



April 23, 2009

VIA e-mail and US Mail  
[noel@millenniumbuildingservices.com](mailto:noel@millenniumbuildingservices.com)

Mr. Noel Leverenz  
Millennium Building Services  
23101 Lake Center Drive Suite 240  
Lake Forest, CA 92630

Re: Your leaflet advertisement distributed in Village Palos Verdes HOA on April 21, 2009

Dear Mr. Leverenz,

As you may or may not be aware, Village Palos Verdes Homeowners Association is currently involved in litigation regarding the Exterior Renovation Project. Due to the on-going litigation, the Association has yet been unable to secure full project financing.

In your leaflet advertisement, you stated, due to your "...excellent bank relationships we have already discussed your association with our bankers and they estimate at \$46,000 per unit (\$8,280,00.00) at 6% for a five year guarantee flex rate, your payments will be \$650 per month with no crazy balloon payment at the end!" Have you informed these banks of VPV's current litigation regarding the special assessment? We are interested to know which bank(s) is offering such funding and to whom the loan would be provided i.e. the Association or the individual Homeowners. To offer a lending opportunity such as you advertise to individual Homeowners is in stark contrast to making the same offer available to an HOA. Please also note that many of our Homeowners have been attempting to secure individual financing for their portion of the assessment, but have unfortunately been impacted by lending institutions not providing loans in common interest communities with existing litigation. The Association has unfortunately been experiencing the same road block and would like to contact the lender referenced in your advertisement to investigate obtaining the required project funding.

On another note, your flyer promotes the Millennium Strategy for savings, which says that "We do not subcontract...". The Association has been advised that using subcontractors is prudent and better protects the interest of the Association. In your flyer, you do not mention whether your company will be providing the construction management of the project, which would be a concern and subject to the project being administered with the "fox in the henhouse", rather than independent oversight. The Association has been advised by prospective banks, who are interested in financing the Exterior Renovation Project, that project management should not be conducted by the General Contractor and they would require an independent third party for construction management. As CID management professionals, we believe that aforementioned practices are essential to running this project in a professional manner.

So we may best serve our Homeowners and provide VPV with the most cost effective resources, we would like to hear back from you regarding these two matters.

Scott Management Company  
3820 Del Amo Blvd. Suite. 324  
Torrance, CA 90503  
Phone (310) 370-2696 Fax (310) 370-2364

Please provide clarification to the aforementioned questions.

On Behalf of the Board of Directors & Exterior Renovation Committee

A handwritten signature in black ink, appearing to read 'A. Hess', with a horizontal line drawn through the middle of the letters.

Ariel Hess, CCAM  
Scott Management Company

CC: Carma Hardin, President VPV Board of Directors  
Jean Lloyd, Chairman VPV Exterior Renovation Committee  
Dennis Brooks, President Design Build Associates, Inc.