

**MINUTES OF
THE BOARD MEETING
OF THE
555 ESPLANADE CONDOMINIUM OWNERS ASSOCIATION**

March 15, 2010

CALL TO ORDER

The following are the Minutes of the Meeting of the Board of Directors of the Casa Bahia Condominium Owners Association, held on Monday, March 15, 2010, in the 535 Building Lobby, 535 Esplanade, Redondo Beach, California 90277. A quorum of Board Members was established and Dianne Merzel called the meeting to order at 6:41 PM.

BOARD MEMBERS PRESENT

Jake Murray, Vice President; Betty Schneider, Treasurer; Dianne Merzel, Secretary.

BOARD MEMBERS ABSENT

Joe Engle, President; Frank Parker, Member-at-Large.

MANAGEMENT COMPANY REPRESENTATIVE(S) PRESENT

Ellona Hess of Scott Management Company (SMC)

HOMEOWNERS FORUM

- Unit #619 – Harriet Hollis: Mrs. Hollis advised that the 555 lobby door is still not closing properly, and reminded the Board that if the lobby door is not locked, the building is not secure. The Board advised that the door installers have been contacted, in the past, and once again on Monday, March 15, 2010. If they can not fix the problem, the door/lock will be replaced under warranty.
- Unit #620 – Edna Marinella: Mrs. Marinella stated her concern for inconsistent attendance by certain Board Members. Mrs. Marinella, in addition to other Homeowners present at the meeting, stated that she would like to see all Board Members attend the meetings.
- Unit #108 – Sheri Nielson: Mrs. Nielson thanked Mrs. Betty Schneider for cleaning up the elevator floor, when Offshore Maintenance did not respond to the clean-up request. Mrs. Nielson questioned the status of moving forward with the driveway repair project. The Board advised that multiple bids have been submitted for this project, however, it is on hold until the proposed special assessment passes. Mrs. Nielson questioned whether or not there was an earthquake gas shut off valve, in case of an earthquake. The Board confirmed that there is such a valve.
- Unit #302 – Dot Lee: Mrs. Lee provided a written memo of her concerns for the Board regarding the 555 lobby door, work trucks parked in the red zone nose to driveway or actually in the driveway, move in/out rules and procedures, the 535 parcel box lock, whether or not the garbage disposal company received the new gate code, and the cleaning of the common area spa deck.

- Unit #109 – Mary Lee Coe: Mrs. Coe questioned who is responsible for cleaning the elevator floors? Mrs. Coe was advised that it is the responsibility of Offshore Maintenance. Offshore Maintenance will be reminded of their obligation to clean the elevator floors. Mrs. Coe reported that Unit #112 is leaving shopping carts in the common area hallways, for long periods of time, and would like the Board to take appropriate action to correct this violation. Mrs. Coe requested that Mrs. Hess notify her of her next scheduled walk through so that she can show Mrs. Hess a landscape concern/request. Mrs. Coe expressed her disappointment and concern for notifying Homeowners of scheduled hydro-jetting. Mrs. Coe advised that she did not receive her notification letter in time and does not think it right for Homeowners to be penalized for not providing access if they were not given notice. Mrs. Coe confirmed that she received the notice in the mail for the re-scheduled date for the hydro-jetting of her stack. Mrs. Coe reminded the Board that the mat in front of the 535 entrance, G4 is still missing. Mrs. Coe questioned the status of moving forward with the security camera project. The Board advised that this item is on the agenda for continued discussion. Mrs. Coe questioned the status of decorating the lobby. Mrs. Schneider advised that the pictures have been purchased and now need to be framed.
- Unit #503 – Patty Cutten: Mrs. Cutten thanked the Board for the roof repairs completed above her Unit. Mrs. Cutten questioned whether or not the Association would address the ceiling repairs needed inside of her Unit. The Board confirmed that the Association would arrange and pay for these repairs.
- Unit #517 – J. Jetsen Tache: Mr. Tache advised that he will make himself available for a contractor to come by and inspect his deck, drainage, flashing, etc. so that the problem area, which caused water intrusion into the Units below his Unit, can be determined and addressed. Mr. Tache questioned the frequency of special assessments. The Board advised that to date, there have been 10 special assessments, the last three being in 2001, 2003, and 2008.

APPROVAL OF AGENDA/MEETING MINUTES

Dianne Merzel made a motion to approve the February 2010 minutes. Betty Schneider made a second to the motion. The motion carried and the minutes were approved. A copy of the approved minutes will be mailed to all Homeowners along with the April 2010 monthly statements.

TREASURERS REPORT

- February 2010 Financial Report: Betty Schneider made a motion to accept the February 2010 Financial Report as submitted. Dianne Merzel made a second to the motion. The motion carried and the report was unanimously approved. Mrs. Schneider made note that the Association's expenses, as of February 28, 2010, were \$5,500.00 over the budgeted amount, in addition to a bill of approximately \$12,000.00 owed to ServPro, incurred because of the water damage into five Units during the last heavy rains.
- Discussion regarding Special Assessment: Mrs. Schneider stated that because of rising costs to maintain and improve the building, and the unanticipated cost growth of several projects last year, the Board finds it necessary to propose a special assessment in the amount of \$209,000.00. If the special assessment passes, the amount can be paid over three equal payments, throughout 2010, or in eight monthly

installments. The total amount of the special assessment for the high tier would be: \$4,457.34, for the middle tier: \$3,466.82, and for the low tier: \$2,476.30. Mrs. Schneider advised that if the special assessment does not pass, it will be necessary to permanently increase monthly assessments by the maximum amount of 20%, as well as impose an emergency special assessment of \$87,000.00. The Board has put together a detailed description of this proposed special assessment. A copy of the letter will be mailed to all Homeowners along with a ballot.

OLD BUSINESS

- Cast Iron Piping Replacement – Status: The approved cast iron piping replacements have been completed.
- Garage Driveway Entrance/Exit – Repairs: As stated above, the Board has received multiple bids for this project. The project is hold until the passing of the special assessment.
- Proposed Additions to Rules and Regulations re Move In/Out – The Board reviewed the revised additions to the Rules and Regulations re Move In/Out. Mrs. Schneider made a motion to accept the revised additions. Ms. Merzel made a second to the motion. The motion carried and the additions were unanimously approved/adopted. A copy of these rules will be sent to all Homeowners for their notification, review, and file.
- Review and Revision of Association CC&Rs – Review Bids/Information: Mrs. Schneider made a motion to approved the prepared ballot regarding the amendment to the CC&Rs, regarding percentage required to pass any CC&R amendments, with the following change: The percentage required should be changed from 75% to 66 2/3% instead of from 75% to 50%. Ms. Merzel made a second to the motion. The motion carried and the ballot was unanimously approved. The Board would like to place a hold on sending out this ballot until the special assessment ballot is completed.
- Spa – Bring into Compliance with VGB Act: The Board has received multiple bids to bring the spa into compliance with the VGB Act. This project is on hold until the passing of the special assessment.
- Unit #517 Deck (Drain); Interior Repair to Damaged Units: During Homeowners Forum, the Homeowner of Unit #517 stated that he would make himself available and provide access to the contractor who needs to come by to inspect his deck and surrounding areas, to determine what is causing the water intrusion into the Units below. Bids for repairs to the interior of the affected Units are in the process of being collected.
- Vertical Drain Cleaning by Bert Meli – Update: The 06 stack has been hydro-jetted, as well as Unit #112. All Homeowners have received notice of the scheduled date for hydro-jetting to their stack.
- Special Assessment Projects - Update: The following updates were given regarding The Entryway Project:
 - The entryway project is considered complete.The following report was given regarding the third special assessment project – ~~The Garage Area – Power Washing of and Re-striping of Parking Places and Replacement of Trash Room Doors Project:~~

- Bids have been collected for this project. This project is on hold until the passing of the special assessment.

The following report was given regarding the fourth special assessment project – The *Northwest Balconies Project*:

- This project has started.
- The contractor questioned whether or not the Board would like to have the structural engineer come back out and re-inspect the balconies, since they are now “opened up”. The Board decided not to have the engineer do another inspection because there was no structural problem with these balconies.

The following report was given regarding the fifth special assessment project – The *Security Equipment Project*:

- Mr. Schneider advised that a member of the Redondo Beach Police Department has volunteered to assist the Board in mapping out where the security cameras should be installed.
- Mrs. Hess advised that Moffitt Electric stated that their bid for running the cables for the security equipment is \$1800.00. This quote is guaranteed for 60 days. The original bid provided as \$1600.00.
- Discussion was held regarding choosing to purchase a DVR or a computer for the security equipment.

The following report was given regarding the sixth special assessment project – The *Street-Side Retaining Wall Replacement Project*:

- The Board approved the \$350.00 fee to have the structural engineer write up a recommendation for the replacement of the street-side retaining wall.

NEW BUSINESS

- Front Door – Study on Replacement of: Discussion of this project was tabled.

NEXT MEETING –Monday, April 19, 2010, 6:30 P.M.

ADJOURNMENT

Meeting was adjourned at 8:10 PM.

Submitted by: Ellona Hess

PLEASE NOTE: Any grievance or clarification on issues can be addressed by: (1) Airing the issue at the next scheduled Public Board meeting, or (2) contacting Ellona Hess at Scott Management Company (Phone: 310-370-2696 ext. 21; Email: Ellona@scottmgmt.com; Mail: Scott Management Company, PO Box 3159, Torrance CA 90510-3159). Calls/correspondence should reference 555 Esplanade/Casa Bahia.