

VILLAGE PALOS VERDES

HOMEOWNERS ASSOCIATION

January 19, 2009

Dear VPV Homeowner:

As committed to in our communication dated January 12, following are the questions and responses from the open session of the January 8, 2009, VPV HOA Monthly Board Meeting.

Respectfully submitted,

VPV HOA Board of Directors

Q: - 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.

A: - The President 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.

Q: - 187 Calle Mayor

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

A: - Laura Snoke, Esq., 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.

Q: - The homeowner also inquired about members that have paid the special assessment.

A: - 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

Q: - The homeowner expressed gratitude to the Board of Directors, Phil Greer, and Laura Snoke, Esq., for their hard work. The homeowner asked the Board of Directors and/or Laura Snoke, Esq., what the anticipated timeframe for the litigation would be.

A: - Ms. Snoke 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. Ms. Snoke 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

Q: - 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.

A: - The President stated that with respect to any account issues, Ms. Peña 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

Q: - 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.

A: - 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

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

A: - 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.

Q: - 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.

A: - 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

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

A: - The President stated that the Board received a letter terminating the Property Management contract shortly after Ms. Peña 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.

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

A: - 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.

Q: - 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.

A: - 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

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

A: - 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, the 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.