

LAW OFFICES OF
Laura J. SNOKE

1801 CENTURY PARK EAST, SUITE 2400
LOS ANGELES, CALIFORNIA 90067

TEL: (310) 556-9658
FAX: (310) 556-9659

December 15, 2008

REBUTTAL TO DAILY BREEZE ARTICLE DECEMBER 13, 2008
VILLAGE PALOS VERDES HOMEOWNERS ASSOCIATION, INC.

The article in the Daily Breeze on December 13, 2008 is inaccurate and misleading.

Neither the members of the Board of Directors or the Exterior Renovation Committee – all of whom have to pay the assessment – has acted or is acting in any way other than to fulfill their obligations to maintain and protect the property with the interest of the entire community in mind.

The members of the Board and Committee have worked tirelessly for over 3 years to develop a scope of repair to finally alleviate the pervasive and longstanding water intrusion which has plagued condominium units at Village Palos Verdes. As the former member of the Board, Mike Martinet, said in the article: “[The complex] is failing apart faster than they can keep it up . . . I would be surprised if [the repairs] can be done for \$75,000 a unit.”

The scope and cost of repair have been developed by a first-rate construction team, consisting of architects, engineers, construction managers and contractors. Extensive destructive testing was undertaken. Contrary to the statement attributed to Design Build Associates, taken out of context, the cost has been developed through obtaining actual bids, hard material costs, and estimates carefully prepared by the general contractor and thoroughly reviewed by the construction manager. Also contrary to the statements of the attorney for the minority homeowners, there is nothing “strange” about the way the cost of repair was obtained or the levy of the assessment.

The construction team has advised the Board and Committee that to continue to undertake piecemeal repairs, as suggested by this small, minority homeowners group, would not solve the pervasive water intrusion problems at the complex and will end up costing more in the long run. Once the repairs are

Rebuttal

December 15, 2008

Page 2

completed, the property values will invariably go up, benefitting the entire community.

For over 3 years, the homeowners have been provided with voluminous information concerning the status of investigation of the repair scope. Once the scope was finalized, the homeowners attended meetings at which the need for, the scope of, and the construction process for completing the repairs were explained by the construction team. Upon this information, 100 homeowners voted to pass the special assessment. Now, 20 or so homeowners are attempting to thwart the majority's will.

The general contractor could not solicit subcontractors' bids for the repair until the assessment was passed. Similarly, the \$10 million line of credit procured by the Board of Directors from Popular Association Banking was contingent upon the passage of the assessment. If the assessment did not pass, the repair project would not have gone forward as planned.

The Board of Directors is not unsympathetic toward those who are enduring financial hardship. The Board, however, has a fiduciary and statutory duty to levy assessments passed by a majority of the homeowners and to collect those assessments from those who refuse to pay them in order to fulfill its obligation to maintain and protect the property. Once the repairs are made, the property values will increase, thus benefitting the entire community.

The need for the assessment and the repairs cannot be disputed. The Board and Committee are relying on the advice of the construction team that piecemeal repairs, as advocated by this small group of minority owners, are insufficient to solve the pervasive water intrusion problems and to follow a piecemeal approach will eventually cost the Association more money.

Pursuant to California law, the Board is obligated to consider, and has always considered, entering into payment plans for members who are truly hardship cases. The Board is not, however, willing to accede to the wishes of this group of minority homeowners and allow further deterioration of the property.