

**THE MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF
THE VILLAGE PALOS VERDES HOMEOWNERS ASSOCIATION**

January 8, 2009

CALL TO ORDER

The following are the Minutes of the Meeting of the Board of Directors of the **Village Palos Verdes Homeowners Association**, held on Thursday, January 8, 2009 in Redondo Beach, California. The President stated that a **Quorum** was present and called the Meeting to order at 7:30 P.M.

BOARD MEMBERS PRESENT

President, Treasurer, Secretary, Member at Large.

BOARD MEMBERS ABSENT

Vice President

OTHERS PRESENT

On-Site Maintenance person; General Legal Counsel., Defense Legal Counsel, Recording Secretary with HOA Organizers, Inc.

The President stated that the open forum will be for one hour only. She explained that before starting the open forum portion of the meeting, she had a few announcements to make.

The President notified members that On-Site Maintenance person is an employee of the Association. The President also stated that Horizon Management has been the Association's management company for a number of years, but Horizon Management initially removed the Association Manager as the Association's managing agent, which then led Horizon to terminate management services with Village Palos Verdes HOA effective as of the end of January of 2009. Since Horizon's termination notice was received, the Board has been regularly posting information on the Association's website to keep homeowners apprised of any new information. The President stated that the Board is posting as it becomes available. The website address is www.villagepalosverdeshoa.org.

Since Horizon Management provided their termination notice, the Board of Directors has been seeking new management companies, issuing a formal Request for Proposals. A firm will be selected by January 26, 2009.

The President provided some updates on the construction status and also discussed the process that the Board has taken to modify the scope of work to ensure that necessities were addressed.

The President introduced the Association's General Legal Counsel. The General Legal Counsel announced that she has been representing the Association for a number of years and has been familiar with this renovation project since the contract formations. She will be working with defense counsel, as appointed by Travelers Insurance D&O Insurance Policy in response to the litigation. The General Legal Counsel turned the floor over to Defense Legal Counsel.

Defense Legal Counsel introduced himself and informed members that he would not be discussing details of the lawsuit. He did state that he intends on working with the Association's General Legal Counsel to protect the interest of the community. The firm will expeditiously respond to the lawsuit to resolve the litigation as quickly as possible.

OPEN FORUM

Members will be permitted to speak for 2 minutes each to allow everyone an opportunity to speak. The President explained that some of the items brought up in Open Forum may be recorded but not responded to until a later date, but she assured members that all items will be addressed in the near future.

408 Calle Miramar

The homeowner stated that he was concerned with communication and disclosure regarding the construction. He suggested that the Board have more frequent meetings to keep homeowners informed. He also asked if the construction schedule has changed due to the litigation.

The homeowner stated that things are disclosed in a manner so that all members are uniformly provided the same information as it becomes available. The construction staging was supposed to start the week of the 5th, but this start date has been pushed back. The Board did not have a timeline to provide to the members but will keep everyone informed.

187 Calle Mayor

The homeowner asked if the lawsuit venue was changed from Los Angeles to Torrance.

General Legal Counsel stated that the venue has not changed. There was an initial intention to request a change of venue but defense council is satisfied with the Judge assignment and will no longer be seeking the change.

Homeowner also inquired about members that have paid the special assessment.

The President added that all special assessment funds have been deposited in the Association's corporate accounts. The President copied and made available the most recent financial statements for any members that wanted a copy. The President stated that all members should continue to make their special assessment payments.

141 Calle Mayor

The homeowner expressed gratitude to the Board of Directors, On-Site Maintenance person, and General Legal Counsel Esq., for their hard work. The homeowner asked the Board of Directors and/or General Legal Counsel what the anticipated timeframe for the litigation would be.

General Legal Counsel responded by stating that litigation schedule is unpredictable and that a definitive answer would not be provided at that time. A trial date had not yet been established, as the litigation is in the early stages. General Legal Counsel provided some additional information regarding the Plaintiffs' claims and the Association's positions with respect to a number of the issues. The Association has posted all correspondence between the Plaintiff's attorney and VPV HOA Defense Council on the VPV website.

490 Palos Verdes Blvd

The homeowner expressed that she had some accounting issues with her special assessment and regular dues and asked who she should contact to straighten up her account.

The President stated that with respect to any account issues, the Association Manager had taken notes of any homeowners who had expressed they anticipated being late with their special assessment payments. The President also stated that a letter was sent to the members on December 22, 2008, stating that homeowners are encouraged to contact the Board to request a payment plan if needed. Until a new management company has been selected, homeowners may use the Association email account in the interim, HOA@villagepalosverdes.org.

406 Calle Miramar

The homeowner stated that her unit was included in the last phase of construction and asked if there were any performance bonds to guarantee that the quality of work would be the same from the beginning to end of the construction.

The President stated that the contracts are structured in such a way that a performance bond would not add much value. The plan is that the complex gets renovated uniformly, including that the quality of work and materials to remain the same throughout all phases of the community.

447 Camino de las Colinas

Homeowner asked if the final expense report for the last fiscal year has been published yet, which should also show a breakdown of expenses.

The President informed the homeowner that the Association's year-end audit has not yet been completed and that annual Association accounting records would continue to be distributed to all homeowners as the normal course of business.

426 Palos Verdes Blvd

The homeowner referenced the letter sent to owners, dated December 22, 2008, and he stated that there were owners that had selected a loan option and wanted to know whether owners should be paying \$600 a month despite the loan not being currently available.

The President stated that owners should continue to make monthly payments in the amount of \$600.

402 Calle Miramar

The homeowner stated that he has been receiving anonymous letters and added that if the authors will not identify themselves, he has no choice but to dismiss the letters. He also thanks the President and the Board of Directors for working so hard on behalf of the community.

430 ½ Palos Verdes Blvd

The homeowner expressed his discontent with the anonymous letters that have been distributed. He asked that people refrain from leaving unsigned documents in his mailbox.

456 Palos Verdes Blvd

The homeowner stated that the Association's web-site is very informative and suggested that others should visit the site. Additionally, he offered his assistance to the Board to keep the projects moving forward.

444 Calle Miramar

The homeowner asked for additional details regarding Horizon Management's resignation and also asked about Design Build Associates proceeding with their scope of work.

The President stated that the Board received a letter terminating the Property Management contract shortly after the Association Manager had been removed as the account manager. Design Build Associates continues to work on renovation project issues under their original "not to exceed" basis. Additionally, the President stated that the construction permits had been issued by the City of Torrance and that the potential change to some of the bedroom windows was not required.

474 Palos Verdes Blvd

The homeowner stated that she had some accounting issues and wanted to know if she should continue to pay \$600 a month.

The President stated that homeowners still need to pay \$600 a month, but the Board will discuss the removal of late penalties for owners that have since made payments and will notify owners of the Board's decision.

402 Palos Verdes Blvd

The homeowner asked that the authors of the anonymous, inflammatory communications cease and desist from distributing the communications. He encouraged owners to participate in the community. He also suggested that the Board consider a two tier management agreement by hiring two separate firms, one to handle the financial management, the other to handle the administrative services.

The President stated that the Board had already requested management proposals and requested some firms to base proposals on financial only and administrative services only.

189 Calle Mayor

The homeowner asked the Board if it is possible to initiate mediation with the litigants.

The President stated that it would be in everyone's best interest to resolve this matter quickly. She also stated that there has been communication regarding mediation with the litigants and that it is posted on the VPV website.

425 Camino de las Colinas

The homeowner stated that the President's professional background has contributed to addressing the details of the project. Additionally, homeowner prepared and read a response to the anonymous letters he received.

427 Camino de las Colinas

The homeowner noted that the new window installations are very expensive because each unit has different sized windows, causing them to be custom-made.

SPECIAL ANNOUNCEMENTS

The President closed the open forum and stated that because of the community's concern about one Board Member, possibly communicating executive session information to the litigants, the

Board formed an Executive Committee on December 5, 2008. In order to protect the corporation, the Board was advised by the legal counsel to form an Executive Committee to manage issues associated with the litigation. The members of the Executive Committee consist of all Board Members with the exception of the one Board Member.

The Board Member disagreed with the Board's decision to form the Executive Committee and stated that he felt all Board Members should be privy to all Board information.

APPROVAL OF MINUTES

The Board reviewed the minutes of December 11, 2008. The Secretary moved to approve the minutes as submitted, the Treasurer seconded the motion, and the motion carried unanimously.

FINANCIAL REPORT

The Treasurer reviewed the financials as of December 31, 2008. CD accounts are coming to term in January, totaling \$380,000. The Treasurer suggests keeping the funds liquid instead of re-investing. The Board discussed this matter further and unanimously agreed to table the issue until the next meeting. The Treasurer will contact Association Manager's Assistant with Horizon Management to review a few issues with the financial statements.

Delinquencies / Resolution to Record Lien

The Board reviewed the delinquency reports but noted that there were no Resolutions to Record Liens to approve at this time. Because of the confusion with the special assessment, the Board also discussed waiving late penalties for any owners who have made payments towards the special assessment to date. The President moved to waive the penalties for accounts that were late but have since paid, Member At-Large seconded the motion, and the motion carried unanimously.

Per legal counsel's advisement and per the Association's Lien and Collection Policy, the Secretary made a motion to authorize Horizon Management to send out default letters to delinquent accounts on special assessments not received on January 15, 2009, Member At-Large seconded the motion, and the Board unanimously agreed.

MAINTENANCE ISSUES

Horizon Management provided a list of maintenance issues dated December of 2008.

133 Calle Mayor – The On-Site Maintenance person investigated the leak, and he determined it was caused by a rusted-out roof jack that will be addressed.

419 Camino de las Colinas – The On-Site Maintenance person stated that the homeowner was concerned that the balcony was a safety hazard, but the On-Site Maintenance person inspected and visually determined it was not a safety issue because of the temporary shoring. The Board will send the homeowner a written response to the owner.

498 Palos Verdes Blvd - The homeowner stated that there was moss growing on the sidewalk, and the On-Site Maintenance person has since pressure washed the area.

426 Palos Verdes Blvd – The homeowner reported a leak, which has since been repaired. There has been a rain after the repair was made, and no leak has been reported since.

MANAGEMENT REPORT

Travelers Insurance – lawsuit update

Legal counsel was appointed by Travelers Insurance to represent the Association for the lawsuit. The Board reviewed a letter from Travelers regarding coverage information.

Time Warner Bulk Cable Agreement

A letter was sent to Time Warner in an attempt to negotiate pricing for a service agreement.

Landscaping

A proposal from GS Brothers, Inc. was provided in the amount of \$740 for trimming of trees in front of units that are in the first phase of construction. The proposal includes clearing trees and shrubs approximately 4 feet away from the two buildings in preparation of the renovation to allow ample space for scaffolding. Secretary moved to table the approval of this proposal, President seconded the motion, and the Board unanimously agreed.

Essentials of Community Association Leadership Workshop

The Treasurer noted that the Treasurer and the Member At-Large will need to notify Horizon Management that they wish to participate in this workshop.

Correspondence

A homeowner sent a letter regarding cable connections through Time Warner for cable access in the den. The On-Site Maintenance person informed the homeowner that the cabling can be ran through the crawl space to avoid running the cable in the unit.

A homeowner issued correspondence regarding a noise disturbance caused by a neighbor. Horizon Management will be requested to issue a violation letter to both the homeowner and the resident / tenant of the unit causing the noise disturbance.

A homeowner requested that a late penalty be waived. The Member At-Large noted that the Board previously moved to waive late penalties for any owners who have paid, so the late penalty will be waived pending verification that payment has been made.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned to at 11:03 P.M..

Submitted by: Neda Firouz. President of HOA Organizers, Inc.