

Villa Caballeros Homeowners Association   Board Meeting   Minutes					
<b>Date</b>	July 22, 2024	Zoom Virtual Meeting			
<b>Attendance</b>	Board Members	<b>Board Member</b>	<b>Position</b>	<b>Status</b>	
		Brian Earp	President	Present	
		Michael DeLauzon	Vice President	Present	
		Mark Davis	Treasurer	Present	
		Rodger VanHyfte	Secretary	Present	
		Michael Fitzgerald	Director at Large	Present	
	Homeowners	<b>Homeowner(s)</b>	<b>Unit</b>	<b>Homeowner(s)</b>	<b>Unit</b>
		Bernal	319	Jones	204
		Killion	112	Mitrovich	214
		Ravenstahl	118	Steinbock	111
		Wilner	210	Dentinger	321
<b>Recorder</b>	Management				
<b>I.</b>	Call Meeting to Order	Meeting called to order at 10:03 AM			
<b>II.</b>	Approval of Minutes	Board of Director Meeting Minutes May 20, 2024 Motion to approve: Davis Motion seconded by: DeLauzon All ayes			
<b>III.</b>	Treasurer's Report	Mid-year financial summary (presentation) provided <ul style="list-style-type: none"> <li>Spending on track with some overspend related to tax payment from interest earned on longer-term CDs.</li> <li>Reserve Study for 2025 underway with SCT Reserves</li> <li>Action Item: Mark Davis: Follow up with Mike Graves at SCT to get reported completed in time for budget planning and Sept 30, 2024, Board meeting</li> <li>\$19,000 borrowed from reserves in 2023 to cover cost over-run related to unplanned earthquake insurance policy increase. Allocation is being paid back over 2024</li> </ul>			
<b>IV.</b>	Committees Updates	<b>Architectural &amp; Landscape</b> <ul style="list-style-type: none"> <li>A&amp;L committee to come back with a proposal for the burnt-out IVY in areas where summer sun overwhelms the plant</li> <li>A&amp;L committee to come back to board on proposals for boxes where annuals are planted (how to repair the boxes and a plan for either annual or permanent planning and cost)</li> </ul> <b>Finance Committee:</b>			

		<ul style="list-style-type: none"> <li>No further news to report</li> </ul> <p><b>Communication Committee</b></p> <ul style="list-style-type: none"> <li>Next generation website discussed. Cindy and Mark Davis offered up some functionality that CAFS will offer as a service.</li> <li>DeLauzon and Earp have been investigating options. CAFS offers are minimum and do not encompass the breadth of need we find in our requirements gathering. Additionally, what functional solutions might be provided will need to be managed through yet another third-party relationship which is slow and not what we need for the future.</li> <li>Mike DeLauzon to come back with formal proposal for Sept 30, 2025, board meeting.</li> </ul> <p><b>Earthquake (Earp   DeLauzon) and Balcony Compliance (Earp   Fitzgerald) committees:</b></p> <ul style="list-style-type: none"> <li>With the earthquake voting outcome and the balcony committee report presented today (July 22, 2024); <u>Brian Earp moves</u> that we eliminate both committees and move the need for further action on these subjects to the Architecture committee in the future. Move seconded by Fitzgerald. All ayes responded on final vote.</li> </ul>
V	New Business	<p>a) <u>SB 326 Balcony Compliance Status &amp; Next Steps (Presentation).</u> Earp presented status of VCHOA compliance to SB 326 and proposed active next steps.</p> <ul style="list-style-type: none"> <li>Is VCHOA in compliance with SB326? All requirements have been met such that VCHOA complies with the law (see page 3 of presentation).</li> <li>Does the board agree to update the CC&amp;Rs and Architectural Review documentation to provide greater clarity on homeowner obligations and maintenance ownership of balconies: Fitzgerald made a motion; DeLauzon seconded the motion. All ayes.</li> <li>Does the board agree the HOA has the responsibility to remediate outstanding risks of water intrusion/or structural integrity found on further inspections or by self-reporting of homeowners? Motion to approve by Davis; seconded by Fitzgerald. All ayes.</li> <li>Slide Deck Presented is attached in Appendix</li> </ul> <p>b) <u>Earthquake Insurance Vote Outcome</u></p> <ul style="list-style-type: none"> <li>Discussed the homeowner vote 27 FOR; 13 OPPOSED to continuing Earthquake Insurance Policy for the community.</li> </ul>



		<ul style="list-style-type: none"> <li>o Discussed the homeowner vote 27 FOR; 13 OPPOSED to capping earthquake insurance premium at a maximum of \$60,000 per year.</li> <li>c) <u>Motus Loss Assessment Insurance Offering</u>: Davis to circulate communication of latest proposal from Motus for loss-assessment insurance considering our vote to continue with our current EQ policy. Davis to provide a proposal to Communications committee to share with homeowners for interest. Deadline for new plan is September 1, 2024, to be active October 1, 2024.</li> <li>d) <u>Tennis Court &amp; Garage Leak Update</u>: Earp presented previous options from Mark Goss Construction. At meeting between board members and Mr. Goss, Mr. Goss agreed to come back to us with a more reasonable estimate to address the items of highest priority. Mr. Goss informed Earp the week of July 15 that he would have something in the form of an updated estimate before our September 2024 board meeting.</li> <li>e) <u>Elevated Walkway Repair</u>: Board voted to: <ul style="list-style-type: none"> <li>o Accept repair estimate from Cooper Coatings of \$69,850 to complete the work before the end of 2024.</li> <li>o Accept spending up to \$5,000 to repair exposed/damaged plywood where needed</li> <li>o Motion to approve: Earp</li> <li>o Seconded by: VanHyfte</li> <li>o All Ayes</li> <li>o Action Item: Earp to notify Cooper Coatings to estimate dates and determine time frame/necessary communications with residents.</li> </ul> </li> <li>f) <u>Roof Leak – Building 1 above 120</u> <ul style="list-style-type: none"> <li>• Anderson reports that the stucco/roof have been repaired and the roof no longer leaks.</li> </ul> </li> <li>g) Maintenance Schedule Update: ongoing and to be calendarized by Earp</li> </ul>
VI.	Correspondence	None
VII.	Homeowner forum	General questions and answers
VIII.	Meeting Adjourned	11:32 AM
IX.	Next Meeting	September 30, 2024, at 10:00 AM

Appendix | SB326 Update Slides

## VCHOA | SB 326 | Update

Elevated Structure Compliance, Risks & Next Steps  
July 20, 2024

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### Documents Available for Analysis & Decisions

Document(s)	Date	Description
VCHOA SB 326 Inspection Report	August 2021 <sup>(1)</sup>	Deck Inspectors report and recommendations
SB 326 Full Text	Sept 2023	Formal CA legislative document
Various Letters to Homeowners	2021-2022	Communications to homeowners <sup>(2)</sup>
Peer Review of Inspection Report	June 2022	C. Sigler Professional Review for Board
Balcony Committee Recommendation	April 2024	Situation and Risk Analysis
Professional Review – Balcony Committee Recommendation	June 2024	C. Sigler review of situation & risk analysis recommendation

(1): Two reports were issued. First report issued in May 2021. This report was revised in August 2021. The original author was not certified to conduct the inspection or author the report. A secondary author who had the required qualifications executed the signature of the final report.  
(2): Communications from Management Organization and Delphi Law (attorney of record for VCHOA). There were no documents available (Board Meeting Minutes, Executive Session Minutes, Memorandums) that provided rationale for decisions made by the Board in place between 2021-2022.

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### Is VCHOA In Compliance with SB 326?

Requirements of SB 326	Target	Status
Inspection Complete	January 2025	Completed May 2021 ✓
Significant Safety Risks Addressed	November 2021	No significant safety risks identified ✓
Balcony Inspection Sample Size	95% C.I. <sup>(1)</sup>	100% Inspection ✓
Licensed Architect / Structural Engineer	Author of Report	August 2021 version complies <sup>(2)</sup> ✓

VCHOA has complied with the requirements set forth in SB 326

(1): Number of balconies Inspected must be a statistically significant sample to ensure 95% confidence that the results from the sample represent the whole with a margin of error not to exceed 5%.  
(2): Two reports were issued. First report issued in May 2021. This report was revised in August 2021. The original author was not certified to conduct the inspection or author the report. A secondary author who had the required qualifications executed the signature of the final report.

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## Elevated Walkway Status & Next Steps

The elevated walkways were not thoroughly addressed in the inspection report<sup>(1)</sup>

- The structures are sound as they are constructed with steel and cement
- The surface coatings applied by WICR have not held up as expected
- Connection between buildings 2 & 3 need to be addressed prior to winter 2024/2025
- Portions of the 3rd floor walkways (bldg. 2), the elevator landings, the bldg. 1-2 connector and other surfaces in need of resurfacing

Review of surface damage in April 2024 with C. Sigler<sup>(2)</sup> (civil engineer) and M. Cooper (coatings specialist) on solutions available

- Currently in the process of soliciting bids with expectation to complete areas of urgent need by end of 2024

(1): 3 of 79 pages of report represent the elevated walkways.

(2): See professional review document recommendations dated June 2024 (C. Sigler)

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## What about the balconies?

Past Actions (2021, 2022)	Water Damage Found?	Structural Damage Found?
Important note: All 32 balconies were reported as "failed" inspection by Deck Inspectors Inc.		
Five balconies rated as "failed" in the inspection report were destroyed & rebuilt based on authorization of the Board (Units 114, 121, 313, 314, 316)	No	No
Five more balconies were recommended for destruction/rebuild by the Board: (119, 207, 214, 312, 315); No destructive action was taken.	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Past Actions (2021)	Water Damage Found?	Structural Damage Found?
Borescope testing undertaken by deck inspectors to assess whether water or structural damage existed in the balconies that were not destroyed & rebuilt		
27 of 32 balconies subjected to borescope testing (including 119, 207, 214, 312, 315)	No	No

(1): Owners of 207, 315 refused access. Owner of 312 was absent and unable to authorize. Unit 119 had tile on balcony - repair was made to the loose deck beams and no further action taken.

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## Risk Assessment & Next Steps

Balcony Committee actions taken to determine next steps:

- Conducted risk assessment using available documentation
- Engaged civil engineer to review compliance status, risk analysis & recommend next steps

Risk Assessment Findings:

- All risks ranged from LOW (3) to MEDIUM (3); Engineering review supported balcony committee recommendations and agreed that ratings are conservative.
- Engineer recommends all MEDIUM rated risks should be addressed.
- The single MEDIUM rating for balconies requires improved definition of VCHOA CC&Rs.
- Architectural review policies require improved definition as homeowner obligations are vague
- Proving the presence of waterproofing is not a requirement of SB 326.
- Further destruction of balconies to prove waterproofing is neither necessary nor financially reasonable.
- Critical defects from report and owner self-reporting to be addressed at the cost of the HOA

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## Risk Assessment Summary

Risk	Situation Analysis	Rating
Structural failure of elevated walkways and/or balconies	<ul style="list-style-type: none"> <li>No historical structural failures</li> <li>No immediate safety issues identified</li> <li>Walkways constructed of steel/cement</li> </ul>	LOW
Surfaces of elevated walkways	<ul style="list-style-type: none"> <li>Surfaces of elevated walkways exposed to extreme temperature deviations &amp; high traffic</li> </ul>	MEDIUM
Surfaces of elevated balconies	<ul style="list-style-type: none"> <li>Surfaces are subject to low traffic</li> <li>A subset of balconies are exposed to extreme weather</li> </ul>	LOW
Elevated walkways fail due to defects in or lack of waterproofing	<ul style="list-style-type: none"> <li>Waterproofing exists, yet high traffic and weather extremes lead to surface area degeneration and risks of surface failure</li> </ul>	MEDIUM
Elevated balconies fail due to defects in or lack of waterproofing	<ul style="list-style-type: none"> <li>Destruction &amp; rebuild of 5 balconies did not find structural or water damage. No report of whether waterproofing was present or absent.</li> </ul>	LOW
Homeowner negligence in maintaining balcony surfaces	<ul style="list-style-type: none"> <li>Homeowner maintenance of balconies is key to longevity and is a requirement in CC&amp;Rs</li> <li>Homeowner direct negligence needs to be more clearly addressed in updated CC&amp;Rs including obligations.</li> </ul>	MEDIUM

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## Proposal & Board Authorization Vote

### Remediation of Elevated Walkways

- Does the board agree to remediate elevated walkway surface areas?

### Remediation of Balconies

- Does the board agree to update the CC&Rs and architectural review policies to reflect homeowner maintenance obligations and architectural change requirements more clearly?
- Does the board agree that HOA has responsibility to remediate obvious surface defects to reduce risk of water intrusion? <sup>(1)</sup>

(1): Patching of stucco; repair of flashing without destruction of surfaces/stucco; ensuring outward drains are not blocked

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