

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

**January 20, 2009**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, January 20, 2009 at 10:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, Cynthia Conners, Dominic Burrasca, John Paulus, Isabel Muennichow, Stanley Feldstein, Don Lippert, Kathryn Freshley, Carol Skydell, Katherine McDaniel

Directors Absent: Larry Souza

Others Present: Milt Johns, Patty Kurzet

**CALL TO ORDER**

Director Carol Moore, President of the Corporation, chaired the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 10:30 A.M.

A moment of silence was held to honor the US Troops serving our country and those placed in harm's way.

**PLEDGE OF ALLEGIANCE**

Director John Paulus led the Membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

In the absence of Cheryl Walker from the Laguna Woods Globe, Ms. Janet Whitcomb, a freelance reporter was present, and the Channel 6 Camera Crew, by way of remote cameras, were also acknowledged as present.

**APPROVAL OF AGENDA**

- By a vote of 7-0-2 (Directors Conners and Freshley abstained), Agenda item 21(c) was amended by changing the wording to read: Consideration of Freezing Managing Agent Wages and Other Cost Saving Measures
- By a vote of 7-0-2 (Directors McDaniel and Freshley abstained), Agenda item 21(d) Discussion re President's Award was removed
- By a vote of 6-0-3 (Directors Conners, Freshley, and Paulus abstained), Agenda item 21(e) Establish Communication Process with New Legal Counsel

A discussion was held on removing the Union contract agenda item from the closed session agenda and placing it on the open session for discussion.

Director Feldstein was offered to have access to read the union contract at his leisure in the Directors' Room in the Community Center since the contract is an employment agreement with PCM, Inc. employees and not Third Mutual employees.

Director McDaniel stated that the discussion of the Union contract should be held in open session since the Board discussed the agenda item during the open portion of the agenda meeting.

Director Feldstein argued that since Third pays PCM's employee salaries he should be able to review the contract between PCM and its employees, and he commented on the employee/employer relationship and the Board's right to review salaries.

By a vote of 5-4 (Directors Conners, Freshley, Muennichow, Paulus and Moore opposed) the discussion of the Union contract remained in closed session.

#### **CHAIR'S REPORT—Carol Moore**

President Moore reported on the recent fires in Third Mutual and encouraged residents to obtain homeowner's insurance; and commented on the Country's economic situation and the need to keep costs down and reduce expenses.

#### **APPROVAL OF THE MINUTES**

The Board reviewed the Minutes of the Special Meeting of December 8, 2008, and the Minutes of the Regular Meeting of December 16, 2008 and approved them without objection.

#### **THIRD MUTUAL MEMBER COMMENTS**

- Lucie Falk (3377-A) commented on the denial of her landscaping request
- Sandy Henderson (3091-B) commented on the need for trust and integrity in the elected Board members, and expressed her sentiments towards peace and contentment in the Community
- Pat Feeney (2399-1E) stated that any Board member should be able to read any contract to direct management on ways to lower costs
- Bud Nesvig (2392-3H) commented on the General Manager's position as an ex officio vice president
- Diane Norcross (5526-A) thanked President Moore with her attention to the issues on her block, thanked Director Paulus for helping her with her upgrading issues, and thanked the Board for their progress
- Richard Moos (5345-A) commented on the Board's decision to hire separate counsel and its plan to change banks
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting
- Karel Brouwer (3189-C) commented on discussions in open sessions
- Shari Horne (2354-3C) announced the next Garden Villa Association meeting

#### **RESPONSES TO MEMBER COMMENTS**

- Director Feldstein asked Mrs. Falk to contact to him as the Landscape Committee chair so they can consider her items but with expert assistance and counsel; responded to Ms. Henderson's comments on trust and integrity; and responded to Mr. Moos' comments regarding banks
- President Moore commented on the Board's fiduciary duty to ask questions

- Mr. Johns responded to Mrs. Henderson's comments; PCM's ability to respond to accusations; apologized for staff's failure to prepare the agenda properly, and advised that PCM will defer preparation of the agenda to the Directors.

### **GENERAL MANAGER'S REPORT**

No report was given.

### **CONSENT CALENDAR**

Without objection, the Consent Calendar was approved and the following actions were taken:

#### Maintenance & Construction Committee Recommendations:

2280-C	Uphold Chargeable Services Policy and confirm the member's responsibility for the costs associated with the services of replacing water heater
2311-A	Approval to install additional bay window in Living Room, with contingencies
2346-A	Approval to install walkway, with contingencies
2346-A	Approval to retain unauthorized satellite dish on patio wall, with contingencies
3003-A	Denial to convert Master Bedroom sliding glass door to a retrofit French door
3184-B	Approval to install wrought iron fence with gate in place of existing wood fence, with contingencies
3338-1D	Denial to retain original patio sliding glass door while retrofitting other windows
3394-A	Approval to retain front block wall, rear block wall with patio extension, and perform front patio extension, with contingencies
3528-A	Approval to retain rear patio extension and block wall, with contingencies
5167	Approval to enclose existing entry and relocate entry door, with contingencies
5432	Approval to sustain removed front patio arbor posts and beams, with contingencies
5497-C	Approval to extend rear patio, with contingencies

#### Landscape Committee Recommendations

5287	Approval of appeal request for slope relandscaping, but at the Mutual Member's expense
2223-C	Approval of request for tree removal at the Mutual's expense
3377-A	Approval of request for plant replacements on slope at the Mutual Member's expense
3499-1D	Approval of request for tree removal at the Mutual's expense
3523-A	Approval of request for tree removal at the Mutual member's expense (with cost of tree replacement)
5167	Denial of request for two (2) tree removals

Finance Committee Recommendations

**RESOLUTION 03-09-01**

**WHEREAS**, Member ID 930-764-36 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**, January 20, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 930-764-36; 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 03-09-02**

**WHEREAS**, Member ID 931-480-93 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**, January 20, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-480-93; 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 03-09-03**

**WHEREAS**, Member ID 931-511-87 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**, January 20, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-511-87; 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 03-09-04**

**WHEREAS**, Member ID 931-581-10 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**, January 20, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-581-10; 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 03-09-05**

**WHEREAS**, Member ID 933-050-19 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**, January 20, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-050-19; 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 03-09-06**

**WHEREAS**, Member ID 934-901-54 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**, January 20, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-901-54; 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.

**TREASURER'S REPORT**

Director John Paulus reported on the Treasurer's Report and Resale & Lease Activities.

Members Marty Rhodes (5369-2A) asked the Board for a copy of the New Resident Information Form, and Jerry Sheinblum (3488-C) commented on the number of leases and foreclosures.

**COMMITTEE REPORTS**

Director Lippert reported from the Maintenance and Construction Committee.

Director Lippert made a motion to establish a Water Conservation Ad Hoc Committee to investigate, develop and recommend to the M&C Committee other potential water savings programs. Director McDaniel seconded the motion and the motion carried unanimously.

Without objection, the Board agreed to wait to appoint members to the Ad Hoc Committee until after the charter is established.

Director John Paulus reported on the Garden Villa Recreation Room Ad-Hoc Committee.

Director Don Lippert reported from the Standards Sub Committee.

Director Don Lippert reported from the Plumbing Ad Hoc Committee.

Director Stanley Feldstein reported from the Landscape Committee.

Director Feldstein made a motion to establish a Recycling Bins Ad Hoc Committee for the purpose of planning the placement of recycling bins in the Community, and appoint Directors Moore, Muennichow, Souza, Paulus, and resident member Shari Horne to serve on such committee. Director McDaniel seconded the motion and discussion ensued.

Member Shari Horne (2354-3C) commented on the need for the committee.

By a vote of 9-0-0, the motion carried.

Director Carol Skydell reported from the Long Range Planning Committee.

Director John Paulus reported from Resident Problem Resolution Services.

Director Connors addressed the Board on the large number of Directors who attended the last Resident Problem Resolution Service meeting, the Board members' attempt to resolve the issues on their own and on the spot, the improper acts and behavior toward staff, and the convening into an unnoticed Closed Session meeting to discuss the issues.

Director Burrasca stated that it was a helpful to endeavor to resolve the various issues with the number of Directors present.

Director Skydell commented on an on-going problem that has gone unresolved.

Director McDaniel denied that there was a closed meeting.

Members Karel Brouwer (3189-C) commented on referring the issues to an ombudsman; and Bud Nesvig (2392-3H) commented on the lack of service.

Director Dominic Burrasca reported from the Traffic Committee.

### **OLD BUSINESS**

The Secretary of the Corporation, Director Kathryn Freshley, read the proposed changes to the GRF committee appointments. Director McDaniel moved to approve the resolution. Director Connors seconded the motion.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 03-09-07**

**RESOLVED**, January 20, 2009, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted May 2006, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

#### **Business Planning**

John Paulus  
Kathryn Freshley

#### **Bus Services Committee**

Dominic Burrasca

Cynthia Conners

**Broadband Services Committee**

Isabel Muennichow  
Kathryn Freshley

**Community Activities**

Carol Moore  
~~Katherine McDaniel~~ ~~Carol Skydell~~

**Finance**

John Paulus  
Stanley Feldstein  
Kathryn Freshley (alternate)

**Gate Renovation Ad Hoc Committee**

~~Katherine McDaniel~~ ~~Carol Skydell~~  
Larry Souza

**Golf Starter Building Ad Hoc Committee**

Kathryn Freshley  
Stanley Feldstein

**Government and Public Relations**

Isabel Muennichow  
Carol Skydell

**Landscape Committee**

Stanley Feldstein  
Carol Moore

**Maintenance and Construction**

Don Lippert  
John Paulus

**Recreation Master Planning Sub-Committee**

**Carol Moore**  
**Katherine McDaniel**

**Security and Community Access**

Larry Souza  
Dominic Burrasca

**RESOLVED FURTHER**, Resolution 03-08-147, adopted December 16, 2008 is hereby superseded and canceled.

Director Feldstein made a motion to continue using HKC for the Corporation's lien enforcement work and directed the Law Firm Search Ad Hoc Committee to search for a new lien and foreclosure agency. Director Skydell seconded the motion and discussion ensued. By a vote of 8-0-1 (Director Conners abstained), the motion carried.

### **NEW BUSINESS**

President Moore announced that the Board will hold a Special Board Meeting on January 29, 2009 at 2:00 P.M. to establish the Nominating Committee Guidelines.

Director Freshley left meeting at 1:16 P.M.

Director Conners made a motion to reaffirm resident member Mr. Hillel Pitlik to be the Mutual's representative at meetings held with members from each building to advise those members of the exact schedule and procedures related to the 2009 Hydraulic Cylinder Replacement Program. Director Lippert seconded the motion.

By a vote of 7-0-1 (Director Feldstein abstained and Director Freshley was absent from the meeting), the motion carried.

Director Freshley returned to the meeting at 1:19 P.M.

The Board discussed freezing the Managing Agent's wages and other cost saving measures.

Director Muennichow made a motion to invite the other three Corporations to join Third Mutual in the discussion of cost saving measures. Director Skydell seconded the motion and discussion ensued. By a vote 6-3-0 (Directors Burrasca, Lippert and McDaniel opposed), the motion carried.

Mr. Johns advised that the Board does not have jurisdiction in the Managing Agent's compensation.

Without objection, the Board directed President Moore to contact the other three Board Presidents and ask them to enter into such a discussion.

The Secretary of the Corporation read a proposed resolution establishing an Executive Committee to act as the liaison between the Board and legal counsel, without staff involvement. Director Skydell moved to approve the resolution. Director Lippert seconded the motion and discussion ensued.

Mr. Johns advised that should the Board wish to be the sole conduit to the new counsel, then the Managing Agent would need to hire, at the Mutual's expense, its own law firm to communicate with the new counsel.

Director Feldstein called the question. Director Skydell seconded the motion.

By a vote of 5-4-0 (Director Conners, Freshley, Paulus and Muennichow opposed), the motion failed due to the lack of obtaining a two-third's vote, and discussion on the main motion continued.

Director Conners amended the motion to add the words "Adams Kessler" and "exclusive" in the fourth paragraph. Director Skydell seconded the motion and discussion ensued. By a vote of 6-2-1 (Directors Conners and Muennichow opposed; and Director Freshley abstained), the amendment carried.

President Moore advised that although the Executive Committee will be comprised of the President and two additional officers, other officers may be needed in case of member absences.

Mr. Johns asked direction from the Board on how to handle the day to day legal matters, aside from the lien and foreclosure matters. The Board directed that those matters be sent through the Executive Committee.

By a vote of 6-2-1 (Directors Conners and Muennichow opposed; and Director Freshley abstained), the motion carried and the Board of Directors adopted the following resolution as amended:

**RESOLUTION 03-09-08**

**WHEREAS**, Third Laguna Hills Mutual By-Laws, Article 6 defines the POWERS of Directors; and

**WHEREAS**, 6.1.2 sets forth procedure for Delegation concluding with the words "all corporate powers shall be exercised under the direction and ultimate responsibility of the Board; and

**WHEREAS**, communication with corporate counsel is a Board directed responsibility;

**NOW THEREFORE BE IT RESOLVED**, January 20, 2009, that this Board authorizes the establishment of an Executive Committee comprised of the President and two additional officers of the Corporation to be appointed by the President. The Executive Committee will act as *exclusive* liaison between the Board and our legal counsel, *Adams Kessler*, in all Board directed inquiries.

Mr. Feldstein addressed his concern that the Village Snapshot distributed to the Board is a partisan, one-sided publication of the facts of Community issues.

Mr. Johns stated that PCM creates the publication which summarizes Board activity and allows PCM to answer and defend allegations against the Managing Agent by members of the Community.

Member Karel Brouwer (3189-C) commented on PCM not attending a Residents' Voice meeting to defend the circulating allegations.

The Directors discussed the importance of publishing director contact information in the Laguna Woods Globe and every Board Agenda so residents can contact them.

The Board agreed to develop a form for each Director to fill out specifying which information they want or do not want published.

#### **GRF COMMITTEE REPORTS HIGHLIGHTS**

- Director Lippert commented on a resident's e-mail service being disconnected.

Member Karel Brouwer (3189-C) commented on contractors paying PCM to keep their name on the Contractor's Referral List.

#### **PUBLIC FORUM**

No comments from non-Third members were made.

#### **Director Comments**

- Director Paulus commented on a Subject Report on installing fire alarms in buildings, and manor inspections
- Director Lippert commented on keeping a file of all issues previously researched in order to prevent duplicated work
- Director Freshley commented on the number of calls coming into Property Services

The Board recessed at 3:33 P.M. and reconvened into Executive Session at 4:02 P.M.

#### **Summary of Previous Closed Session Meetings per Civil Code Section §1363.05**

During its December 16, 2008 Regular Executive Session, the Board reviewed and approved the Minutes of the Regular Executive Session Meeting of November 18, 2008; approved the recording of a Notice of Default for Member ID 931-530-75, Member ID 931-710-95, Member ID 933-050-29, and Member ID 933-190-43; discussed other member discipline, and reviewed the Litigation Status Report.

The Traffic Committee of the Board did not meet in Executive Session on December 24, 2008 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 6:44 P.M.

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Kathryn Freshley, Secretary