

From: John Harbison <harbisonjohn@gmail.com>
Subject: Notice of Breach of 2019 Settlement Agreement
Date: December 19, 2023 at 9:51:00 PM PST
To: pvha@pvha.org
Cc: Ried Schott <rschott@hotmail.com>, Jeff Lewis <jeffreylewis@hey.com>

Please forward this email to each of the Board Members of PVHA, and please acknowledge receipt.

Thank you,
John

John Harbison

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December 19, 2023

To: The Directors of the Palos Verdes Homes Association

We believe the Palos Verdes Homes Association (PVHA / Homes Association) is not acting in accordance with the January 10, 2019 Settlement Agreement that it approved along with City of Palos Verdes Estates and two resident groups - Residents for Open Board Elections (ROBE) and Citizens for Enforcement of Protective Covenants (CEPC). The signed copy of that agreement is attached.

It appears the PVHA has violated the following sections of the noted agreement:

13.3.1. "The Board shall publicly advocate for the 35 percent quorum change ballot measure and also approve this motion to the Court to advocate the lower quorum." *All the current Board members at the December 4, 2023 public Forum that they hosted indicated their strong opposition to lowering the quorum. The Board's position significantly reduces the possibility of a democratic election and is contrary to what the Homes Association previously agreed to abide by.*

13.3.2. "The Homes Association shall continue its recent practice of locating a lockbox at City Hall to collect votes from the time the first ballot is sent to the deadline of the Wednesday before the annual election and has obtained the agreement of the City to this arrangement." *The Homes Association agreed to continue its practice of locating a lockbox at City Hall to collect votes, however, it is not doing so.*

13.3.3 “As was done in the Winter of 2018 for the January 2019 Board election, the Homes Association shall continue to use at least three mailings of full ballots and return envelopes to Homes Association members until such time as a ballot is received from any member.” *The Homes Association agreed to use at least three mailings of full ballots, however, only one ballot was sent out during this election.*

13.3.4 “If any Homes Association members appears at the annual meeting to personally present a ballot, the Homes Association shall accept that ballot (assuming the ballot is otherwise valid). However, no member will be allowed to appear at the annual meeting to change a previously cast ballot. If more than one ballot is received from any member, the first one will be counted.” *The Homes Association agreed to allow members to personally present a ballot at the annual meeting, however, we understand this will not be allowed.*

Further, the one election ballot in this year's PVHA election was not received by residents until December 11th of this year with a required deadline of returning the ballots by January 3rd. This appears to be the latest members ever received a ballot and the shortest period ever for members to vote in a PVHA election. It is also during a Holiday Period when many members are traveling and are not able to collect their mail, do not have time to vote in such a short time frame, or are having difficulty finding the ballots in their mail and often accidentally dispensing the ballot envelope along with numerous catalogs and advertisements. Sending ballots out during this time period and with such a short voting period is not only irresponsible, but it can also be a violation of California laws governing Home Owner Associations, such as 7515, which requires a voting period of at least 30 days.

As a result of the limited time period PVHA members have to vote, and the violation particularly of 13.3.3 noted above, if a quorum is not obtained, we believe the election should continue by at least two months, as allowed by PVHA Bylaws and consistent with practices in some previous years. And that at least two more election ballots need to be forwarded to all members during those two months. Additionally, a lockbox is also needed now at City Hall to collect votes during the extended election, and that members should be allowed to submit votes during the annual meeting, as required under section 13.3.4, respectively.

Since the deadline for voting is only a couple weeks away, a timely response to resolve the noted violations is required.

Respectfully,

L. Ried Schott, representing ROBE

John Harbison, representing CEPC