

**Kentwood Home Guardians
Minutes of Board Meeting
July 17, 2013
Westchester Family YMCA
Fireside Room
6 p.m.**

- 1. The meeting was called to order by President Les Watt at 6:12 p.m. In attendance were Bruce Nahid, Ralph Downing, Mason Shayan, Loren Davis, Suzan Rogers and 17 community members.**
- 2. Secretary Report - Mason presented the minutes of the board meeting for June 17, 2013. Ralph made a motion for approval. Bruce seconded the motion. Motion carried.**
- 3. Treasurer's Report - Ralph presented the financial report to the board. He additionally reported one certificate of deposit was about to mature and it would be transferred to OneWest Bank. He further reported that Suzann and Frank Miller were working to finalize the year end financial reports.**
- 4. Operations Manager Report - Suzann reported a few issues she had been dealing with like community members feeding cats and graffiti. She also mentioned that the D & O insurance was up for renewal. The premium was \$1,250. Mason made a motion to renew the insurance policy and Ralph seconded the motion. Motion carried. Suzann also reported that the election package was ready to be mailed out.**
- 5. Old Business - John Ruhlen was the guest speaker and he updated the board on the most recent developments on Sepulveda Sidewalk Improvement project.**
- 6. New Business - Approval of the Election Procedures and voter verification - Bruce made a motion and Ralph seconded the motion. Motion carried.**

7. Board members comments - No comments

8. Candidates comments - Candidates for the upcoming election were Mike

Watkins, Michael Lovern, Maria Warner, Mary Putnam, and Clay Turner.

Candidates present were Mike Watkins, Michael Lovern and Mary Putnam.

Candidates introduced themselves and made brief comments about their visions

for KHG. Members submitted comments and questions to the candidates and

they replied accordingly. There was a question about Spitzer vs. KHG, and

the question was if the candidates were familiar with the case. The candidates replied that they were not familiar with the case. The other

questions were about the Architectural Committee, the survey options and

results, the DPRs and the Davis Stirling Act of California.

Meeting adjourned at 7:23 p.m.

Respectfully submitted by
Mason Shayan
Board Secretary

Kentwood Home Guardians

Minutes of Board Meetings May 8th, 2013

Fire Station Community Room 6 p.m.

Meeting called to order 6:10 pm by President Bruce Nahid, Loren Davis and Ralph Downing in attendance Mason Shayan and Les Watt absent due to personal reasons.

Treasures Report - No change only difference is the Quarterly Taxes. Fiscal year end is May 31st.

There are between 500 to 700 Open Invoices. \$124,000.00 available in the bank. Loren asked what happens if they go past the May 31. Ralph stated that the board maintains their duties. Typical Month.

Operation Managers Report - LMU Parking meeting is this evening. List of addresses to send letters for objection of the parking permits. Decals waiting to hear from 2 more printers. 6000 for \$675 for static cling. Fundraiser at the Fire Station #5 this weekend.

Committee Reports - Referendum and Ad Hoc Election tabled until after May 10, 2013.

Election Process- Resolution. Loren wanted to make a point of order. He does not feel that the recent Executive Board meeting was legal due to lack of legal notice and the improper reason to call an Executive Board meeting when a regular Board meeting had already been called to discuss Election issues. On May 3rd Les Watt quoted Article I Section 5 in an email in which he stated that the President refused to Act (regarding the elections) and used that as justification to call an Executive Board Meeting to discuss procedures for the upcoming elections. However Suzann had already sent out an email on 5/1/13 notifying The Board of a May 8th Board meeting per instruction of the President. The only people to respond to the May 1st e-mail notification were Ralph, Loren & Bruce. Les sent back an email which stated "who scheduled this meeting" and did not indicate if he was attending. Executive meeting was called by Les Watt as 1st V.P. for 5/6/13, No notice was posted prior to that meeting. An Agenda was sent via email at 6:34 pm 5/5/13, less than 24 hours prior to the Executive Board meeting. The 2 topics of the Executive meeting were: 1. To discuss and vote on actions to address the "serious issues" regarding the Architectural Committee raised in Craig Callahan's letter of February 25, 2013 to the Board and, 2. To review, discuss and vote on the recommendations of the Ad Hoc Election Committee vs the hiring of an Inspector of Elections. Loren stated that he objected in Executive Committee to the improper use of an Executive Committee Meeting to address the letter of Craig Callahan since the Callahan letter presented no imminent legal issue that the Board needed to resolve in Executive Committee, only an opinion of one Association member (not falling within the "pending legal" justification to call an Executive Board meeting). Furthermore, discussion of the Ad Hoc Election Committee report had not occurred at the Board level which made discussion of a Formation of a Contract with a 3rd party elections consultant not consistent with the Open Meeting requirement of the Board and premature to any such discussion. Loren also commented that no one had seen or read the contract from HOA Organizers that was voted on in Executive session and it passed 3 to 1 vote (Les, Mason, Ralph, voting yes and Loren voting no). Loren also commented that if we are going to vote on such a contract The Board should have opportunity to interview competing company bids and proposals due to fact that The Board would be spending almost 5 % of our net worth should it be determined that the Ad Hoc report could not be used and an outside company would be required. For these reasons Loren is bringing to the attention to the board that the executive meeting was an illegal meeting and the items discussed in it were not proper for an Executive meeting in the manner they were considered.

Bruce separated the two issues. 1. Is the Legitimacy of the Executive meeting & proper notice.

2. The Election issue. He stated "We need to move on with the Election".

He stated that the majority of the Executive Board decided to go with the Agency HOA Organizers. Per Ralph the Attorneys suggest that we use to company so we don't have any legal issues. What are the Pros and Cons of the Agency running the Election. Loren feels that Craig with 2 members of the Board, the Operations Manager and several community members went through a fairly comprehensive outline on how to handle the Election. There may be some things that we can do to improve this with a close adherence of the law. Suzann has found a number of non-partisan people that will come in and count the votes and oversee the election. Loren feels to justify going with a third party because we had not notified all 3400 residence that there was going to be an election and that they had a right to run for the board and that they should submit candidate forms. Loren feels that we have a good recipe to administer the election with our Ad Hoc Committee. The Board has never been sued due to an election. Loren has an email from Mason that says there was nothing wrong with how it was held last year, and that the focus on the election process was an attempt by a minority of members to influence the Board. But the Board found out that that wasn't the case as Craig Callahan helped the Board with this matter. The ability for the Association to run its own Election is important. Loren asked Why can't we go to the Attorneys and show them what Craig has done. He continued we will have to do this with any Company that we hire in any event. The Major concern is the cost of \$6926.00. Does the Board pay for the postage, printing, and mailing or is this included in the price? The problem that the people have with the agency is, 1. Does not know the Company. 2. What are the extra expenses? 3. How much Authority will this take away from the association? Ralph stated "If you want to challenge what the other 2 agencies are you can." The Community members asked "where are the other 2 proposals" and "why is the contract secret". Per Ralph "The contract is secret due to an Attorney Client privilege". Ad Hoc has given a recommendation and we need to review it and approve the agency contract. The Board needs to make sure there are no hidden costs and that this does not violate rights to vote. And the timing, can they get it done quickly? There was a vote by the adhoc committee 4 to 1 for the association to do the election. In an Executive board meeting they voted 3 to 1 to go with the agency.

Motion called that another Executive Board needs to be held on Monday May 13th, 2013 with a representative from HOA Organizers at the meeting. If there is not enough evidence from the Agency then the Board can move onto the Ad Hoc Committee (Election). Is there a restriction on having an "in person" voting vs. "mail in" voting? Bruce asked Suzann to work on the cost of all the mailings, printing, etc.

Referendum not talked about.

Loren wanted to talk about a personal matter about an article that was published on the front page of the Website. Option was given to Loren either to have Loren respond or the article be taken down. The article was voted to be taken down. Comments by Les and Mason have now been moved to the January 21st minutes, updates. Bruce states that Les needs to take down Loren, Mason and Les's comments.

Mary asked why community members can't see all three contracts, (regarding the elections oversight by independent 3rd parties), so community members can compare. Community members can only see the one bid. She feels that it is the board fiduciary duties to look at all three contracts.

Ellie Holms this is "Simple Simon". We already have the elections set. Take out the old procedures and follow the old procedures. She was advised that there have been changes to the procedures now that we are Davis-Stirling. Information is on Davis-Stirling.com Ballot needs to be a secret ballot but we need to know who sent the ballot in. 2 envelopes need to be used.

Maria Warner - The (last) Executive Committee meeting was not posted on the KHG website, the discussion board is still not public. The information on the website stating that Loren sent out a Mass email is false she is a member of the PDR/Westchester Yahoo group and no email was sent. She spoke to the webmaster for this group and he did a search and no email was found from Loren. No one received an email from Loren. 2 lies that are on the website.

Mary Putnam - Executive Board meeting not posted on the Website. Why do we have a website if nothing is posted properly. Why is Mason not at this meeting and wants it noted that the meeting was changed for Mason and why does Bruce as a president let this to happen and to make sure that the board does their job representatives of the members. She was told that she needed to submit her candidate information on 4/29 and why are we talking about additional candidates. It should have already been turned in. She is upset that the board is dismissing what the Ad Hoc (Election) committee came up with. Are the minutes being recorded? Yes, Suzann is recording and will be transcribing them.

Linda Avery - Thank you to the board for their time. She has lived in the community since the 1970 and does not understand why we need to spend \$7000 for this outside company to do the elections. If the ad hoc committee proposed the same thing as the agency(HOA Organizers) and we have to have the Attorney look over the contract why aren't they looking over what the Adhoc committee proposed also? Why do we have to pay the attorney for both. KHG should take a stand on the LMU Parking issue. . LMU has set aside \$24000 for the parking permits. Therefore the decals would not work.

Process is on hold with LA City for permits. Therefore the decals would not work.

Lillian Spruck - "What is the name of the company for the elections?" HOA Organizers in Lake Balboa. We did get 3 bids or at least Mason said that he had but the other 2 bids were for \$20,000 dollars. This company was the lowest. Asked Loren if he got an apology about lies that were posted about him. Loren stated no that he was happy if they just took the information off the website.

Numerous people asked if there was going to be a meeting and is it open to the public.

Concerns with the confidentiality. Two option on the table either we do this ourselves and the ad hoc committee has to approve or we go to a company and spend more money but get it done all legal.

Board needs to approve that process or modify it.

Next meeting Open Monday May 13, 2013

Meeting Adjourned at 7:40 pm

Kentwood Home Guardians

Board Meeting Minutes April 17, 2013
Fire Station 5 Community Room
8900 South Emerson Avenue
Westchester, CA 90045

1. President Bruce Nahid called the meeting to order at 6:09 p.m. The members present were President Bruce Nahid, 1st VP Les Watt, 2nd VP Loren Davis, board secretary Mason Shayan and Operations Manager Suzann Rogers. Ralph Downing was absent.
2. Secretary's Report - Mason presented the minutes of the meeting from February 20, 2013. Les made a motion and Bruce seconded the motion. Motion was passed. The minutes for March board meeting to be reviewed and approved in the next board meeting.
3. Treasurer's Report - Suzann presented the financial report to the board. There were some questions and comments and she replied to them accordingly.
4. Operations Manager Report - Suzann presented a written report about her monthly activities to the board. She also stated that there was vandalism at the old fire station on Manchester and she gave some information about street resurfacing.
5. Committee Reports -

Architectural Review Committee - Les and Vince submitted a detailed report on the activities of the Architectural committee since August of 2012.

Outreach Committee - Mason is waiting for the board and the public to give their feedback on the preferred date for the meeting and subject of discussions.

Ways & Means Committee - There was no report. Loren read an email from Bruce removing Loren from chair of Ways & Means Committee. There was some exchange between Loren and Bruce.

6. Old Business

Election Process - Mason reported to the board that the agreements were on Civil Codes like secret ballots and double envelopes and one official proxy form, but there were several disagreements based on individual opinions or interpretation of the Civil Codes, so he suggested to ask Adams Kessler to give the board an outline for the election procedures as a guide, so the board could go forward in a timely manner with the election. He further informed about the candidates deadline on April 24, 2013. If there were no issues or complications, the election could be done by end of May or early June. Loren suggested having the deadline for candidate statements as April 29, 2013. There were some comments, suggestions and questions from the public regarding the details of the election.

Mason pointed out the disagreements on format of the ballots, format of the proxy, candidate statement and election inspector and disclosure requirements. Mason informed that Adams Kessler attorneys did suggest to use an independent election inspector if there are disagreements on the election process. Mason explained that Adams Kessler provided a list of three election inspectors, and he contacted them, and he inquired about the fees. One company seemed to have a lower rate. He had the proposal to be reviewed by the board.

Bruce opened the floor for comments by the members. Members made comments. Loren explained that the board should be able to find election inspectors from the members and not to hire independent companies who cost KHG more money. There were more discussions about the point of disagreement and also the details about the format of the proxies and ballots and statements. There were more suggestions on the details from the members present.

Loren suggested an independent committee for the election procedure. Bruce questioned the independence of the committee since there were two different opinions on how KHG needed to be run. Mason responded that this idea was brought up to the board in the previous month, and the board rejected the idea. A committee could delay the election. More discussions, questions and suggestions were pursued about the ballot, proxy and candidate statements along with the voting verification and number of candidates etc. Finally, Bruce suggested a committee to discuss this further. Mason objected to having an election committee for possibility of delaying the election. Bruce suggested members for the committee.

Referendum - Bruce informed that the ad hoc committee for Referendum was planning to meet on April 29, 2013.

7. Loren made comments about a statement posted on the website. There were discussions about it.

8. Board members comments -

9. Public comments -

Vince Bertolini talked about election

Garrett Smith talked about LAWA and the new plans for expansion. The board wrote a letter of opposition against the expansion and sent it to the City Council and other elected officials.

10. Adjournment at 8:01 p.m.

Kentwood Home Guardians
Board Meeting Minutes March 13, 2013
Fire Station 5 Community Room
8900 South Emerson Avenue
Westchester, CA 90045

1. The board meeting was called to order by president Bruce Nahid at 6:09 p.m. Members present were president Bruce Nahid, 1st VP Les Watt, treasurer Ralph Downing, 2nd VP Loren Davis and secretary Mason Shayan. Operations manager Suzann rogers was present as well.

2. Board secretary, Mason Shayan presented the board with the minutes for the executive board meetings for January 21. Les made a motion to approve the minutes and Ralph seconded the motion. Motion passed with four (4) yes votes and one (1) abstained vote. Loren had some comments to be added to the minutes of the meeting. Since the board did not have time to review the comments and have an opportunity to responding to it, the attachment of the comments were tabled.

3. Treasurer Ralph Downing presented the financial report. There was a question about the charges for the sale of each property. The charges were \$75 per transaction, \$35 per document and \$40 per transfer and \$25 per returned check not replaced. Further, the cost of the survey was estimated to be approximately \$2,800. Bruce confirmed that as of the date the report presented, KHG had approximately \$130,000 in the bank accounts per the Balance Sheet with \$4,177 in Accounts Receivables.

4. Operations Manager Report - Suzann Rogers presented the board with a written report of her activities.

5. Committee Reports -

Architectural Review Committee - No Report

Outreach Committee - No Report

Ways & Means Committee - It was reported that the board met with Adams Kessler attorneys, Mr. Adrian Adams and Azy Saghian.

6. Old Business-

The legal opinion from Adams Kessler was discussed. Loren reported that the board met with Adrian Adams and Azy Saghian the attorneys from Adams Kessler. The legal opinion has recognized KHG as a Davis Stirling Act HOA. This was independent of the status of strip lots. Since KHG provided only one grant deed with no language for common area, the legal opinion was not based on the status of strip lots.

Microsoft email - It was suggested to change the email from Go Daddy to Microsoft. Suzann reported that it was done.

Web site Maintenance - It was suggested that the web site be updated more frequently.

Newsletter - It was suggested to look at other HOAs newsletter to make the newsletter more successful.

Decals - The auto decals were used by KHG and members some years ago. It was suggested to use the decals again. Suzann was authorized to research this issue further to see if there is any demand for decals among members. Also, we need to find out how much it cost to have it done.

7. New Business -

Election Process - Mason informed the board that the board contacted Adams Kessler prior to the previous annual election. Adams Kessler reviewed the election material and package for the previous election. Mason further explained that he thought election rules and procedures are more of a legal matter than public opinion. There are certain Civil Codes that needed to be followed, and the experts advice needed to be followed and not public opinion and interpretation of the Civil Codes. If we open the election process to public comments, we might risk to delay the process.

Loren explained that he thought the attorneys could provide us with the Civil Codes we needed to follow and then, the members at a committee level can address the election and to come up with election rules and procedures. He inquired about candidates statements, debates and other details of the election procedure. Mason responded that this approach could complicate and delay the election.

Ralph stated that he thought the election procedure was more of a legal matter than public opinion. Ralph continued that if the board obtain a set of recommendations from the attorneys, then, the board could go forward with the election in a more timely manner. He further stated that the board had received detail list of suggestions from members about the election, and the board needed to go forward with the election.

Loren had some inquiries about the details and logistics of the upcoming election and that the membership could give their feedback on the process.

Bruce suggested to have members to submit their comments, so the board could go forward in a timely manner.

Loren requested an election committee meeting to address the details by hearing the public. Mason disagreed since the board already had detailed letters from Craig Callahan and Vince Bertolini. Les disagreed with having an election committee, and he suggested to have the attorneys provide the board with election procedures. Ralph also disagreed. He reminded the board that the issue should be to get more members to participate in the election and not to delay the election.

Bruce suggested to have Loren and Mason come up with a list of issues and questions to be sent to the attorneys. Members were encouraged to send their comments to Loren, Mason and Suzann by March 20, 2013.

Referendum - Bruce mentioned that there had been a misrepresentation of the board by some members and one board member. He further explained that since we live in a democratic society, hearing the majority of the members should be encouraged and welcomed by all sides. He further informed the board that he would like to know what the process might be to have a referendum to hear the majority of the members on one of the directions in the survey. Bruce explained that this is an idea that could go forward according to the law and by assigning an ad hoc committee to review this idea. He invited members to participate in the committee, and the meetings will be open to all members.

8. Board member Comments -

Loren commented that the referendum could be a drastic measure, and the board needed to consider this further before moving forward. He further inquired about the number of votes needed, and he asked questions about the intentions of Bruce and the board with the referendum.

9. Public Comments -

Tommy Roys - She objected to Loren's resignation. Loren explained that he was not asked to resign. She also supported the decals for members' cars and she made comments about election procedures.

Vince Bertolini - He referred to his letter to the board about the election procedure.

Bruce Warner - He opposed disbanding KHG, and he disagreed with the board's resolution about Lot 87.

Ellie Holm - She asked what was Davis Stirling Act.
Lori - She asked to review the DPRs for election rules and process.

Craig Callahan - He made comments about the date Davis Stirling Act became law and the requirement for secret ballots and the use of proxies. He further explained about equal access, proxy holder list, voter verification and ballots. He also pointed out that the DPRs have different expiration dates and questioned the legal opinion. He emphasized the public participation in the referendum process.

Steve Hunter - He questioned the purpose of KHG and the benefits to the members. Frank Chanel - Asked why KHG and the members needed a referendum. Marie Warner - She made a comment about January 21st minutes and stated that the attacks of the board are unfounded.

Millicent - She suggested to post the newsletter on the web site.

Marie Hedlund - Survey was received late. Why members needed a survey? Why the meeting date was not included on the survey.

Tommy Roys - Asked members to sign the sign in sheet for the record.

Adjournment at 8:05 p.m.

Kentwood		Home		Guardians
Minutes	of		Board	Meetings
February		20,		2013
Fire	Station		Community	Room
6 p.m.				

President Bruce Nahid called the meeting to order at 6:06 p.m.

In attendance were Bruce Nahid, Les Watt, Ralph Downing, Mason Shayan, Loren Davis and Suzanne Rogers.

Action Items-

Secretary's Report - Mason presented the minutes from November 28, 2012. Ralph moved for approval. Les made a second. Motion carried. Mason presented the minutes from January 15, 2013. Les moved for approval, and Ralph made a second. Motion carried. Mason presented the minutes for the board meeting of two and half hours could take from six to ten hours since the board meetings are not orderly, and members present usually interrupt the meeting. Additionally, Mason reported to the board that he has spoken to a transcriber, and she has explained that the cost is \$35 per hour. She gave an estimate of 3 to 4 hours per one hour of board meeting. Mason asked the board to consider hiring a transcriber or to have more orderly meetings. Bruce suggested the board members and members to be concise in their comments. Mason then presented the minutes of the Executive Board meeting on January 21, 2013. Mason explained that he recused himself for the most of the executive board meeting, so he did not take part in the discussions and decisions. He prepared the minutes based on the recordings of the meeting. Loren explained that he did not have a chance to review the minutes, and he requested to table the approval of the executive board meeting minutes.

Treasurer's Report - Ralph presented the board with the budget and explained the components of the budget. The budget was prepared based on the actual revenue and expense items from previous year. It was suggested that the Finance Committee convenes to go over the policies for filing liens, and review the late charges and interest. Mason moved for approval of the Treasurer's report. Les made a second. Motion carried.

Reports-

Outreach	-	No	Report
Architectural	-	No	Report

Ways & Means - Loren mentioned that he had called the attorneys' office, but his calls were not returned.

Operations Manager - Suzanne submitted a written report of her daily activities to the board. She also reported that WSIA has cut the trees on the strip lots and that they have cleaned the lots. Bruce asked Mason to give an update on the Strip Lots. Mason reported that he attended one of the board meetings of WSIA. They agreed to take title to the Strip Lots to save KHG the property taxes, insurance and maintenance not to mention the liability of slip and fall. Suzanne explained that she got a notice for the clean up of the Strip Lot from a government agency. Bruce Asked Mason to check with WSIA if they would take care of the clean up. Suzanne also talked about the automobile decals. The decals were used in the past. The board suggested to Suzanne to research it further and give the board a report on this item.

Old

Business-

Office Lease and Relocation - Bruce reported that the new office lease was finally signed and the office was moved to a new office next door so KHG's neighbor could be accommodated for his expansion to a second office. Drollinger Company sent KHG a check for \$500 to cover the cost of the move.

Mailing Survey - Les reported that the board sent a survey to all members. The result was coming back along with many comments. 743 homes replied as of the board meeting day. The results are posted on the web site and would be updated as more results come in. The results as of the day of meeting was Status Quo 250; Revise 112; Disband 381. Mason asked if anyone was aware of any campaign from the community members for any option? He explained that there was a email and flyer campaign in the community for Status Quo, but he wanted to know if anyone saw any campaign for other options. The answer was negative.

Loren objected to the survey and explained that the survey was approved by the board as a concept and not to be sent out. Also, he explained the survey's content and language was not approved by the board. Mason disagreed by referring Loren to the minutes of the meeting. Bruce also explained his position. Les explained that he thought the survey was successful since there was a good participation.

Mason recused himself from this section of the board meeting.

Lot 87 - Bruce reported that the Ad Hoc Committee on Lot 87 gave the result of their inquiry in January 16, 2013 board meeting. The committee recommended their resolution which was prepared unanimously by the committee members, Bruce Nahid, Ralph Downing and Loren Davis. There was a discussion and public comments were heard. Then, the subject was discussed in the Executive Board meeting on January 21, 2013. Loren asked Bruce to take a vote on the resolution on Lot 87 in the open board meeting and not in an executive board meeting. Bruce presented the resolution suggested by the Ad Hoc Committee, and Ralph made a motion to approve and to adopt the resolution. Les made a second. The motion was passed by three "yes" and one "no" Bruce Nahid, Les Watt and Ralph Downing voted yes, and Loren Davis voted no. Mason asked the board to recognize Garrett Smith for his leadership on LAWA's new proposal. Because Garrett came to the board meeting, the board voted to oppose LAWA's new proposal to Move the North Runway 260 feet north. Mason further asked Garrett to give the board an update on the progress of the community's opposition to this new LAWA proposal.

New

Business

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Adams Kessler Legal Opinion - The attorneys confirmed that KHG is under the jurisdiction of Davis Stirling Act. Loren explained that the attorneys confirmed that the Strip Lots are one of the reasons KHG is under Davis Stirling Act. They also confirmed that the Strip Lots could be transferred for the Sepulveda Boulevard Sidewalk Improvement project as long as there would be a small area for a monument and in form of an easement. Loren continued to go over the letter of legal opinion. Bruce also explained that the original declarant or developer intended to include all tracts under KHG, however, the developer included the tracts as the tracts were developed. The developer did not include all the tracts initially since they did not want to be liable for the annual assessments for all the tracts which were not developed at the time. Mason explained that he thought being under Davis Stirling would cost KHG more funds and resources because of the disclosures requirements and more regulations. He also explained that the reason Adams Kessler mentioned for KHG being a Davis Stirling Act was the DPRs. The Strip Lots could be additional reason, however, the attorneys explained that they did not use the Strip Lots in their legal opinion because there was no language in the Grant Deed to qualify them as common area. Loren mentioned that his intention of pointing out the Strip Lots was the fact that we may need to have a monument. Bruce mentioned that the previous board and this board had approved the transfer of the title of the Strip Lots since the lots have been a financial burden for KHG for the property taxes, insurance and maintenance in addition to the liability that they create for KHG.

Bruce talked about the referendum on the future of KHG. Loren objected. Bruce explained that he is not asking for a vote, but he is suggesting to have a committee to go over the concept of the referendum and to come up with a recommendation to the board.

Loren explained to change the email from Go Daddy to Microsoft Outlook. He then proposed to have a committee to work on the web site. He further explained that the blog needed to be open to all members. Loren suggested that each board member to have responsibility to monitor the discussion board for about two months. Loren then talked about posting the minutes of the board meetings on the web site. He then explained his views on the newsletter.

Suzanne asked the board about the date of the annual election and reservation with Westchester Town House.

Public Comments -

Vince Bertolini - Inaudible - Ron Stauber letter explained that the board members have obligation based on the DPRs. The board members have to conduct the business of the association with care and responsibility. Vince also talked about the survey, and he thought that the survey's language was not clear, and that is why the result was what it was. It was his opinion that the survey's language was slanted, and that the board should

not take any action based on the survey. Bruce explained that the survey was a non-binding.

Craig Callahan - Inaudible - He thought that for establishing an ad hoc committee for a referendum might be a good idea, but we were ready for that yet. He also mentioned that for the election, the board needed a sub-committee. Mason mentioned that the board had Adams Kessler review the election process for the previous election.

Female attendee - Inaudible - The board needed to look at other HOAs and see how they do their minutes, newsletters and web sites.

Lori E. - She had a question about the election and the election procedures in the DPRs. She also asked about the Strip Lots and why KHG has jurisdiction on them? Bruce explained that KHG owns the lots, and KHG is trying to get rid of them because the lots are nothing but extra cost and liability for KHG,

George F. - He disagreed with KHG on the resolution with Lot 87.
Maria Warner - Asked the minutes and the meeting announcements to be posted on the web site.

Bruce Warner - Survey was a waste of time and money. Lot 87 is residential.
Female attendee - Inaudible -
Marie Hedlund - Late mailing of the survey. She informed the board that the survey was sent out late and the deadline for the survey was very short.
Brett Thompson - We need to have a strong HOA and not to disband it. He opposed the board's resolution on Lot 87.
Steve Hunter - He thought that the time for KHG was passed.
Karen - 28 years resident. Never heard about disbandment.
Tommy Roys - She inquired about the voting procedure. She also told the board that the board cannot make Loren resign because he was voted to the board by the members.
Ellie Holm - What is Davis Stirling Act? Could someone give a short explanation?

Adjournment at 8:27 p.m.

Submitted by

Mason Shayan

Board

Secretary

Kentwood Home Guardians

Executive Board Meeting

January 21, 2013

KHG Office

5:45 p.m.

President Bruce Nahid called the meeting to order at 5:45 p.m.

In attendance were President Bruce Nahid, Les Watt, Ralph Downing, Mason Shayan, Loren Davis and Suzanne Rogers.

Item 1-

Lot 87- Mason recused himself from the discussions and decisions on this matter. Mason left the room.

Bruce started by saying that in the general board meeting, the issue was discussed and the members of public made their comments. The board also shared with the public the resolution that the ad hoc committee on Lot 87 was proposed. Bruce explained that since there were threats of legal action against KHG, the board decided to table the item. Ralph explained that only the vote was tabled. Bruce mentioned that Loren suggested at the general board meeting to table the vote, and he asked Loren to explain his concerns.

Loren thought that it was important to hear the members on this issue. And since the members of the ad hoc committee are not attorneys, and since the members cautioned the committee members, he had some concerns. Loren added that the members gave significant feedback. He explained that he visited an attorney on this issue, and his attorney's advice was to hire a land use attorney. The concern might be that Mason could hire an attorney and come after KHG. And the opposing members were also in a position to challenge KHG legally, therefore, the board was in a difficult position. Since the board was on notice from both sides, then it was necessary to go to an attorney, because the insurance company might not cover us. Loren explained that he believed that the committee did not cover all the documents. He also added that hiring a land use attorney could be very costly for KHG. Therefore, he suggested that the board would avoid making any position on this issue. The board should wait until the board was legally challenged. He thought that it was not necessary for the board to make a position on this, and if it was necessary, then, the board could go to a land use attorney and spend \$15,000 on it, but he did not think the board would gain anything at this time by making a position. He further explained that the opposing members and owners of Lot 87 could sort their issue out on their own without KHG involvement.

Bruce asked Ralph if he had any comments. Ralph explained that he agreed with Loren that KHG did not have any rights or authority to get involved in a private land dispute. He mentioned that he lived far from the property and his neighbors and he did not have any interest in getting involved in this, and that those few individuals who had claims did not have any legal standing (Suzanne interjected that there are 30 other homeowners interested in this) Ralph mentioned that he had not seen that many homeowners. He said that the board fiduciary duty is to listen to everyone and act even handedly and fairly, and he also added that the committee members had some expertise in these issues as Loren was a property owner and manager, Bruce was property owner and manager and Ralph was in commercial lending

dealing with subdivisions, so committee members have some understanding of these issue, and that the committee has acted responsibly and in good faith, and he did not think any opposing members would sue the board. The opposing parties tried to drag KHG into this. However, property owners have vested interest in this, and the board could face legal challenge from property owners. Also, the bottom line issue is a fence that is 42 inches high instead of 36 inches high. Assuming that the board had jurisdiction on the property, the board could write a letter requesting the fence to be lowered. The owners could refuse, and if we would go to the City, the City would not enforce our DPRs. And if we would decide to enforce the DPRs by suing the owners, they could come back and say there are 200 other fence and hedge violations in Kentwood. The owners could claim that they are being singled out, and that could be the liability for the board and KHG. Ralph expressed that he was O.K. with the resolution. And he further explained that the board should clearly state that KHG did not have any jurisdiction on this, and he opposed spending any money on this issue. He also explained that he was not interested in dragging this issue more, and he did not want to dedicate more of his time discussing this issue. This resolution would not treat anyone favorably, and the opposing parties and the property owners would not be happy with this resolution anyway.

Loren responded that the board did not have to make a decision on this and the board should take a position that this was not an issue the board wanted to deal with at this time. Ralph replied that the resolution was saying the same thing that KHG did not have jurisdiction, and that KHG would stay out of this conflict. This resolution would not take any right away from anyone and it would not give additional rights to anyone. All parties rights would be preserved by this resolution, only KHG would be out of this conflict. Bruce asked if Ralph supported the resolution. Bruce asked Les for his input. Les expressed his support for the resolution for the same reasons Ralph mentioned. He further explained that he was surprised by Loren indicating that a land use attorney opinion might be needed, and Les heard from Ralph that the cost could be about \$50,000. he mentioned that the amount of money that needed for a legal opinion would be very significant, and he is surprised that Loren had issue with spending \$3,000 on a survey for the board to hear the community input about KHG. Les mentioned that Loren's approach was not consistent. Loren explained that his position is to back away from a decision and not to spend money on any attorney but to wait until KHG got sued, then the board could act accordingly.

Bruce started to give his input on the issue. He thought acting based on fear of liability was not appropriate. Bruce explained that a group of members came to KHG and asked the board to act and to have owners of remove their 42 inch high fence, some said reduce the fence to 36 inches high or other requests. All the focus and idea was about the fence and nothing else. Those individuals came to the meetings and attacked the board by misinformation and any other reasonable or unreasonable means. The board gave them a fair chance. We told them that in order to comply with your request, the board needed to review the documents and to hear them present their case. That is why Loren suggested to have an Ad Hoc Committee to review the case. The committee went through couple of months of interviews and meetings. Bruce explained that as Ralph mentioned, the ad hoc committee members had expertise in these issue while not attorneys. The committee came up with the resolution unanimously. And in the essence, the resolution's language had the same position as Loren's. All it is saying is that KHG did not have anything to do with this issue. In the first part, the resolution asked the opposing members to take their fight somewhere else. In the second part, the committee declared that KHG could not enforce the restrictions, and if we did, it could create real liability for KHG. Bruce explained that liability could come from some real damage or violation of rights. The position would not harm anyone or would take any rights from anyone. He asked Loren about the officers and directors liability insurance. He explained that the insurance is about monetary damages. And he asked Loren what kind of damage could be created by the resolution that warrant the insurance to cover the board? Loren asked Bruce to stop. Bruce mentioned that Loren had the chance to express his opinion and his input, and other members needed to express their input. Loren said that he was trying to caution the board and that the board could not vote on this based on Davis Stirling. Bruce explained that the board could make

decisions in an executive board meeting. Ralph made a motion to adopt the resolution that was prepared by the ad hoc committee. Les seconded the motion. Motion was passed by three yes votes and one no vote. Ralph asked Loren how he would vote on something that he helped prepare and agreed to? Loren expressed that Les should not vote on this issue. Bruce mentioned that Loren was opening another issue. Bruce announced the vote as follows:

Yes Votes to adopt the resolution by ad hoc committee Bruce Nahid, Ralph Downing and Les Watt

No Vote Loren Davis

Bruce asked Loren to speak about the agenda in the New Business section. Loren refused to discuss it, and he asked to discuss the items in the next board meeting.

Bruce concluded this section of the meeting and asked Mason to come back to the office.

Mason explained that what he wanted to speak about was within the scope of the Executive Board meeting. He explained that he wanted to talk about personal issues and performance issues of the board members and specifically Loren. Loren interrupted Mason that he did not want to hear Mason. Loren asked Mason if he had any motions, he could make it, but he did not want to hear what Mason had to say. Les mentioned that he had a motion to make to remove Loren as the chair of Ways and Means Committee and as second VP due to Loren's approach to the board meetings to the board members. Les explained that Loren had delayed number of board decisions even when the decisions were pretty clear. Loren interrupted Les by asking him to state his motion. Bruce asked Mason if the motion could be voted on. Mason explained that he thought the board needed to communicate these interpersonal and personal issues in an executive board meeting with the hope that we could set some kind of standard or policy on how the board members interact. If this would turn into personal conflicts, it would be to the detriment of the whole board and KHG. If the board members decide to oppose each other on every issue just for the sake of opposing each other or for campaign posturing, this organization could not be taken seriously by the general membership, and Loren's record was opposition on almost every issue. Loren asked Mason if voting by email on budget items and appropriation issues appropriate? Mason replied that while Loren was suggesting that the board was conducting itself inappropriately, he reminded and informed Loren that the previous boards and board members who he had sided with in the past, had managed to place hundreds and hundreds of liens on members' properties, they charged questionable interest fees, late charges, penalties and lien release fees. They conducted the meeting away from the public, and they might not have followed any legal disclosure requirements for the general members. Greg Goldfarb was the previous board secretary, and Mason asked him after the election what was his duties as the board secretary, and he replied that he did not do anything, and basically approved whatever was placed in front of him. Bruce mentioned that he was part of that board and he experienced it first hand. If the board members wanted to hurt KHG, they would adopt a policy of returning the money that was collected inappropriately from members (Per previous board secretary, Greg Goldfarb) KHG would have been brought to the ground. This board had brought credibility for KHG among the community members, and Mason expressed that he is willing to take issue with anyone who claims otherwise. Loren replied that he thought Mason lives in his own world, and Loren's experience was very different based on his conversation with members. Mason replied that Loren had spoken to a very small sample of the community members. Bruce also mentioned that Loren had talked to those individuals who are against the board, and mostly those who were against Mason were also against the other board members. Bruce continued that Loren probably had not spoken to those who supported this new board and he also had not spoken to many who are indifferent about KHG and the board. Bruce also asked the board members and Loren to work together in a positive manner. He reminded Loren that when he came to the public forum, he spoke about a positive approach and conciliatory approach, but so far, it had been making the process more difficult and longer.

Les also explained that Loren was elected to the board with proxies that members gave to the board members, and it was based on his positive approach and the problem solving approach, however, since then, Loren had been on the opposing side on many issues with the board from the newsletter to survey to agenda format and minutes. Les explained that his differences with Loren were not personal, and he invited Loren to take part in board's positive activities. Mason also added that there had been disagreements among the board in the past and before Loren joined the board, but there had never been so much resistance and emotions among the board members. When majority decided on an issue we all moved forward.

Bruce moved to table the motion for the time being.

The meeting was adjourned by President Bruce Nahid at 6:30 p.m.

Submitted by

Les Watt

1st VP

Kentwood Home Guardians

**Kentwood Home Guardians
Minutes of Board Meetings
January 16, 2013
Westchester Family YMCA
Fireside Room 6 p.m.**

President Bruce Nahid called the meeting to order at 6:09 p.m.

In attendance were Bruce Nahid, Les Watt, Ralph Downing, Mason Shayan, Loren Davis and Suzanne Rogers.

Action Items-

Secretary's Report - Mason presented the minutes from October 2012. Les moved for approval. Ralph made a second. Four yes votes and one no vote were casted. Loren Davis voted no. Mason presented the minutes from November 2012. Loren expressed that he has not gotten a chance to read the minutes, so he was not able to vote on it. Mason agreed to table November 2012 minutes because the public comments were not included yet.

Additionally, Mason informed the board that preparing minutes of 2.5 hours of meeting where several individuals make comments or speak over each other is not an easy task. He suggested a transcriber to prepare the minutes.

Treasurer's Report - Ralph presented the board with the financial reports. He requested to approval to move \$17,000 CD from First California Bank to One West Bank interest bearing money market account. He also asked \$94,000 CD in the One West Bank to be renewed and rolled over for one more year. Ralph recommendation was for approval of the above items. There were questions from the public for clarification on the above items. Ralph made a motion to move the \$17,000 CD to money market account in One West Bank, and also to renew \$94,000 CD in One West bank to be renewed for one more year. Les seconded the motion. Motion was carried unanimously.

It was suggested that the Finance Committee to come up with guidelines for interest charges, penalties and late charges imposed on the delinquent members.

Office Relocation - The Landlord had requested KHG to move the office to accommodate one of the neighbors expansions. Bruce informed the board that the move was finalized. KHG will get a credit for \$500 for the move, and the new rent was negotiated to be \$440 per month.

Reports-

Outreach - The Public Forum for December did not happen due to holidays. Mason asked the members to give their feedback on the possible dates. Suzanne to email Mason with her input.

Architectural - No Report

Ways & means - Loren reported that the board met with the attorneys at Adams Kessler, and that their legal opinion would be ready in next few weeks.

Operations Manager - She reported that she had only six returned checks for (NSF) and that approximately \$31,000 was deposited to the account. The second notice to be sent out. The third notice would include late charge and penalties. There were members present who did share information about a rat infestation On Alvestone and 81st street. Suzanne reported that she had been working with the CIty on this issue. The reason for the infestation might be some neighbors feeding the rats. Suzanne to follow up and report to the board.

Suzanne also suggested that some HOA's organize community clean up through the newsletter, and there also might be advertisements in the newsletter to cover the cost of print and distribution.

Old Business-

Office Relocation was already covered.

Survey - Les thanked Craig Callahan for his help on preparing the survey. Les mentioned that the survey took a long time to be prepared, and it was ready since January 2, but there was a problem with the Postal Service, and Suzanne had been working on it. Les further explained that the survey was none binding and included three options for the future of KHG. The options were Status Quo, Revise or Update and Disbandment. Pros and Cons were included with each option. Craig Callahan mentioned that the survey was a tool to get the members to share their views on KHG. Les added that the survey would hopefully give the board some input on KHG. Further, Les informed that working with Craig was great approach since Craig was opposing with some board's position in the past, and he thought the pros and cons for each option were well balanced. Craig also made a comment that his input was included without editing. Loren stated that the survey was approved by the board and that he respected that, however, he thought the cost would not justify the survey. He further explained that the board was not sure if KHG was under Davis Stirling Act or not. And that the attorneys explained that changing DPRs would be a difficult task. He claimed that the survey was done by two people, and the board did not get a chance to participate in the process. Les made a comment that not only the board members but the general membership were invited to participate in the

process. Loren mentioned that the survey was done in good faith, but the process could have been more open. Bruce added that the survey was not binding and if the survey was a binding vote, then the process could have been different. Loren wanted to be on the record with his comments and his objection. Mason made a comment that the survey was approved in the open board meeting to be sent out to the whole membership. Also, the board members and general membership were offered the opportunity to participate. If any board members or general members did not participate in the process, that would not make the board approval and the process to prepare the survey closed to public or limited to few individuals.

Mason asked President Bruce Nahid to be recused and leave the room before the board start deliberating on the next agenda item. Bruce asked Mason to stay in the room. Bruce added that Mason recusing himself only from the vote, but he could stay in the room.

Ad Hoc Committee on Lot 87-

Bruce reported that on October 24, 2012, board meeting, an ad hoc committee was established based on Loren's suggestion, and based on some requests from the members about the enforcement of certain conditions and restrictions on Lot 87. The ad hoc committee had three members of Bruce Nahid, Loren Davis and Ralph Downing to go over the recorded documents to determine if KHG has authority and the position of KHG about Lot 87. In addition, the committee was set to come up with a proposal or resolution for the board to approve about Lot 87. There were several meetings with neighbors of Lot 87 and those individuals who were knowledgeable about issue relating to this property. In addition, the committee met with Mason, the owner of Lot 87. Once the committee gathered all the documents from various parties, the committee met to review the documents. The committee was prepared to provide the board with a report and a resolution on this matter.

Bruce added

1. Lot 87 is part of tract 43416. UCLA as the owner and developer of 43416 declared to adopt the KHG DRPs for neighboring tract on tract 43416. And this was called Kentwood Declaration. Based on this document, all residential lots in tract 43416 are under jurisdiction of Kentwood Home Guardians.

2. Regarding the issues of ownership, land use, slope easement, grading and vegetations are many recorded and none recorded documents with many parties involved including UCAL, MTP, Playa Vista, City of Los Angeles Planning Department, Building and Safety, City Attorneys office, previous owners of Lot 87 and the current owners of Lot 87 and some attorneys. Based on the recorded documents, there were certain restrictions imposed. The committee came to the conclusion that KHG did not have authority to uphold or to enforce the conditions. The committee believed that any enforcement authority would be with other entities than KHG such as Playa Vista or the City. Lot 87 and Lot 88 were identified at the final tract map as none residential lots. One is called view lot and the other one is called open space. Since these lots were not residential lots, and since KHG could only exert authority over single family resident lot, therefore, the committee decided that the restrictions and the privileges of KHG DPR would not apply to Lot 87 and Lot 88 since these lots are not identified as residential lots. Bruce continued that the committee would recommend the following resolution:

Kentwood Home Guardians
Resolution by the Board of Directors
On the Lot 87 Issues
Dated January 16, 2012

On the matter of Lot 87, the Board of Directors of Kentwood Home Guardians, upon review of the existing records and documents, resolves that:

1. KHG does not have the legally granted authority to attempt to enforce specific issues relating to ownership and/or land use over Lot 87 since it is not a residential lot. The public and /or any KHG members who seek enforcement of any legally imposed restrictions potentially enforceable against Lot 87 might pursue actions using the appropriate channels but KHG cannot be a party to such actions or independently assert such position or claims.
2. KHG must treat Lots 87 (and 88) as non-residential lot(s) different from the normal residential lots governed by KHG. Furthermore, specific KHG Architectural restrictions relating to fence height and its location as set forth in the DPR cannot be enforced by KHG since the subject lot(s) is (are) not designated for residential (single family) use.

There was a question from general membership if this position was reached unanimously by all three members of the committee? Bruce replied that the position was reached unanimously by all three members of the ad hoc committee. Loren added that Lot 87 and Lot 88 were not designated as residential lots. Loren added that the DPRs are specific on the fact that all lots under KHG jurisdiction were residential single family lots. Loren added that the committee and the board was not willing to spend resources of KHG to pursue this further, however, based on his review of the documents, the members had standing to pursue this independently from KHG. Bruce suggested to open the floor to public comments. He added that KHG and the board were limited DPR, and based on the DPR, the conditions and privileges were imposed on residential lots.

Notice - Kentwood Home Guardians and the board of directors are not responsible and / or liable for comments made during the public comment period by KHG members. All the responsibility and liability is fully accepted by individuals making the comments during the open board meeting and the Public Comment Section of the board meeting.

George Festa - He thanked the committee members to go over the documents since it was a massive job. He explained to the interpretation of the committee members from the language in DPR was not correct. He further explained that if the lot is not a residential, then, it did not mean the board could not enforce the restrictions in the DPR. Loren replied that in the Article III, under use of property, the language is very specific. George Festa replied that no where in the DPR stated that KHG could not apply the restrictions in the DPRs on the property. Loren added that the Final Tract Map was reviewed by the committee and the property non-residential designation was established first and then the DPR was adopted. George Festa repeated that the documents from 1950s (DPRs) did apply. Ralph explained that the interpretation of the committee was the same as for Lot 88 or any other lot designated for non-residential use like a supermarket or a church. He added that Lot 87 did not pay assessments since it was established. He further explained that KHG is a maintenance HOA, and the DPR or other documents did not provide any jurisdiction for KHG as for Lot 88 and other non-residential lots.

Vince Bertollini - He mentioned that Lot 87 was always under KHG. Lot 88 was for maintaining the slope, but Lot 87 was a view lot for the homeowners. He continued by saying that the level of anger was unfortunate, and he felt that there had to be a middle ground for the community and the owners of Lot 87. He explained that illegal fences are part of DPRs and Architectural Committee's responsibilities. The committee could not say that since the property is not a residential lot. He also mentioned that he had a right that say that the fence should not exist, and he had a right to say the fences should comply with DPRs. He continued that there should be a better way. He suggested that there could be another committee, so the committee members could sit down with the property owners and see if there could be a partial view lot, so the

property owners could get one piece and we could get one piece. Vince asked Mason that before during a negotiation with Adelle Wexler, there was a plan for the property owners to keep part of the property and the rest will be given up? Mason mentioned that was offered by the owners, but the offer was not accepted. Vince explained there might be a solution to this, and the committee and the board needed to play a leadership role to bring this to a resolution by sitting down and try to resolve it.

Loren asked that initially when the members came to the board for enforcement, the board welcomed them and asked them to show the board where they had authority for enforcement. Loren explained that the committee and the board did not refute the fact that both sides can sit down to resolve the issue. However, there was no evidence to give KHG authority to interfere. Ralph added that KHG did not have any ownership interest in the property. He explained that the main conditions and restrictions were in the CC&Rs, and that the KHG DPRs is a light weight document in comparison to the land use issues. He continued that if there was a single family residence in the lot, then, the DPRs would apply. He then added that as other open lots, churches, schools and markets, they did not pay assessment and were not under the DPRs. The DPRs were for maintenance of single family residence and not for non residential properties. He also mentioned that most of the enforcement with DPRs were referred to the City, and the committee was not taking anything away from any party in this.

Greg Goldfarb - He mentioned that when the board changed hand, and when Mason came to the board, and when there was a wholesale change of the board, he was concerned. He supported the clarification for the questionable liens and late charges, and he supported better organization and better communication. However, he was very concerned that something else might emerge. He thought it did not look good with Mason being on the board, and he believed the board that there was an independent effort, but I do not know if any of you are attorneys. It was mentioned that Loren Davis was an attorney. He continued by saying that the committee looked at this issue as lay people. He then asked the committee if this was reviewed by the attorneys for the board? Committee members replied that it was not. He asked what the reason was for not having the board attorneys to look at it? He continued that if there was a reason that three lay people (setting aside one attorney on the committee) He further explained that the committee members are acting as a judge looking at a large pile of rules and regulation and maps trying to determine KHG's jurisdiction. He continued that it did not make any sense even for three people with good intentions. He was concerned with the major shift in the board's application of its authority. Bruce wanted to make a clarification. He explained that Mason was elected to the board two years ago. Since then there was nothing to discuss. This committee was established by pressures from the neighbors to force the fence to be lowered from 42 inches to 36 inches. Bruce explained that the committee and the board cannot engage the resources of KHG as a community organization to go into a feud and legal battle over a fence height of 42 inches rather than 36 inches. He explained that the committee is trying to avoid costly legal expenses for KHG. He also explained that the City Attorney Office has also mentioned that they not only did not have enforcement power, but they did not want to get involved in this. It was not reasonable expectation to ask KHG with limited resources to get involved in something that they did not have any authority and jurisdiction. Greg Goldfarb replied that he did not wanted the resources of KHG to be used in this either, but he thought that Board attorneys should make that determination. Bruce explained that having attorneys review the documents would cost KHG legal fees that are not available. Greg Goldfarb talked about the recent survey and asked if the board considered putting Lot 87 on the survey to see if the community members care about this

issue, because he thought the community cared about this issue. Bruce explained to Greg that as an attorney he should be well aware that the board could not go based on public opinion but based on the legal standing and the law. Greg repeated that the determination for that conclusion has to be done by an attorney. Inaudible - number of people speaking at the same time-

Female attendee - What did it take to take this issue to an attorney? Ralph explained that getting an opinion letter on KHG and the governing laws relating to HOA was very expensive. He explained that it would not be expensive to ask a legal opinion from an attorney on this. Bruce mentioned that the committee members and the board members are not here to get into argument with the public. The board needed to hear the public comments, so the board members could take the comments into consideration when they vote.

In audible people speaking at the same time. Vince asked the board to delay the decision. He told the board that if they adopted the resolution, they would open themselves to criticism and legal liability.

Jilla Shayan - She explained that per Ron Stauber who was previous board attorney, KHG did not have any jurisdiction on Lot 87 and that was why a committee of private citizens were established to take on the task of taking issue with us as owners of Lot 87. And that was why Mason got involved with KHG since there was no conflict of interest. She also asked Greg Goldfarb if he had read the City Attorney memo? In the City Attorney's memo, there is a part that said there is no HOA and no assessment for Lot 87. In addition, few years ago when we sat down with Adelle Wexler, Ron Stauber and our attorney, Mason offered 60% of Lot 87 to KHG, the City or whoever wanted to take title to keep it open to the public. They told us that it was very generous offer, but they never came through. Could you ask them why? The reason they did not accept it, because they did not want the liability. When the property was purchased Bret Thompson - He explained that the board needed to get a legal opinion or they could create liability for themselves.

Loren - He suggested that the board take the package that was prepared and to take it to an attorney to get a bid for a legal opinion on this issue. He mentioned that the attorney he knew could charge \$3000 to \$4000. Jilla Shayan asked if the board would ask 3400 members for authorization to spend money on this issue? Bruce explained that those members who might want to challenge KHG legally would be better off directly go after the City, Playa Vista, UCLA and property owners and not a community organization they were part of. What members would get even if KHG had any authority would have been a fence with 36 inches height instead of 42 inches height. Inaudible - People speaking at the same time. Ralph explained that if there was a legal liability, there was an insurance coverage for that. In addition, all attendees accepted that the committee had acted with integrity and independently. In audible — loud shouts — people speaking at the same time. Bruce, Greg Goldfarb and others talking at the same time. Loren asked to delay the vote to adopt the resolution until next board meeting so he could get a cost from a land use attorney. Bruce explained that an attorney could not give a simple opinion, and he or she needed to go back to 1980s documents to cover everything which would be very expensive. He further explained that the only issue being address here is the fence height of 42 inches or 36 inches. Mason asked to speak, and he mentioned that the initial attorney cost to review the documents and to come up with a legal opinion cost \$20,000. There were shouts. Bret Thompson shouted that Mason has to resign until this issue is resolved because he just threatened the board with a lawsuit. Bruce mentioned that the issue is going to be addressed in an executive board meeting since the members had been given ample time and opportunity to express their views. Inaudible - People speaking at the same time - Loren mentioned that he

thought it was appropriate to take the further discussion on this issue into an executive board meeting since there are legal issues involved. Bruce asked Mason to come back to the board table to take a seat.

New Business- Les objected to the new items on the agenda, because the board members did not receive the agenda with the new items. Les mentioned that he was not prepared to take part in the discussions. Mason also mentioned that some of the items needed to be discussed at the committee level before being brought up to the board meeting. Bruce asked for the board to make time for Garrett Smith.

Garrett explained that LAWA was trying to move the North Runway 260 feet north into the community. He further explained that this move not only was an expansion into the community, but it would endanger Drollinger Company who had been a great community asset for many community organizations. He also explained that there are number of community organizations who took an official position against LAWA's expansion into the community. He asked the board to support the community efforts to push back this intrusive proposal. Craig Callahan was asked to give his input on this. Craig thought writing a letter could be fine and it would not create liability based on the case law since there was no funds would be used for the effort. Mason asked Craig if there was an issue of KHG acting outside of its jurisdiction? He further explained that Westchester Vitalization Corporation already voted against Alternative 1 and in support of Alternative 2 and 9, and he expressed that he was interested in taking position against the LAWA expansion, however, the board could not create liability for KHG by acting outside of its jurisdiction. Once the issue was addressed, Mason made a motion for the board to write a letter opposing Alternative 1 and moving the North Runway 260 feet north and to support Alternative 2 and 9. Loren asked for the items on the New Business to be included in next month agenda. Mason made a motion to oppose Alternative 1 and moving North Runway 260 feet north and to support Alternative 2 and 9. Loren seconded the motion. The motion passed unanimously.

Public comments from Mike Davis - The web site needed updating. Committees pages did not have any information. He also had a comment about an item in the survey that the garages needed to be 20 feet away from the front property line and not 60 feet. Also, there were news from April and March in the web site that there were old. The legal council is not listed in the web site. He also had a suggestion to include the agenda in the web site. People speaking at the same time — inaudible. He thought the web site could be used more effectively. The board appreciated the positive input. Loren seconded. Motion carried unanimously.

The meeting was adjourned by President Bruce Nahid at 8:27 p.m.

Submitted by
Mason Shayan
Board Secretary
Kentwood Home Guardians
