

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

**August 18, 2009**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, August 18, 2009 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, John Paulus, Don Lippert, Isabel Muennichow, Stanley Feldstein, Kathryn Freshley, Larry Souza, Mary Robertson, Carol Skydell

Directors Absent: Dominic Burrasca

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 9:30 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 Carol Skydell led the Membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

Ms. Janet Whitcomb from the Laguna Woods Globe was present, and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

**APPROVAL OF AGENDA**

Without objection, the Board approved the agenda as submitted.

**CHAIR'S REPORT—Carol Moore**

President Moore introduced the following candidates running for the upcoming director election as Carol Moore, Richard Palmer, Lucy Shimon, and Michael Straziuso for the three-year term and Pat Feeney and Noel Hatch for the one-year term.

Each of the candidates present provided a brief summary of their background and their reasons for running for the Board.

President Moore announced that the Board is hosting a town hall meeting on August 26, 2009 at 10:00 A.M in Clubhouse Two where a presentation will be given by Curtis Sproul, Esq., a specialist in common interest developments, on "Common Interest Developments and their Management Structure" and invited the membership to attend.

### **APPROVAL OF THE MINUTES**

The Board reviewed the minutes of the Special 2010 Version 1 Business Planning Meeting of June 24, 2009. Director Freshley moved to approve the minutes as written. Director Paulus seconded the motion and the motion carried without objection.

The Board reviewed and revised the minutes of the Regular Meeting of July 21, 2009. Director Skydell moved to approve the minutes as amended. Director Feldstein seconded the motion and the motion carried unanimously.

The Board reviewed and revised the minutes of the Special 2010 Version 2 Business Planning Meeting of July 24, 2009. Without objection, the minutes were approved as amended.

### **THIRD MUTUAL MEMBER COMMENTS**

- Anita Robertson (2243-F) commented on salary cuts and lowering assessments
- Lucie Falk (3377-A) commented on clubs obtaining GRF club status and renovating the Gates
- Shari Horne (2354-3C) announced the next Garden Villa Association meeting
- Bud Nesvig (2392-3H) commented on the San Sebastian open house
- Jerry Sheinblum (3488-C) announced the content of the next CCA Meeting
- Richard Palmer (3031-O) commented on water conservation and checking the water meters
- Marilyn Sortino (4008-1G) commented on water conservation and checking for water leaks

### **RESPONSES TO MEMBER COMMENTS**

- President Moore commented on obtaining GRF club status
- Director Feldstein commented on the reason why the Residents' Voice was denied club status
- Director Freshley addressed Ms. Robertson's comments on saving money and reserve funding

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

Mr. Johns commented on PCM's intent to perform a customer service quality check as required in the management agreement, and he described the Vision Award received by Kurt Rahn on behalf of the Community for its recycling program. Mr. Johns addressed Ms. Robertson's comment on staff compensation and addressed Director Feldstein's comment on CAC's revisions to rules on how a club may obtain club status.

### **CONSENT CALENDAR**

The Board approved the following Maintenance and Construction Consent Calendar as written (Directors Robertson and Skydell abstained):

#### Maintenance & Construction Committee Recommendations:

- |        |   |
|--------|---|
| 2255-A | Approval of request for room addition and patio extension, with contingencies |
|--------|---|

- 2360-B Approval of request for major remodel including an atrium enclosure, with contingencies
- 2383-C Approval of appeal request to retain front patio surface, with contingencies
- 3000-A Approval of request to install walkway, with contingencies
- 3022-A Approval of request to create gated opening in patio wall and install walkway, with contingencies
- 3022-A Denial of request to install transparent corrugated panels on patio cover
- 3267-B Denial of request for room extensions on front elevation
- 3267-B Approval of request for room extensions on rear elevation, with contingencies
- 5173 Approval of request for bedroom extension into garage, with contingencies
- 5221 Approval of chargeable services dispute
- 5479-B Approval of request for dining room extension into garage, with contingencies

The Board approved the following Landscape Consent Calendar as written (Directors Skydell, Feldstein and Lippert abstained):

Landscape Committee Recommendations

- 5388-B Denial of appeal request for plant replacements on slope
- 3000-A Approval of request for tree removal on schedule at the Mutual's expense or off-schedule at the Mutual Member's expense
- 3132-B Approval of request for tree removal on schedule at the Mutual's expense or off-schedule at the Mutual Member's expense
- 3228-D Denial of request for tree removal
- 3252-O Denial of request for tree removal
- 3267-B Approval of request for tree and plant removals on schedule at the Mutual's expense or off-schedule at the Mutual Member's expense
- 5156 Approval of request for tree removal on schedule at the Mutual's expense or off-schedule at the Mutual Member's expense
- 5411 Denial of request for tree removal

Without objection the Board approved the following Finance Consent Calendar as written:

Finance Committee Recommendations

**RESOLUTION 03-09-89**

**WHEREAS**, Member ID 931-480-02 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

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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 18, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-480-02; and

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

**RESOLUTION 03-09-90**

**WHEREAS**, Member ID 931-530-19 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**, August 18, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-530-19; and

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

**RESOLUTION 03-09-91**

**WHEREAS**, Member ID 931-720-53 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 18, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-720-53; and

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

**RESOLUTION 03-09-92**

**WHEREAS**, Member ID 932-600-80 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 18, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-600-80; and

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

**RESOLUTION 03-09-93**

**WHEREAS**, Member ID 933-620-81 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 18, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-620-81; and

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

**FINANCE REPORT**

Director Kathryn Freshley gave the Treasurer's and the Finance Committee Reports, and commented on the Resale & Lease Activities.

Director Larry Souza reported from the Maintenance and Construction Committee.

Director Souza reported on the status of the indoor/outdoor carpet installation in the Garden Villa Buildings.

The Secretary of the Corporation read a proposed resolution approving the revised re-roof alteration policy. Director Souza moved to approve the resolution. Director Freshley seconded the motion and discussion ensued.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-09-94**

**WHEREAS**, under the current policy approved July 20, 2004 by Resolution 03-04-16 the Mutual will arrange for the replacement and maintenance of all types of roof alterations when the entire building roof system is being replaced/maintained; and to charge the Manor Owner for the replacement upon replacement of the building roof; and

**WHEREAS**, strict interpretation of this policy results in the replacement of alteration roofs that are contiguous with the building roof and alteration roofs that are not contiguous with the building roof, and

**WHEREAS**, to maintain the integrity of the building roof system it is only beneficial for the Mutual to consistently replace roof alterations that are contiguous with the building roof;

**NOW THEREFORE BE IT RESOLVED**, August 18, 2009, that the Board of Directors of this Corporation hereby rescinds Resolution 03-04-16 adopted July 20, 2004 and adopts the policy whereby the Mutual will remove and replace roof alterations that are contiguous with the building roof during replacement of the main building roof, and the costs for replacement of the alteration roof shall be charged to the Manor Owner; and

**RESOLVED FURTHER**, that the Manor Owner shall continue to be responsible for the maintenance of the alteration roof; and

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

The Secretary of the Corporation read a proposed resolution waiving the \$10 service charge for repairs of leaking plumbing fixtures. Director Muennichow moved to approve the resolution. Director Robertson seconded the motion and discussion ensued.

Mutual Member Harry Curtis (5371-2A) addressed the Board on repairing plumbing fixtures.

Without objection, the Board agreed to revise the resolution to change the wording in the first paragraph to read "period effective August 26, 2009."

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Mutual Members Pat Feeney (2399-1E), Marilyn Sortino (4008-1G), Harry Curtis (5371-2A), Bud Nesvig (2392-3H), and Richard Palmer (3031-O) addressed the Board on the resolution.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution as amended:

**RESOLUTION 03-09-95**

**RESOLVED**, August 18, 2009, that in order to foster water conservation in Third Mutual, the Board of Directors of this Corporation hereby authorizes staff on behalf of the Corporation, to waive the \$10.00 service charge associated with leak repairs for certain fixtures, at an approximate cost of \$6,000 to the Mutual, for a ~~three month period, effective September 1, 2009~~ **period effective August 26, 2009** through November 30, 2009; and

**RESOLVED FURTHER**, the waiver would be applicable to the leak repairs on the following fixtures—toilets, faucets (kitchen and bathroom), tub spouts, shower heads, mix-it valves, and hose bibs; and

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

The Secretary of the Corporation read a proposed resolution, the results of which would be approval of the installation of handrails at Building 3365. Director Freshley moved to approve the resolution. Director Skydell seconded the motion and discussion ensued.

By a vote of 5-1-2 (Director Lippert opposed, and Directors Feldstein and Skydell abstained), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-09-96**

**WHEREAS**, on behalf of a resident, Mr. Donald Cole, the Building Captain of Building 3365, requested that the Mutual install a handrail at the entryway of Building 3365 so that disabled persons can maintain their safety for entering and exiting their manors;

**NOW THEREFORE BE IT RESOLVED**, August 18, 2009, that in order to accommodate the special needs of the residents and to comply with provisions of the California Fair Employment and Housing Act on granting reasonable modification to disabled persons, the Board of Directors hereby authorizes a supplemental appropriation in the amount of \$5,600, funded from the Unappropriated Expenditures Fund to install the alteration handrail at the Mutual's expense; and

**RESOLVED FURTHER**, that the handrail shall be installed at the entryway to Building 3365 along the walkway located to the south side of the Building's

elevator tower, and that all future maintenance costs for the handrail shall be borne by the Mutual; and

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

Director Isabel Muennichow reported from the Board Operating Rules Ad Hoc Committee.

The Secretary of the Corporation read a proposed resolution codifying the appeals policy. Director Muennichow moved to approve the resolution. Director Robertson seconded the motion and discussion ensued.

Director Souza left the meeting at 11:54 A.M.

By a vote of 6-1-0 (Director Lippert opposed and Director Souza was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-09-97**

**WHEREAS**, Third Mutual's governing documents require a Member to seek approval from the Board of Directors on many matters of Corporate business by way of the committee structure for review of a question that will ultimately be determined by the Board; and

**WHEREAS**, such committees forward recommendations regarding Members' requests to the Third Board for consideration, and if the proposed request is disapproved, then such decision is subject to appeal to the Third Board by the Mutual Member;

**NOW THEREFORE BE IT RESOLVED**; August 18, 2009, the Board of Directors of this Corporation hereby establishes the following appeals policy for alterations and surrounding area improvement requests, and other matters of corporate business, for this Corporation:

1. Within 30 days of the Board's decision, a requesting Member may appeal the Board's decision by requesting another review by the appropriate Third committee; and
2. The Committee will accord the member an opportunity for a hearing at the next meeting and then make a recommendation to the Board of Directors. Upon receipt and review of the recommendation from the committee, the Board of Directors will make a final decision; and



3. No further appeals will be granted for a twelve (12) month period from the date of the Board's final decision on the appeal. This twelve-month period shall apply to both the original requesting Mutual Member and the subsequent member(s) on the same issue, if any.

**RESOLVED FURTHER**, that the purpose of this resolution is to codify existing unwritten policy; and

**RESOLVED FURTHER**, that Resolution 03-03-48 adopted June 17, 2003 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 this resolution as written.

Director John Paulus reported from the Landscape Committee.

Director Souza returned to the meeting at 12:00 P.M.

Mutual Member Shari Horne (2354-3C) commented on the recycling program.

Director Carol Skydell reported from the Long Range Planning Committee.

Director John Paulus reported from Resident Problem Resolution Services.

In Director Dominic Burrasca's absence, Director Don Lippert reported from the Traffic Committee.

#### **OLD BUSINESS**

No Old Business came before the Board.

#### **NEW BUSINESS**

The Secretary of the Corporation read the following proposed resolution approving the revised thresholds for referral of Member disciplinary matters to the GRF Board:

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

**WHEREAS**, Third Mutual holds monthly hearings during which Member disciplinary matters are addressed; and pursuant to Third's Bylaws, the Board has the authority to impose monetary fines upon Members who have been found to violate the rules and regulations; and

**WHEREAS**, there are Members who do not pay the imposed fines within the required time limit, and the Mutual has limited options to collect such fines; and

**WHEREAS**, GRF, by way of Resolution 90-06-110, agreed to assist the Mutual in the enforcement of Member disciplinary decisions made by the Mutual Board by suspending Mutual Members' rights to use certain GRF facilities;

**NOW THEREFORE BE IT RESOLVED**, October 20, 2009, that in order to maintain a manageable number of referrals per month to GRF, the Board of Directors of this Corporation hereby establishes the following thresholds for referral of Member disciplinary matters to the GRF Board:

- Refer no more than two (2) Member disciplinary matters to GRF each month
- Refer only matters where the assessed fine is at least ~~\$500~~ **\$300** and / or has been unpaid for a period of ~~ninety (90) days~~ **of sixty (60) days** or longer
- If there are more than two matters that meet the above two criteria, the Board shall weigh the seriousness of the violation and prioritize them accordingly before referring the matters to the GRF Board;

**RESOLVED FURTHER**, that Resolution 03-09-28, adopted March 17, 2009 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 resolution as written.

Director Muennichow moved to approve the resolution. Director Robertson seconded the motion and discussion ensued.

Director Muennichow made a motion to postpone the resolution to the Old Business portion of the September Meeting to satisfy the required statutory thirty-day notice requirement. Director Lippert seconded the motion and the motion carried unanimously.

A discussion was held relative to formatting the concept of a report card for the Managing Agent similar to the Operational Review as developed by United Mutual.

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

- Director Souza reported on the GRF Maintenance and Construction Committee

#### **PUBLIC FORUM**

- No comments were made.

#### **Director Comments**

- Director Robertson announced the Earth Works organizational event.

The Board recessed at 1:20 P.M. and reconvened into Executive Session at 2:03 P.M.

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

During its July 21, 2009 Regular Executive Session, the Board reviewed and approved the Minutes of the Special Executive Session Meeting of June 15, 2009, the Minutes of the Regular Executive Session Meeting of June 16, 2009, and the Minutes of the Special Executive Session Meeting of June 29, 2009; approved the recording of Notices of Default for Member ID 932-380-33, and Member ID 934-903-08; heard one (1) Disciplinary Hearing; discussed contractual matters and other member discipline matters; and reviewed the Litigation Status Report.

During its July 31, 2009 Special Executive Session, the Board discussed litigation matters.

The Traffic Committee of the Board met in Executive Session on July 22, 2009 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 5:15 P.M.

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Isabel Muennichow, Secretary