

**THE MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF  
THE VILLAGE PALOS VERDES HOMEOWNERS ASSOCIATION**  
March 12, 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, March 12, 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, Vice President, Treasurer, Secretary and Member at Large.

**OTHERS PRESENT**

Ariel Hess, Association Manager with Scott Management, Inc.; On-site Maintenance person; Recording Secretary with HOA Organizers, Inc.

**SPECIAL ANNOUNCEMENTS**

The Association Manager clarified for owners that late fees have been removed from their billing statements. Also, automatic payments have all been set up for owners that participated, so homeowner account statements will reflect that in the next billing statement.

**HOMEOWNER 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.

Also, the Association's manager stated that anything related to litigation will not be responded to, due to legal confidentiality reasons. He added that homeowners may voice concerns but will not necessarily get a response.

**444 Calle Miramar**

The homeowner asked for a breakdown of legal fees related to the litigation to date. Also, the homeowner inquired about a sign that was up at 445 Camino de las Colinas and was visible from the street. The President stated that this matter will be looked into.

**417 Camino de las Colinas**

The homeowner stated that last summer, there was an understanding that the Association was paying Dennis Brooks for work by the hour and has since understood that the Association has contracted with Dennis Brooks. The homeowner asked the Board when this was approved. The President stated that DBA was contracted with sometime around March of 2008. The contract is for an hourly rate.

**434 ½ Palos Verdes Blvd.**

The homeowner expressed disagreement with the special assessment, the Board's position with respect to the litigation, that he felt the Board was only posting items to the website that were on-sided and asked homeowners to look at both sides of the issue.

**490 Palos Verdes Blvd.**

The homeowner asked if the special assessment would exceed \$75,000 per unit. She also stated that she understood that each owner would be financially responsible for damage caused to their unit(s) if there are any damages caused by the construction project. The homeowner also expressed disagreement with continuing the collection of the special assessment without a definitive start date on the construction. The homeowner requested that the Board conduct the voting for the special assessment again. The homeowner also volunteered to serve on the Rules and Regulations Committee.

The President stated that damages to the units as a result of the construction have been built in to the renovation project contract. As for the special assessment, it is an issue that the membership has already voted and passed. It is not in the Board's hands. Repair and restoration policy is the fairest way to handle the Association's policy.

**432 ½ Palos Verdes Blvd.**

The homeowner stated that upon researching the materials being used for the siding, she noted that hardy plank is being used. She asked the Board about the material, as she felt the material could be brittle and crack. She also asked about the type of caulking being used.

The President stated that the Board has been very thorough in researching the materials and has determined that hardy plank is a top quality material that is accepted widespread. Furthermore, hardy plank is also fire resistant. The homeowner expressed concern with whether the material would hold up in the event that there was impact to the siding. The President stated that the material would hold up just the same as other substances such as stucco or wood. The President added that there is lengthy warranty from the manufacturer directly.

**423 Camino de las Colinas**

The homeowner stated that there are dozens of trees that have obstructed views of the members. The President stated that with the renovation project, trees will be trimmed this year and next year. The tree trimming is being scheduled with the renovations to clear areas for the contractors.

**438 Calle Miramar**

The homeowner volunteered to serve on the Landscape Committee. She also was concerned about water conservation, so she would like to participate. The President stated that owner's name will be forwarded to the Landscape Committee.

**425 Camino de las Colinas**

Wants to know when the walk-throughs are scheduled. He would like to invite people to his unit to look at the trees for obstruction. The President stated that the walk-throughs have now been changed to the first Thursday of the month at 9:00 A.M. Participants will meet at the bottom of the main driveway.

**125 Calle Mayor**

The homeowner asked if the Board has contacted other homeowners associations with similar large-scaled construction projects to inquire about the process and learn from their progression. The homeowner referenced another Homeowners Association that levied emergency special assessments in excess of \$100,000 per unit and added that these associations increased the special assessment amount from the original figure. The homeowner asked if this would happen at Village Palos Verdes as well. The President stated that the Board did in fact talk to other Homeowners Associations to get insight. The President stated that other Homeowners Associations did not conduct thorough destructive testing, so there were a lot of issues that were not factored. The Board has done destructive testing to determine all

aspects of the construction needs, and the President relayed that the Board is confident in the figure that was presented to the members for the special assessment.

**434 Calle Miramar**

The homeowner asked if the construction proposals will be open to the homeowners. The President stated that once those proposals are executed, the contracts will be released to the homeowners. Once litigation was initiated, the Board refrained from signing the contracts. The President did state that the Board is hopeful of quick resolution with the litigation, as the construction prices may not be locked in for indefinite periods of time.

**424 Palos Verdes Blvd.**

The homeowner asked the Board about owners who paid the special assessment in full. Specifically, the homeowner wanted to know if owners could receive refunds and make monthly payments. The President stated that a letter would be sent to those who paid their assessments in full within the next few days, providing those owners options. The homeowner also wanted to volunteer for the Landscape Committee and also inquired about the status of the special assessment loan. The President stated that the lender has been trying to work with the Association. The delinquency report has been straightened out, and the bank will be forwarded the updated delinquency list. The Treasurer also added that prior to the management transition, there were very few delinquencies.

**446 Palos Verdes Blvd.**

The homeowner asked how many units are rental units and how many units have been foreclosures. The manager stated that there has been one foreclosure to date, which is already being sold again. He will investigate the owner occupancy numbers and get back to the owner with the number of rentals.

**171 Calle Mayor**

The homeowner asked if there is an idea of how long the litigation will continue, and the Board stated there was no known timeframe. The homeowner asked if the depositions are costly, and the President stated that the process is extremely costly.

**456 Palos Verdes Blvd.**

The homeowner wrote a letter regarding protecting views with respect to the trees. He also stated that the Riviera Homeowners Association has been instrumental in helping Village Palos Verdes in the past and asked homeowners to assist the Riviera HOA with respect to their concerns with their trees.

**438 Calle Miramar**

The homeowner added that she would also like to support the Riviera HOA and stated that they would like to send Village Palos Verdes residents newsletters. She asked owners to provide contact information so that residents could receive the Riviera HOA newsletters.

**498 Palos Verdes Blvd.**

The homeowner asked for information on the special assessment lender. The Association will not release the information until a contract has been executed.

The homeowner added that the Plaintiffs on the litigation are not giving up and anticipate that the lawsuit will continue for at least a year and a half. She stated that with the economical climate, she is in disagreement with the large special assessment. The President stated that a Motion for a Summary Judgment has been filed, and the Board is aggressively pursuing quick resolution to the litigation.

## **APPROVAL OF MINUTES**

The Board reviewed the minutes of February 12, 2009. The President stated that all names need to be removed from the minutes of February 12, 2009. The President moved to approve the minutes of February 12, 2009 as redacted. The Secretary seconded the motion, and the motion carried unanimously.

## **TREASURER'S REPORT**

### **Reserve Investments**

The Treasurer reviewed the financial statements as of February 28, 2009 and reported that various CD accounts are maturing, for a total of \$1,700,000. The Treasurer recommended that all of the collected special assessment funds should remain liquid until the start of the construction project. Furthermore, interest rates offered through Merrill Lynch are at roughly .55%. The Treasurer reported that banks that are participants with the CDARs program are being investigated. The interest rates through the CDARs program for 3 month CDs are at 1.45%. The Treasurer recommended that the reserve funds be invested in 3 month CDs through CDARs, that the special assessment funds stay in Money Market accounts, then to re-visit the accounts in May. The President added that the special assessment funds should stay liquid because the lender will need some upfront fees. The Secretary made a motion to permit the Treasurer to re-allocate the funds in FDIC insured accounts as necessary. The Members at Large seconded the motion, and the motion carried unanimously.

### **Delinquencies**

#### **Resolution to Record Liens**

Vice President moved to record liens on parcel numbers: 7512-010-064, 7512-010-068, 7512-010-070, 7512-010-063, 7512-010-072, 7512-010-071, 7512-010-119, 7512-010-167, 7512-010-164, 7512-010-103, 7512-010-163, 7512-010-008, 7512-010-009, 7512-010-012, 7512-010-020, 7512-010-054, 7512-010-029, 7512-010-032, 7512-010-034, 7512-010-035, and 7512-010-106. The Secretary seconded the motion, and the motion carried unanimously.

## **MAINTENANCE REPORT**

### **Maintenance Requests**

480 Palos Verdes Blvd. – Called in to state that she has 2 cracks in the ceiling by the skylight. The on-site maintenance staff sealed the lines.

135 Calle Mayor – The homeowner reported that the paint in the upstairs bathroom is peeling. Upon investigating, it was noted that the owner is not properly venting the bathroom.

175 Calle Mayor – The owner reported a leak in garage. The on-site maintenance staff noted that the leak was caused by the siding and caulked the siding.

The on-site manager stated that homeowners reported 2 leaks directly to him, and he asked the homeowners to relay the information to the management company for follow-up. The homeowners did not contact the management company, but the on-site maintenance staff repaired the roof leaks.

## **MANAGEMENT COMPANY**

### **Annual Review (Year-End Audit)**

The manager reported that the CPA has commenced the audit but is still working on it.

### **Review Virginia Graeme Baker Pool and Spa Safety Act Bids**

The President expressed concerns about the methodology of the project and making sure it's done properly. The on-site manager stated that all contractors are consistent in the covers and split drains, but some contractors added additional work in the proposals. The Board also discussed replacing the skimmers and renovating the south pool during the renovation. The President requested that the scope of work be the same in all proposals received, which should also include the replacement of the skimmers and complete renovation of the south pool. The manager stated that per the reserve study, the south pool should be renovated. The proposals will be revised for the next meeting.

### **Fidelity Bond Increase**

The coverage will increase to \$2,000,000.

### **Landscaping Extras / Landscaping Project Status Report**

The on-site maintenance person discussed receiving complaints regarding several trees. The Board reviewed the landscape budget for this year and also the budget from last year. Major tree trimming is scheduled once every two years, and the smaller trees are trimmed annually. The reserve study allocated \$12,250 for bi-annual trim for the bigger project. The annual budget was left out this year because of the renovation project.

### **Incoming Correspondence**

The manager contacted the previous management company to locate a copy of the Association's Verizon contract and has since received the contract.

A homeowner volunteered to create an Architectural Committee. The Secretary also stated she wanted to be on the Committee.

An email was received from a homeowner with concerns about the website. She wanted announcement with legal updates. The homeowner also discusses paying assessments under protest. The Civil Code is irrelevant to this case because full payment would have to be made to pay under protest. The Association's manager will send response, but the email was acknowledged.

A homeowner brought up issues regarding the postings on the web-site. Correspondence is posted from both sides on the litigation once legal counsel approves the release. The Association's manager acknowledged receipt of the communication and will send response.

A homeowner brought up issue with a tree, and the Board will investigate the concern. The Manager will respond and inform the homeowner that the tree will be addressed depending on the construction schedule.

Additional correspondence was received from two homeowners regarding the special assessment payments. One homeowner requested options for those with hardships, and the manager responded to the homeowner.

### **Outgoing Correspondence**

Violation letters were sent to 2 homeowners for noise disturbances.

### **Closed Escrows**

Nothing was noted at this time.

### **OLD BUSINESS**

The President will investigate rebates on windows per a homeowner's request.

**ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned to at 10:01 P.M.

Submitted by: Recording Secretary with HOA Organizers, Inc.