them. Someone may have been using the space to turn around. The driver of the other car left a large dent and remnants of whitish color paint (or maybe primer) as well as tire tread marks. I filed a police report and the officer feels it was either a compact, sedan, or smaller truck due to the size of the tires. IF YOU HAVE ANY INFORMATION OR SAW ANYTHING, please, please contact me right away. This could have happened to any of us and might happen again if we don't make people be more careful and take responsibility for their actions. Call: 805-488-2332 or email: Linda@kodman.com.

A message from Skip Perry

To All Homeowners,

Remember that it is complacency that got this association in trouble to begin with.

The elections are around the corner. It is important that ALL homeowners vote and your voice be heard; that you want this association to continue to move forward.

DO NOT LET COMPLACENCY SET IN AGAIN. Mail your Vote, or come to the election December 2nd and vote after hearing the candidates.

Thanks, Skip Perry

A message from Dave and Lynn Cannon

Dear Fellow Owners:

We are writing to encourage you to vote in the upcoming election of the Surfside III Board of Directors. We want to remind you that we worked very hard along with a large group of owners to ask Linda Kaplan to resign from the board on which she previously served, where capital reserves were depleted without addressing severe deferred maintenance

issues. Surfside III cannot afford to repeat such fiscally irresponsible practices. We are pleased with the current board and think that they have made great progress under Bill Betts' leadership. Since Inna Giler does not want to run again, we would like to endorse other owners to vote for Wayne Matayoshi. He would make an excellent director on the board and has done an outstanding job heading up the budget committee. We were pleased to see his name on the ballot. Best regards, Dave and Lynn Cannon

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 jcritchfield@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, Hector Ibarra, our maintenance manager, 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
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

Inna Giler - Treasurer inna.giler@surfsideiii.com

Karl Twyman - Secretary karl.twyman@surfsideiii.com

Joe Dehorty - Director joe.dehorty@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
3. General questions/concerns

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

Charisse ext 3338: cpatterson@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

Stacie ext 3319: sgarman@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...