

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

16 June 2011

CALL TO ORDER

The following are the Minutes of the Board of Directors of the Casa Bahia Condominium Owners Association held on Thursday, June 16, 2011. This was a special meeting to discuss the building earthquake insurance with the members of the Homeowners Financial Committee (HFC). The meeting was held in the 535 Building Lobby, 535 Esplanade, Redondo Beach, California 90277. A quorum of Board Members was established and Joe Engle called the meeting to order at 6:32 PM.

BOARD MEMBERS PRESENT

Joe Engle, President; Frank Parker, Vice President, Betty Schneider, Treasurer; Dianne Merzel, Secretary; Joe Jetsyn Tache, Member-at-Large.

MANAGEMENT COMPANY REPRESENTATIVE(S) PRESENT

none.

HOMEOWNERS PRESENT

John St. Rock, Mary Lee Coe, Janet Johnson, Dot Lee, Will Lee, Douglas Duncan, Linda Santini, Alex Burishkin, Ed Schneider, Ray Cutten.

PURPOSE

Joe Engle explained that the purpose of the meeting was to discuss the findings of the HFC's Earthquake Insurance Study and to present the results of the Board's independent analysis of the earthquake insurance issue. The focus of the discussion was whether or not we continue to have earthquake insurance for the building.

HOMEOWNER FINANCIAL COMMITTEE – REPORT BY MEMBER OF COMMITTEE

On behalf of the Financial Committee, Mr. John St. Rock, Co-Chair, Mary

Lee Coe and Janet Johnson presented their report to the group with the recommendation that the building earthquake insurance not be renewed. They also recommended that the question of whether to renew the earthquake insurance be put to a vote of the homeowners.

BOARD ANALYSIS OF THE BUILDING EARTHQUAKE INSURANCE

Betty Schneider presented an analysis that took into account the HFC's report and focused on a pros and cons of continuing the HOA's earthquake insurance. The conclusion of the analysis supported the continuation of earthquake coverage for the HOA.

DISCUSSION AND AGREEMENT

A lengthy discussion took place after the presentation of both reports with many pros and cons being highlighted.

In order to minimize confusion and clarify the major issues, it was agreed that the two reports would be condensed into a final document that would then be made available to the homeowners. Board members will draft the final report and forwarded it to the HFC for review and comment.

Discussions will also be held with the HFC to identify options that could take the place of our current earthquake coverage, such as self-insured or reduced coverage.

Joe Engle will determine if the current earthquake insurance coverage can be extended beyond the current 20 July 2011 determination date.

Submitted by Ed Schneider, 18 June 2011

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. 211; Email: Ellona@scottmgmt.com; Mail: Scott Management Company, PO Box 3159, Torrance CA 90510-3159). Calls/correspondence

should reference 555 Esplanade/Casa Bahia.