

LAW OFFICES OF
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June 4, 2008

Homeowners
The Village Condominium and Townhouse Homeowners Association

Re: The Village Condominium and Townhouse Homeowners Association
Repairs to 620 Building
Our File No.: 16784-1

Dear Homeowners:

This office is corporate counsel for the Association.

Approximately two years ago the Board of Directors was advised that water intrusion had occurred into Unit 317 in Building 620. The unit was being extensively remodeled; all of the drywall and ceilings had been removed by the unit owner.

The owner of the unit provided the Board with reports of the damage and results of testing undertaken to determine whether fungal growth was present. Measures were undertaken to remove any fungal growth caused by the water intrusion. The unit owner paid the cost of the remediation.

The Association undertook its own independent investigation. The Board of Directors hired consultants to evaluate the unit owner's claims and to provide advice as to the nature and extent of any repairs to be undertaken. The unit owner hired a structural engineer whose opinions were independently evaluated by a structural engineer retained by the Association, John Schuricht of Palos Verdes Engineering. (Mr. Schuricht did not agree with some of the findings of the engineer retained by the unit owner).

Mr. Schuricht advised the Board that the water intrusion was coming through the stucco and had irretrievably damaged the waterproofing membrane behind the stucco. He advised the Board that the only appropriate repair requires removal of the stucco and installation of new waterproofing. Thereafter, new stucco will be installed and the wall will be painted.

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Based upon this advice, the Board together with management investigated general contractors to undertake the recommended repairs. Ultimately, the Board selected Draeger Construction because of its reputation for excellent workmanship and integrity in working with homeowners' associations.

Draeger prepared a scope of work which was submitted to and approved by Mr. Schuricht. Although the Board wanted to repair only the wall surrounding Unit 317, the Board is advised by both Mr. Schuricht and Draeger Construction that the stucco and waterproofing of the entire south wall may have to be removed and replaced. The construction requires the windows for Unit 317 to be replaced and, if the entire south wall is replaced, all of the windows for the affected units will also be replaced. The Association is undertaking this expense.

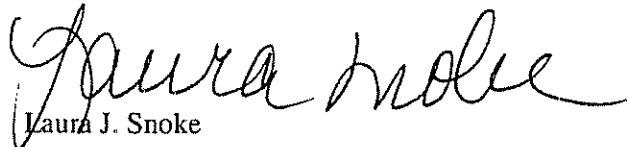
If the entire south wall is required to be replaced, the repair will greatly inconvenience the owners of the two other units below Unit 317. There is currently no water intrusion into either of these units. The Board will work with the contractor to make every attempt to avoid having the entire wall replaced.

Your Board of Directors regrets any inconvenience these repairs may cause. However, the repairs are being undertaken based upon the advice of a reputable structural engineer and in consultation with this office.

Please attend regularly scheduled meetings of the Board of Directors to obtain more information about this repair and other matters affecting your Association.

Very truly yours,

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Laura J. Snoke

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