

MINUTES OF SPECIAL MEMBERSHIP MEETING
SURFSIDE HOMEOWNERS ASSOCIATION
November 22, 2008

The board then recessed until after a 15 minute break and the General Membership meeting at 8:45 am. The Membership meeting began at 9:00 am.

FLOOR COMMENTS:

In response to questions about proxy voting, it was explained that if an individual is not designated on proxy to vote for the member, then a BOT executive committee member will vote as the member has indicated. Also, if ballots are signed but there is no indication of for or against, then the BOT is allowed to vote for the board's choice. The majority of the total membership must reject the budget before ratification is rejected. This would amount to a negative vote of half the membership plus one vote and those members who do not vote are assumed to be a yes vote. Some objections were discussed, to the principal of a non-vote being counted as a yes vote. However, this voting procedure is legally appropriate as is stated in the association's by-laws.

Questions were asked and answered with regard to the justification for payroll increase of 16%. Increases are due to budgeting for overtime and allow additional funds to the General Manager to match salaries with current job classifications. Additionally, cost of living has not been made automatic and salaries need to be competitive with other similar wage groups in the area.

Questions were asked regarding, why it is necessary to charge for meters now, when they originally didn't have to be completed until 2017? Also, why should the members pay Surfside \$50.00 simply to hold on to it for some time in the future? It was explained that the board had just moved to defer collection of the \$50 fee until it is absolutely necessary to collect for them in the future.

A question was asked that when there has been a foreclosure of Surfside property and a lien has been placed on the property, how does this affect the payment of homeowners association dues? The answer is that we can recuperate our fees/dues, etc., if the mortgage holder does not notify us that they have to foreclose. Additionally, it was explained that mortgage holders generally do not notify us and therefore we do get the money. It was explained also, that Surfside is tracking real estate sales to see if property for sale affects the nonpayment of dues and subsequent liens generated.

Questions were asked regarding what happens when water meters are installed? Will members pay based on what the meters say or will members have to pay

dues in addition to water usage charges? It was explained that the purpose of metering is due to water conservation issues, therefore, a flat fee is expected to continue in the form of dues and excess water usage will be charged to those who use excessively. But this decision will be made by a different board in the future.

Another question with regard to the new decision of not collecting \$50 was asked with regard to placing the membership in legal jeopardy due to the fact that everyone has already voted on the capital expenditure of water meters. However, it was explained that Surfside's attorneys have been consulted and they have stated that there isn't any jeopardy, however, authorization (rather than collection) of the funds from the membership is advised.

Additionally, discussion occurred regarding the collection of fees for the delivery of consumption of water in the future will most likely be offset in the cost for membership dues.

It was explained that although originally, it was hoped that flag poles could be placed at every cabana, due to the cost of these flagpoles, it has been determined that only one will be erected. This flag pole will be at the business office by the new sign. Also there will be a plaque purchased with donated funds, showing that the flag pole is being dedicated to all American veterans.

Additionally, the Sheriff's salary budget was explained to the members in that it has not been cut in half, but instead, the summary budget shows that operational area decreases have been moved down to line items. Larry Clark, being on vacation caused some people to think he had been fired or that his hours were severely cut. This did not happen. Additionally, the county does provide coverage for Clark whenever he is not at work. Clark also commented on the status of the neighborhood watch program and George Miller explained this program in detail, including the new "Golf Course" watch area.

Plea for volunteers in several Surfside programs was made to the membership.

Some discussion of the "Twin Lakes Cabana" sign ensued with opinions regarding whether or not this is a correct name to call the Cabana. The name for the cabana was explained.

The Membership Meeting then recessed to vote at 9:45 am and the vote was counted. There were 201 votes for the budget and 164 votes against the budget with a 20% turnout. The budget was adopted by the board.

LES GERNET MOVED TO ADJOURN THE MEMBERSHIP MEETING AND
SECONDED BY VALERIE HARRISON. MOTION CARRIED UNANIMOUSLY.

The Special Membership Meeting was adjourned at 10:15 am.

Respectfully Submitted,

Warren Olson, President to the Board

Gary Williams, Exec. Committee Secretary

Dinah McCreddie, Recording Secretary