

SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION, INC.

OPEN BOARD MEETING MINUTES

SATURDAY, APRIL 8, 2023 @ 10:00 am

AS A HYBRID MEETING

PHYSICAL LOCATION: IN THE CLUBHOUSE AT 600 SUNFISH WAY, PORT HUENEME
AND

AUDIO CONNECTION: 1-844-854-2222 (Toll Free) Access code: 822680#

OWNER'S QUESTIONS

Each homeowner wishing to make comments to the Board can do so during the Open Forum and the homeowner will be given 3 minutes to speak. Comments may or may not be addressed by the Board at that time. Homeowners may not give their time to another homeowner.

- **CALL TO ORDER OF REGULAR MEETING (Audio Conference) 10:00 am**
Andy Santamaria - President - **Present**
Lya Findel – Vice-President - **Present**
Bruce Kulpa - Treasurer - **Present**
Barbara Lopez - Secretary – **Arrived at 10:04 am**
Vacant - Director

EXECUTIVE SESSION SUMMARY – Board discussed issues with owners, approved the 3.11.23 Board Minutes, and awarded a \$29,190.00 fire alarm system installation contract to Boyd & Associates.

GUEST/PRESENTATION - None

- **OPEN FORUM**
- **EMERGENCY ADDITIONS TO AGENDA- None**
- **CONSENT AGENDA – Andy Santamaria moves, Bruce Kulpa seconds, to approve the consent agenda. Motion passes 3-0-1 with Barbara Lopez not being present.**
Expenditures (sample)
 - \$11,273 – Earthquake Insurance Premium
 - \$8,250 – Townhome Water Line Repiping
 - \$5,573 – Elevator Door Repair
 - \$5,000 – Gutter Cleaning
 - \$1,700 – Management Fee
 - \$1,614 – Pool Service
 - \$950 – Electrical Breaker Box Replacement – two sites
 - \$800 – Attic Water Line Valve Replacement
 - \$485 – Pest Control
 - \$385 – Clubhouse Security
 - \$270 – Clubhouse Cleaning
 - \$261 – Printing and Postage
 - March 11, 2023, Open Board Minutes
- **COMMITTEE REPORTS – Report provided**
 - Unit Improvement Committee – **787 Reef Circle** – Building 5, 2nd floor, approved installing flooring with approved underlayment.

- **OFFICER REPORTS**

- President
 - Discussion on Ceiling Reinforcement Project Status **Report provided.**
 - Discussion on Special Assessment Resolution and related documents **Andy Santamaria moves, Bruce Kulpa seconds, to approve a resolution to borrow funds (\$659,155) from the Reserves, a Notice of Intent to borrow funds (\$659,155) from the Reserves, and issue a special emergency assessment of \$2,134/unit to be paid back to the Reserves in twelve monthly payments of \$178/unit starting on June 1, 2023, for the purpose of funding the Balcony and Walkway Ceiling Reinforcement Project since these condo building ceilings were found to present a health hazard due to the possibility of dislodging from their supports and falling unto residents. Motion passes 4-0.**
 - Discussion on attachments to beams, posts, stucco, etc. **Discussion held.**
 - Board Discussion
- Vice-President
 - Board Discussion – **No report**
- Treasurer
 - Financial Discussion – **Report provided.**
 - Board Discussion
- Secretary – Board Discussion – **No report**
- Director – Board Discussion – **No report**

- **ARCHITECTURAL APPLICATIONS – REVIEW/APPROVAL/DENIAL**

- **754 Seawind Way** – townhome, request to install replacement furnace per COA standards. City Permit to be obtained. **Andy Santamaria moves, Barbara Lopez seconds, to approve the application. Motion passes 4-0.**
- **756 Seawind Way** – townhome, request to install water softener in front patio area. **Andy Santamaria moves, Lya Findel seconds, to approve the application. Motion passes 4-0.**

- **LIENS - None**

- **NEXT MEETING** – The next meeting will be held at 10:00 am, May 13, 2023.

- **MEETING ADJOURNED** – Meeting adjourned at 10:30 am

Attachments: Resolution of the Board of Directors to borrow funds, Notice of Intent to borrow funds from reserves, and Special Emergency Assessment document.

A. Santamaria 5/13/2023



Surfside III
Condominium Owners' Association, Inc

SPECIAL EMERGENCY ASSESSMENT AND STATUS OF BALCONY CEILING REINFORCEMENT PROJECT
APRIL 2023

At the April 8, 2023, Open Board Meeting, the Board authorized the issuance of a special emergency assessment of **\$2,134/unit** which will be paid by the owners in twelve monthly payments of **\$178** starting on **June 1, 2023**.

The estimated total cost of the Balcony Ceiling Reinforcement Project is **\$959,155** (see attached documents). The Operating Fund will contribute \$300,000 and \$659,155 will be borrowed from the Reserve Fund.

The installation of a replacement fire alarm system is estimated to take a month for all eight buildings and four months to install a reinforcement system on all eight buildings. Each unit is expected to be impacted by construction for a two-week period. More details will be made available once the schedule is completed. A meeting to determine the start date of the project is being held in the last week of April.

The construction contractor has stated that the contents on most balconies may only need to be moved to the center of the balcony to allow room for staff to install the reinforcement system. This may vary depending on the specific work being done on each balcony.

Since this project will be scheduled to move quickly, it is very important for the COA to have communication with the owners as well as the unit residents to provide timely construction information.

Please provide your telephone number information as well as that of anyone living in your unit to the Office (ssiiioffice@gmail.com or 805-488-8484).

If you have any questions, please contact the Board President at a67sand@aol.com.

TO: Members of Surfside III Condominium Owners' Association, Inc.
FROM: Board of Directors
DATE: April 8, 2023
RE: NOTICE OF INTENT TO ISSUE AN EMERGENCY SPECIAL ASSESSMENT

Civil Code §5610 (b) states that assessments can be issued if necessary for emergency situations. "An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible where a threat to personal safety on the property is discovered."

On March 13, 2023, the balcony ceiling on the third floor of building three fell due to original construction methods. After the rubble had been removed and plans developed for the replacement of the ceiling, construction of the balcony ceiling began on August 23, 2022, and concluded on September 26, 2022. During this time, an investigation was conducted on the balcony and walkway ceilings of the eight condominium buildings. It was determined that similar construction methods were utilized, as those used on the third-floor balcony ceiling of building three, on the other condominium building balconies and walkways. To provide personal safety due to collapsing balcony ceilings on residents, plans were developed to provide balcony and walkway ceiling reinforcement on the condominium buildings.

These plans were completed on October 21, 2022, and the bidding process was initiated. On March 11, 2023, the balcony ceiling and walkway ceiling reinforcement project was awarded to a construction company. This project will include the installation of a wood reinforcement system on the balcony and walkway ceilings of the condominium buildings, replacement of a number of beams and posts, and installation of a replacement fire alarm system since the existing fire alarm system will need to be removed to provide space for the wood reinforcement system.

The following are the anticipated costs for this project:

Construction of reinforcement component	\$659,965
Additional cost for conduit removal and replacement	\$50,000
Design and construction inspection	\$60,000
Fire alarm system	\$29,190
Fire Watch anticipated expenses	\$60,000
Construction contingency	<u>\$100,000</u>
Total Anticipated Project Cost	\$959,155
Operating Fund Contribution	\$300,000
Total Emergency Special Assessment	\$659,155 to be borrowed from the Reserves
Total Emergency Special Assessment per Unit	$\$659,155/309 = \$2,134$
Total Emergency Special Assessment per Unit/month	$\$2,134/12 = \178

The Emergency Special Assessment of \$178 per Unit/month will start being assessed on June 1, 2023 and will be collected in twelve installments.

Any remaining funds in the Emergency Special Assessment Account will be divided equally amongst the 309-unit accounts and this amount will be credited to each account.

If there are issues with the project that may result in costs higher than the funds collected, the Board will look at funding options at that time.

TO: Members of Surfside III Condominium Owners' Association, Inc
FROM: Board of Directors & Management
DATE: April 8, 2023
RE: **NOTICE OF INTENT TO BORROW FUNDS FROM RESERVES**

This Notice of Intent to Borrow Funds from Reserves ("Notice") is provided pursuant to Civil Code §5515 in order to notify you of the Association's intent to borrow funds from the Reserve account.

The Association, through its Board of Directors, has resolved to borrow funds from the Reserve account. The Association will be borrowing \$659,155 for the exterior reconstruction project, ceiling reinforcement project, and fire alarm system project (collectively "Projects").

Recently, a Balcony Inspection Report was completed, which identified several beams, posts, and metal fasteners that needed to be replaced within the Development. Moreover, several ceilings require reinforcement via additional structural beams on either side of the ceiling, and the Board intends to install a fire alarm system on all eight condominium buildings. The cost of the Projects require borrowing funds from the Reserve accounts of the Association.

As you are aware, the Association, through its Board of Directors, is responsible to obtain and maintain a Reserve account for the charges and expenses for the common benefit of all owners, pursuant to Article VI, Section 6 of the CC&Rs. In order to fund the Projects, the Association has resolved to borrow \$659,155 from the Reserve fund to complete the Projects.

The Association intends to pay back the funds within one year through regular and special assessments.

If you should have any questions, kindly submit them in writing for review and handling to the Association's office via email at ssiiioffice@gmail.com or via mail at:

Surfside III Condominium Owners Association, Inc.
600 Sunfish Way
Port Hueneme, CA 93041

Thank you for your attention to these matters.

RESOLUTION OF THE BOARD OF DIRECTORS TO BORROW FUNDS

SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION

WHEREAS, Surfside III Condominium Owners' Association (hereinafter "Association") is a California nonprofit mutual benefit corporation and an "association" (Civil Code §4080) formed to manage, administer, maintain and operate a "condominium project" (Civil Code §4125) located in Port Hueneme, California ("Project");

WHEREAS, the Association is governed by the *Declaration of Establishment of Covenants, Conditions and Restrictions for Surfside III Condominiums* recorded on February 27, 1976 as Document/Instrument No. 15627 (Book 4547, Pages 631 - 704), in the Official Records of Ventura County, California, and as amended from time to time (hereinafter "CC&Rs"), and by the other "governing documents" (Civil Code §4150) of the Association, all of which are intended to protect the value and desirability of the Project and the welfare of the residents thereof;

WHEREAS, the Association is governed by a volunteer Board of Directors, which is comprised of members of the Association, and the Association is self-funded by its members through the payment of assessments;

WHEREAS, the Association, through its Board of Directors, is responsible to maintain a Reserve fund (Maintenance Fund) for the charges and expenses for the common benefit of all owners, pursuant to Article VI, Section 6 of the CC&Rs;

WHEREAS, the Association has incurred unforeseen costs to be expended in the exterior reconstruction project, ceiling reinforcement project, and fire alarm system project;

WHEREAS, the Association, through its Board of Directors, has determined that Association must borrow \$659,155.00 from the Reserve account as necessary to replace and reinforce the aforementioned structural elements of the Development;

WHEREAS, the total amount borrowed from Reserves will be repaid within one year through regular and special assessments;

NOW, THEREFORE, IT IS RESOLVED THAT: Pursuant to the Association's CC&Rs, bylaws, and other governing documents, the applicable statutes, and with reference to the findings recited above, the Board of Directors hereby approves the borrowing from the Reserve fund as follows:

1. The Association shall borrow funds from the Reserve account in the amount of \$659,155.00 and shall return all funds borrowed in one or more payments due in full within one year from the date such funds are borrowed.

2. The Board of Directors may authorize the Association to make payments in installments, in its discretion.

This resolution was adopted by the Board at its general session meeting on April 8, 2023, and shall be affixed to the minutes.

ADOPTED BY AUTHORIZED BOARD MEMBERS:

Dated: 4/8, 2023

By: Andrés Santamaría
President ANDRÉS SANTAMARÍA

Dated: 4/11, 2023

By: Barbara Lopez
Secretary BARBARA LOPEZ

Date: 4/12, 2023

By: Bruce Kulpa
Treasurer BRUCE KULPA