

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION

**August 16, 2016**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, August 16, 2016 at 9:30 AM, at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim Matson, Rosemarie di Lorenzo Dickins, Ray Gros, Burt Baum, Bill Walsh, Wei-Ming Tao, James Tung, John Frankel, David Finley, Bert Moldow, Bunny Carpenter

Directors Absent: None

Staff Present: Open Session: Lori Moss and Kim Taylor  
Executive Session: Brad Hudson, Lori Moss, Kim Taylor, Blessilda Fernandez, Brett Crane

Others Present: Denver Andrews Jr. Esq., Law Offices of Denver R. Andrews, Jr.

**CALL TO ORDER**

Jim Matson, President of the Corporation, chaired and opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:30 A.M.

**PLEDGE OF ALLEGIANCE**

President Wei-Ming Tao led the Membership in the Pledge of Allegiance.

**ACKNOWLEDGEMENT OF MEDIA**

A representative of the Globe and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

**APPROVAL OF AGENDA**

Without objection the agenda was approved as written.

**CHAIR'S REMARKS**

President Matson spoke to the efforts of Jim Wu, Jing Ma and Lynn Kunysz. The Third Board thanked the Laguna Woods Village residents for their effort in keeping the community safe.

President Matson updated the Members on the Budget process, stating that the Board is working on not having an increase in assessments this year. President Matson announced that Solar Optimum has been chosen to provide Solar to Third Mutual, they will begin by putting solar panels on 12 of Third Mutual's buildings, by the golf course and in the gate 10 area. President Matson thanked everyone for attending the meeting and those residents watching.

### **APPROVAL OF THE MINUTES**

Director diLorenzo Dickins moved to approve the regular Open Board meeting minutes of July 19, 2016, as written. Director Moldow seconded the motion. By a vote of 10-0-0 the motion carried.

### **CONSENT CALENDAR**

Without objection, the Board approved the Consent Calendar as written, and the Board took the following actions:

#### Maintenance and Construction Committee Recommendations:

964-C	Deny request to retain the auxiliary A/C in Master bedroom
5248	Approve request for a master bedroom addition and install wall and door in garage at Manor, with contingencies
5269	Deny the request to install a garage door with glass panels
5269	Approve request for a manor door to new room addition at Manor, with contingencies
5493-A	Approve request to update patio enclosure, with contingencies

#### Maintenance and Construction Common Area - Variance Request Resolutions:

### **RESOLUTION 03-16-73**

#### **Common Area - Variance Request**

**WHEREAS**, Mingmei H Wu of Manor 3386 Punta Alta Unit B, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-15-155 as revised in accordance with California Civil Code § 4600 on October 20, 2015;

**NOW THEREFORE BE IT RESOLVED**, on August 16, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.

5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

**RESOLVED FURTHER**, the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

### **RESOLUTION 03-16-74**

#### **Common Area - Variance Request**

**WHEREAS**, Kei-Chia Wang of Manor 3507-C Bahia Blanca West, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-15-155 as revised in accordance with California Civil Code § 4600 on October 20, 2015;

**NOW THEREFORE BE IT RESOLVED**, on August 16, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

**RESOLVED FURTHER**, the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-16-75**

**Common Area - Variance Request**

**WHEREAS**, Catherine Bausch of Manor 3361-A Monte Hermoso, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-15-155 as revised in accordance with California Civil Code § 4600 on October 20, 2015;

**NOW THEREFORE BE IT RESOLVED**, on August 16, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

**RESOLVED FURTHER**, the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-16-76**

**Common Area - Variance Request**

**WHEREAS**, Daejong Kim of Manor 5433 Via Carrizo, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-15-155 as revised in accordance with California Civil Code § 4600 on October 20, 2015;

**NOW THEREFORE BE IT RESOLVED**, on August 16, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

**RESOLVED FURTHER**, the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Landscape Committee Recommendations:

None

Finance Committee Recommendations:

**RESOLUTION 03-16-77**

**Recording of a Lien**

**WHEREAS**, Member ID 933-611-57 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-611-57; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-16-78**

**Recording of a Lien**

**WHEREAS**, Member ID 931-360-94 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-360-94; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-16-79**

**Recording of a Lien**

**WHEREAS**, Member ID 933-050-12 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-050-12; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-16-80**

**Recording of a Lien**

**WHEREAS**, Member ID 931-470-46 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-46; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-16-81**

**Recording of a Lien**

**WHEREAS**, Member ID 931-630-42 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-630-42; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**RESOLUTION 03-16-82**

### **Filing of Separate Small Claims Court Case**

**WHEREAS**, the Finance Committee recommends filing separate Small Claims Court cases of \$2,500 (or less) in an attempt to collect delinquent assessments by way of a judgment or stipulation against members/owners in Third Laguna Hills Mutual; and

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, that the Board of Directors hereby approves the filing of a separate Small Claims Court cases for: Member ID 934-500-45, Member ID 932-121-08 and Member ID 934-901-82; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

### **UPDATE FROM VMS – DIRECTOR STEVE PARSONS**

President Matson introduced Steve Parsons, Village Management Services, Inc. (VMS). Director Parsons stated that a new Controller has been hired; her name is Solange Backes, who plans to be on board in approximately 3 weeks. An announcement will be made later today regarding the new Recreation Director. The Gate 3 guard house was remodeled as a pilot project at the cost of \$15,000 and several other gate house remodels are being considered. RFID stickers will be put on approximately 16,000 vehicles as a pilot program; temporary help will be needed to successfully complete the project in a timely manner. Director Parsons announced that a Resident Call Center study is underway to determine the call volume and staffing will be initially determined based on the study. It is expected to take a couple of months to relocate the gym in the Community Center; construction will start on September 1, 2016. Director Parsons stated that Staff is working on a “Resident Discount” at Home Depot, a Worker’s Comp and Liability insurance Broker has been selected – Beacher-Carlson, Hub International is the new health insurance broker and results are expected at the end of September from the Salary and Benefits Survey. Gate 5 renovation started yesterday and is expected to last two months. The first message on the Village “Code Red” reverse 911 program was sent on Friday, regarding the Gate 5 renovation and 13,266 calls were made in 16 minutes. Director Parsons answered questions from the Board.

### **REPORT OF THE CEO – LORI MOSS**

Ms. Lori Moss, Community Manager, provided the report of the CEO for Mr. Bradley Hudson, CEO/General Manager. Ms. Moss announced making improvements with TV6 including the Thrive Show and new programs are in production for TV6. In an effort to be more transparent a new website and intranet portals for Members, Directors and Staff use, is due to rollout in late October. Ms. Moss spoke briefly about the RFID rollout and stated that information will be mailed out to the Residents explaining the program and providing key dates. Gatehouse 2 is being remodeled next. Ms. Moss stated that the Gym move at the Community Center will take approximately 2 weeks, Clubhouse one and Clubhouse



five will remain open during the construction. The Globe office relocated to the office near the rear entrance of the Community Center building. Ms. Moss spoke a bit more about the Village "Code Red" reverse 911 program which was sent last Friday, regarding Gate 5 construction. In an emergency the new system will be very beneficial as 13,266 calls were made in 16 minutes. Ms. Moss answered questions from the Board.

### **MEMBER COMMENTS**

Third Mutual Members were given the opportunity to speak to items that are not on the agenda.

- Bob Hatch (5064) spoke on behalf of the Foundation of Laguna Woods, gave a brief overview of how the Foundation helps the residents in the Community and asked for donations on behalf of the Foundation.
- Carol Moore (3399-A) distributed a letter demanding mediation regarding her request for documents. Ms. Moore commented on the accomplishments of the current Board.
- Fred Sherman (3161-A) commended the Board for its work and stated that through efficiency the Board is working on improving the reserves and commented on the Boards working together and having the Community's best interest at heart.
- Katherine Baum (3276-A) asked the Board to approve a governing committee and spoke to social rules and laws.
- Robert McKnight (2229-Q) thanked the Board for their work and stated that he drives a pickup truck with a commercial box and asked the Board for an exception and allow him to park his truck in the community.
- Diana Howell (2279-A) spoke to a clean-up that is needed near her Manor and commented on a leaky pipe issue under her sink and a crack near her Manor.
- Roland Leckie (5482-A) asked for specific information regarding the painting of his building.
- Marika Raima-Montegnies (5519-3C) commented on a broken drain pipe, a no commercial vehicles sign that she is waiting on, the steel plates in the street and cleanup of cement that was dumped in the ivy near her manor.
- Franklin Smith (5369-3D) commented on the three minute limit for speakers during Members Comments, articles in the Village Breeze, the special GRF election on Friday, and transparency.
- Jules Zalon (3124-A) spoke to the Board considering reverse mortgages in Third Mutual.

### **DIRECTORS' RESPONSES TO MEMBER COMMENTS**

Directors Moldow, Tung, di Lorenzo Dickins, Gros, Baum and President Matson briefly responded to Member Comments.

### **UNFINISHED BUSINESS**

No Unfinished Business came before the Board.

### **NEW BUSINESS**

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving Pamela Bashline to Replace Cris Robinson as Authorized Agent to Sign on behalf of the Corporation; Lease Permits, Lease Extensions and Lease Addendums. Director Baum moved to approve the resolution. Director diLorenzo Dickins seconded the motion. Discussion ensued. By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

**RESOLUTION 03-16-83**

**Appoint Pamela Bashline and Kim Taylor as Authorized Agents for the Purpose of Signing Specific Documents**

**WHEREAS**, the Lease Permits, Extensions and Addendums are signed on a daily basis on behalf of the Corporation;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, that the Board of Directors of this Corporation hereby authorizes Pamela Bashline and Kim Taylor as Authorized Agents to sign on behalf of the Corporation; Lease Permits, Lease Extensions and Lease Addendums, effective immediately; and

**RESOLVED FURTHER**, that resolution 03-14-112, approved October 21, 2014 is hereby superseded and cancelled; and

**RESOLVED FURTHER** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

**COMMITTEE REPORTS**

Director Wei-Ming Tao reported from the Finance Committee, gave the Third Mutual Financial Report, and commented on the Resale Activities Report.

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving the Transfer of \$1,000,000 from Accumulated Operating Surplus to the Unappropriated Expenditures Fund to Offset Costs of a Solar Energy Project, and a Transfer of \$1,334,009 from Accumulated Operating Surplus to the Replacement Fund. Director Baum moved to approve the resolution. Director diLorenzo Dickins seconded the motion. Discussion ensued.

Member Carol Moore (3399-A) commented on the resolution.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

**RESOLUTION 03-16-84**

**WHEREAS**, in accordance with California Civil Code, a Common Interest Development shall not retain significant operating surplus (funds that are not needed to defray current operating costs); and

**WHEREAS**, the Third Laguna Hills Mutual Balance Sheet as of December 31, 2015 reflected an operating surplus from prior years of \$2,334,009 and the Board desires to return this amount to the members by way of a transfer to reserves;

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016 that the Board of Directors of this Corporation hereby authorizes the transfer of \$1,000,000 from accumulated operating surplus to the Unappropriated Expenditures Fund to offset costs of a solar energy project, and a transfer of \$1,334,009 from accumulated operating surplus to the Replacement Fund to improve funding levels; and

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

Director Burt Baum, Secretary of the Corporation, read a proposed resolution authorizing \$1.2M funded as a supplemental appropriation from the Unappropriated Expenditures Fund, to provide the Mutual with lower cost electricity through solar. Director Baum moved to approve the resolution. Director Tao seconded the motion. Discussion ensued.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

**RESOLUTION 03-16-85**

**Authorize Expenditure for Solar Project**

**WHEREAS**, the Third Laguna Hills Mutual works diligently to identify savings throughout the Mutual for its residents; and

**WHEREAS**, the Board of Directors have been investigating solar options as a means to reduce the cost of electrical power; and

**NOW THEREFORE BE IT RESOLVED**, August 16, 2016, the Board of Directors of this Corporation hereby authorizes \$1.2M funded as a supplemental appropriation from the Unappropriated Expenditures Fund, to provide the Mutual with lower cost electricity through solar; and

**RESOLVED FURTHER**, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director James Tung reported from the Landscape Committee.

Director Bert Moldow reported from the Maintenance and Construction Committee.

Director Baum read the endorsement regarding the following draft new policy will apply to all vendors performing work in the Village, whether contracted by VMS or directly by residents. The working hours for contractors will be as follows:

- 7:00a.m. to 5:00p.m. – Monday through Friday with contractors performing work that does not require excessive noise between 7:00a.m. to 8:00a.m.
- 9:00a.m. to 3:00p.m. – Saturdays
- No work on Sundays and VMS Observed Holidays

All Contractors will be required to apply for a Vendors Work Permit to perform work in the Village. This will allow all the Mutuals to better manage and supervise work performed within the Village.

Director diLorenzo Dickins moved to approve postponement of resolution for no less than 30 days to comply with Civil Code §4360. Director Gros seconded the motion. Discussion ensued.

By a vote of 10-0-0 the motion carried and the policy was postponed to the September meeting.

The Board discussed re-establishing the Architectural Control Committee.

Director Moldow moved to approve re-establishing the Architectural Control Committee to have no less than 3 nor more than 5 Members. Director Gros seconded the motion.

Member Isabel Muenichow (5285) commented on the motion.

By a vote of 6-4-0 (Directors diLorenzo Dickins, Carpenter, Tung and Tao opposed) the motion carried.

Director James Tung reported from the Water Committee.

Director Bill Walsh reported from the Energy Committee.

Director Ray Gros reported from Resident Problem Resolution Services.

Director Ray Gros reported from the Laguna Woods Village Traffic Hearings.

Director Rosemarie diLorenzo Dickins reported from the Communications Committee.

Director diLorenzo Dickins provided an update on the Residency Policy and Compliance Committee.

Director Ray Gros reported on the Laguna Canyon Foundation.

### **GRF COMMITTEE HIGHLIGHTS**

The Directors provided brief overviews of GRF Committee highlights.

### **DIRECTORS' COMMENTS**

The Directors made their final comments.

### **ADDITIONAL MEMBER COMMENTS**

No additional Member Comments were made.

The Board recessed for lunch at 12:35 PM and reconvened into Executive Session at 1:25 PM.

### **ADJOURNMENT**

With no further business before the Board of Directors, the meeting was adjourned at 4:15 PM.

### **Summary of Previous Closed Session Meetings per Civil Code Section §4935**

During the July 19, 2016 Regular Executive Session Board Meeting, the Board approved the minutes of the June 21, 2016 – Regular Executive Session, the June 28, 2016 – Special Executive Session, the July 12, 2016 – Special Executive Session, as written; the Board approved one (1) hearing request; heard three (3) disciplinary hearings and imposed \$500 in fines for violations of the Mutual's rules and regulations; discussed other Member disciplinary matters; discussed occupancy matters; discussed and considered two (2) resident requests; discussed delinquency matters; discussed personnel matters; discussed and considered contractual matters; and discussed litigation matters.

During the July 26, 2016 Special Executive Hearing Committee Board meeting the Board held five (5) member disciplinary hearings; held one (1) Member Meet and Confer; and held four (4) common area damage reimbursement hearings.

During the August 1, 2016, August 4, 2016, August 9, 2016 and August 12, 2016 Special Executive Session Board meetings, the Board discussed and considered contractual matters and litigation matters.

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Burt Baum, Secretary  
Third Laguna Hills Mutual