

SEAWAY COLLECTION HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING – OPEN SESSION

TUESDAY, AUGUST 31, 2010

ALISO VIEJO COUNTRY CLUB
31 SANTA BARBARA, ALISO VIEJO, CA 92656

MINUTES

EXECUTIVE SESSION

An Executive Session meeting was held prior to the Open Session. The Board of Directors reviewed violation issues and delinquency matters.

DIRECTORS PRESENT

Dan Rosenthal
Susan Bristol (by teleconference)
Michael Fricke

DIRECTOR ABSENT

None

MERIT PROPERTY MANAGEMENT, INC.

Kellie Sambrano, CCAM®, Business Unit Leader
David Garibay, Associate Community Manager

GUESTS

Christian Galindo, Valley Crest Landscape

I. CALL TO ORDER

The Open Session Meeting of the Seaway Collection Homeowners Association Board of Directors was called to order at 6:30 p.m.

II. HOMEOWNER FORUM

A Homeowner Forum was conducted with two (2) homeowners in attendance. Topics of discussion included:

- Skate issues
- Parking of commercial vehicles

III. REPORTS

The following reports were reviewed and filed:

- Management
- Landscape
- Customer Service
- Project Review
- Utility Report

IV. INVITED GUESTS

A. Valley Crest Landscape

Christian Galindo of Valley Crest Landscape was in attendance to review the landscape progress and discuss the Bougainvillea located along Cardinal that is covering the wall.

Motion: Bristol
Second: Rosenthal

Resolution: That the Board approves the proposal submitted by Valley Crest Landscape in the amount of \$1,160.00 to replace the plant material along the Cardinal wall next to Cuervo.

Ayes: All
Nays: None

The motion carried unanimously.

V. CONSENT CALENDAR

Motion: Rosenthal
Second: Fricke

Resolution: That the Board of Directors approves Consent Calendar items V-A through D as presented. Items approved were as follows:

A. Approval of Minutes

Resolution: That the Open Session minutes dated June 22, 2010 be approved as presented.

B. Financial Statements

May 31, 2010

Resolution: That the financial statement and bank reconciliation dated May 31, 2010 be approved as presented. The statement reflects \$78,968.37 in operating funds, \$577,017.40 in reserve account funds, \$17,745.57 in other assets for total cash of \$666,914.34. It reflects a current year income/(loss) of \$7,017.95 and year-to-date reserve funding of \$86,751.11 as compared to a budget of \$81,110.

June 30, 2010

Resolution: That the financial statement and bank reconciliation dated June 30, 2010 be approved as presented. The statement reflects an Operating Account balance of \$80,942.49, Reserve Account balance of \$585,522.22 for total cash of \$679,561.95. It reflects a year-to-date net increase of \$9,798.14 and year to date reserve funding of \$103,204.52 as compared to a budget of \$97,332.00.

July 31, 2010

Resolution: That the financial statement and bank reconciliation dated July 31, 2010 be approved as presented. The statement reflects an Operating Account balance of \$89,557.67, Reserve Account balance of \$599,708.45 for total cash of \$704,509.36. It reflects a year-to-date net increase of \$20,441.92 and year to date reserve funding of \$122,683.02 as compared to a budget of \$116,674.00.

C. Remediation Repair - 11 Wigeon

Resolution: That the Board ratify the approval previously made by e-mail for Garland Restoration to make repairs at 11 Wigeon in the amount of \$2,874.00, with funds to be expended from GL #23120, Roof Reserve, with a year to date balance of \$274,747.80.

D. 55 Cuervo Restoration

Resolution: That the Board ratify the approval to contract with Resto Tech Water & Fire Damage Specialist (DKI) to complete the restoration at 55 Cuervo as a result of a roof leak at the home. The cost to perform the necessary repairs is \$3,744.00. Funds to be expended from GL# 23120, Roof Reserve.

Ayes: All
Nays: None

The motion carried unanimously.

End of Consent Calendar

VI. UNFINISHED BUSINESS

A. 5 Bluebird - Fencing

Correspondence received from the homeowner requests replacement of wooden fencing inside their courtyard. They claim that standing water from a clogged drain due to tree roots is responsible for the deterioration of the fence. The Association has taken steps to remediate the situation by having the drain jetted and repaired in May 2010 when first notified of the situation by the homeowner. The wooden fence looks to be original construction when home was built and the Association should not be responsible for costs for replacement due to natural deterioration over time.

The Board reviewed the homeowners request and action taken by the Association confirmed that the Association will not replace the fence as it is homeowner responsibility.

B. Architectural Process

The Board reviewed and finalized the Architectural Review Process billing stuffer to be included in the October billing assessment.

Motion: Fricke
Second: Rosenthal

Resolution: That the Board approves the assessment stuffer as amended.

Ayes: All
Nays: None

The motion carried unanimously.

VII. NEW BUSINESS

A. Lien Approval

Motion: Bristol
Second: Fricke

Resolution: That the accounts listed on the "Instructions to Management" dated June 23, 2010 have liens placed on their accounts should the

delinquent assessments not be paid within the time period established in the Intent to Lien Letter.

Account #0024-01

Amount Due \$910.00

Ayes: All
Nays: None

The motion carried unanimously.

B. Payment of Invoices from Reserves

Motion: Bristol
Second: Fricke

Resolution: The following invoices have been approved for roofing and interior repairs as follows:

11 Wigeon \$ 2,599.00 Hoyt Roofing, Inc.
55 Cuervo \$ 1,736.70 Garland
 \$ 750.00 RGA
22 Cuervo \$ 450.00 Titan Environmental Solutions

The Association has funds in the amount of \$274,747.80 in GL#23120, Roof Reserve.

Ayes: All
Nays: None

The motion carried unanimously.

C. Renewal of the Master Insurance Policy

Motion: Rosenthal
Second: Fricke

Resolution: That the Board ratifies approval of the Association's Master Policy which renewed effective August 4, 2010.

Dates of Coverage: August 4, 2010 – August 4, 2011

Policy Type	Limit Amount	Deductible	Carrier	Premium
Property				
General Liability				
Fidelity				
D&O				
Umbrella				

Workers Comp				
--------------	--	--	--	--

The current insurance agent for the Association is Travelers Insurance

The Board has been affirmed by the Agent the following information:

- The D&O and Fidelity limit amounts are per the Association's CC&R's and the Association's current financial status
- Workers compensation does include the Board Members in coverage
- Merit Property Management, Inc. is included as Additional Insured for both General Liability and D&O
- Total current units are 156 and this current total has been provided to the above listed carriers

Total Premium Amount: \$30,923.00 with funds to be expensed from GL #19107, Insurance

Premium to be paid as one payment amount.

Ayes: All
Nays: None

The motion carried unanimously.

D. Reserve Study Proposals

The Board reviewed proposals for the 2011 Reserve Study update. The summary of proposals are as follows:

Foresight Financial \$1,035.00 on-site
\$615.00 update

Association Reserves \$1,280.00 on-site
\$500.00 update

Reserve Data Analysis \$ 595.00 on-site
\$ 325.00 update

Motion: Bristol
Second: Rosenthal

Resolution: That the Board approves to contract with Foresight Financial in the amount of \$615.00 to perform the 2011 reserve update. Funds to be expensed from GL#19121, Reserve Study Consultant Services.

(Management to consult with Foresight Financial and see if they would be willing to match the cost for Association Reserves.)

Ayes: All
Nays: None

The motion carried unanimously.

E. Landscape Proposals

Motion: Rosenthal
Second: Fricke

Resolution: That the Board approves the following proposal submitted by Valley Crest Landscape:

1/5 Cardinal Replace Podocarpus \$405.00
July Landscape Walk Items \$165.00

Funds to be expensed from GL #15502, Landscape Replacement.

Ayes: All
Nays: None

The motion carried unanimously.

F. Monument Sign Project

The Board reviewed a proposal submitted by Applied PolyTech Systems, Inc., for repairs to the pilasters and Seaway Collection monuments. Laguna Audubon II Master HOA has contracted with this firm to complete the repairs of its monuments and during that project obtained a proposal on behalf of the sub-association. Total cost of the repair is \$1,820.00.

At this time the Board has tabled review of this proposal to the next meeting in order to review the condition of the monument signs at the next Landscape Walk.

G. Tree Removal Request – 16 Wigeon

Motion: Bristol
Second: Fricke

Resolution: That the Board approves to remove the tree located in front of the home and stump grind and replace the area with grass. Estimated cost not to exceed \$325.00. This approval is pending approval review at the September 14, 2010 Landscape Walk.

Ayes: All
Nays: None

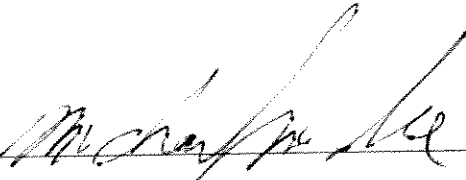
The motion carried unanimously.

VIII. NEXT MEETING

The next Open Session meeting of the Board of Directors is scheduled for Tuesday, September 28, 2010 at 6:30 p.m. at the Aliso Viejo Country Club, Aliso Viejo, CA 92656.

IX. ADJOURNMENT

There being no further Open Session business to come before the Board, the meeting was adjourned at 7:53 p.m.

APPROVED:  DATE: SEP 28, 2010