

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

March 16, 2010

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, March 16, 2010 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, John Paulus, Kathryn Freshley, Mary Robertson, Carol Skydell, Dominic Burrasca, Lucy Shimon, Mike Straziuso, Don Lippert, Stanley Feldstein

Directors Absent: Noel Hatch

Others Present: Jerry Storage, 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 John Paulus led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Claire Webb from the Laguna Woods Globe was not present at the time of acknowledgement, 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 written.

The Board discussed the Maintenance and Construction Consent Calendar item *2166-C Approval of appeal request to install concrete ramp, with contingencies* and approved the revisions that had been submitted regarding the alteration.

CHAIR'S REPORT—Carol Moore

President Moore welcomed the new General Manager, Jerry Storage, and provided a brief background of his qualifications and experience. Most of the Directors expressed their acceptance of Mr. Storage as the new General Manager. President Moore commented on looking forward with a positive outlook, and acknowledged other Board directors who dedicate their services to improve the Community.

APPROVAL OF THE MINUTES

Without objection, the Board reviewed, revised, and approved the minutes of the Regular Meeting of February 16, 2010.

President Moore reminded the Board of the proper Board decorum.

THIRD MUTUAL MEMBER COMMENTS

- Lucie Falk (3377-A) commented on PCM's use of credit cards and the Incentive Plan, and complemented the Board on drafting its own Management Agreement.
- Bud Nesvig (2392-3H) commented on unresolved maintenance issues and the number of employees in the Maintenance Division.
- Paula Page (4008-2E) reminded the membership of the recent earthquake and encouraged residents to be prepared for a disaster with enough emergency goods to sustain themselves for three days.
- Pat Feeney (2399-1E) addressed the Board on the "unity" advertisement appearing in the Globe and paid for by Third Mutual, GRF, and Mutual 50.
- Richard Palmer (3031-O) commented on establishing a 20-year stucco paint program.

RESPONSES TO MEMBER COMMENTS

- Director Robertson asked Ms. Feeney to provide an update on her manor which was involved in the recent fire and the damage that occurred, and the necessity of obtaining insurance.
- Director Straziuso addressed Ms. Falk's comments on the former credit card usage and incentive plan pay-outs.
- Director Freshley commented on the importance of residents paying for PCM employees to train and to continue their education.
- Director Feldstein responded to Ms. Falk's comments of PCM's usage of credit cards and the incentive plan pay-outs which is documented in the Resident Voice's "Yellow Book;" commented on the need for oversight on PCM spending and expenses; addressed Ms. Feeney's comments on the necessity of obtaining insurance; and spoke to the uncertainty of the General Manager's position and the need for the new General Manager to take direction from the Board.
- Director Paulus stated that the Incentive Plan is no longer in effect.
- Director Lippert commented on giving Mr. Storage a chance to lead the Community and to present his goals and objectives to resolve the real maintenance and economical issues in the Community.
- Director Freshley responded to Director Lippert's comments stating that it's the Board's responsibility and duty to set the budget and long range planning, not PCM's, and it is inappropriate to blame Mr. Storage for work that is the ultimate responsibility of the Board.
- Director Feldstein commented on the need to have the majority of the Board to get work done, and that Mr. Storage should take direction from the Board and not PCM.
- Director Lippert responded to Director Freshley's comments on the Board's responsibility and duties to the Community.

GENERAL MANAGER'S REPORT

Mr. Storage commented on his new position as General Manager and expressed thanks for the unwavering commitment that Mr. Johns showed for the Community for 24 years. Mr. Storage commented on his commitment to helping the Village move forward in a positive manner, to maintain the great reputation the Village holds.

Mr. Storage announced that the Community Associations Institute Orange County Chapter (CAI-OC) recognized and awarded Laguna Woods Village the Green Star Award for its exceptional efforts in environmental stewardship, as evidenced by installation of cool roof systems within the Mutuals. Additionally, Mr. Storage commented that United Board Director Marty Rubin was nominated as Board Member of the Year in the Hall of Fame category and GRF Board Director Ruth May was awarded Board Member of the Year in the Veteran's category. Also, Staff member Wendy Bucknum, co-chair of the Legislative Support Committee for the Chapter, accepted the Committee of the Year award for its legislative efforts on behalf of community associations across California.

Mr. Storage commented on the Mutual's water usage for the month of February and encouraged residents to continue to conserve water.

Mr. Storage announced the dates for the upcoming budget meetings and commented on the Community's accomplishments over the year.

Member Harry Curtis (5371-2A) commented on PCM's guidance to the Board regarding maintaining the integrity of the Community.

CONSENT CALENDAR

Without objection, the Board approved the Consent Calendar as amended by approving the submitted revisions to 2166-C, as presented earlier in the meeting, and took the following actions:

Maintenance & Construction Committee Recommendations:

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|--------|---------------------------------------------------------------------------------------------------------------------------------|
| 2166-C | Approval of appeal request to install concrete ramp, with contingencies |
| 2234-D | Denial of appeal request for Mutual to reverse Unoccupied Manor Inspection Fee, and reaffirm Unoccupied Manor Inspection policy |
| 2294-A | Denial of request to rescind damage restoration charges, and reaffirm Damage Restoration policy |
| 3171-C | Approval of request to install rain gutter and downspout at the Member's expense |
| 3312-B | Approval of request to retain painted wood ceiling on rear patio cover, with contingencies |
| 3333-B | Approval of request to retain mural on patio wall, with contingencies |
| 3520-B | Approval of request for room addition, patio extension and cover, with contingencies |

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|---------|-------------------------------------------------------------------------------------------------------------------------|
| 4008-3E | Denial of request to only be billed for expenses related to leak event, and reaffirm Damage Restoration policy |
| 5110 | Denial of request to repair/replace damaged alteration patio slab at the Mutual's expense, and reaffirm Mutual's policy |
| 5202 | Approval of request for rear patio extension, room addition, bedroom and nook window modifications |

Landscape Committee Recommendations

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|------|-----------------------------------------------------------------|
| 5017 | Denial of request for permission to plant three (3) fruit trees |
| 5067 | Approval of request for tree removal, at the Mutual's expense |

Finance Committee Recommendations

RESOLUTION 03-10-37

WHEREAS, Member ID 932-121-05 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, March 16, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-121-05; 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 03-10-38

WHEREAS, Member ID 933-190-76 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, March 16, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-190-76; 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 03-10-39

WHEREAS, Member ID 934-650-20 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, March 16, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-650-20; 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.

OLD BUSINESS

The Secretary of the Corporation read the following proposed resolution approving revised Traffic Rules and Regulations:

RESOLUTION-03-10-

WHEREAS, by way of Resolution M3-02-32, and 03-07-60 the Board of Directors of this Corporation have adopted standards for traffic enforcement and parking enforcement, and in an effort to provide comprehensive traffic rules and regulations enforceable to the residents of Third Mutual, both standards have been consolidated to improve consistency within the community; and

WHEREAS, the Traffic Rules and Regulations are intended to adhere to and not contradict the California Vehicle Code and/or Davis-Stirling Act;

NOW THEREFORE BE IT RESOLVED, April 20, 2010, that the Board of Directors of this Corporation hereby adopts the Third Laguna Hills Mutual Traffic Rules and Regulations, as attached to the minutes of this meeting; and

RESOLVED FURTHER, that Resolutions 03-07-60 adopted June 19, 2007, 03-03-31 adopted April 15, 2003, and M3-02-32 adopted June 18, 2002 are hereby superseded and cancelled; and

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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 Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

Without objection, the resolution was postponed to the April meeting to satisfy the 30-day notification requirements.

The Secretary of the Corporation, Director Carol Skydell, read a proposed resolution approving revised appointments to the Nominating Committee. Director Skydell moved to approve the resolution. Director Burrasca seconded the motion.

President Moore encouraged residents to pick up an application and run for the Board.

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

RESOLUTION 03-10-40

RESOLVED, March 16, 2010, that the following persons are hereby appointed to serve on the Nominating Committee of this Corporation:

Faye Pearl (replacing Isabel Muennichow)

Wendy Burry
Sarah Hunter
Margaret Klein
Jerry Sheinblum
Denise Welch
JoAnn Zelko

RESOLVED, that Resolution 03-10-06, adopted January 19, 2010 is hereby superseded and cancelled.

NEW BUSINESS

Director Straziuso made a motion to establish a CC&Rs Review Ad Hoc Committee as the Committee of the Whole. Director Robertson seconded the motion and discussion ensued.

Directors Feldstein and Lippert commented on resolving the dispute of whether or not CC&Rs apply to GRF and United Mutual as a whole prior to amending Third Mutual's CC&Rs.

By a vote of 5-3-1 (Directors Robertson, Straziuso, Shimon, Skydell and Paulus voted in favor; Directors Lippert, Feldstein and Freshley opposed; and Director Burrasca abstained), the motion carried.

FINANCE REPORT

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

COMMITTEE REPORTS

Director John Paulus reported from the Maintenance and Construction Committee.

Director Freshley left the meeting at 11:21 A.M.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$32,000 to replace all of the 82 elevator telephones with one uniform model. Director Skydell moved to approve the resolution. Director Paulus seconded the motion.

By a vote of 7-0-1 (Director Robertson abstained and Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-41

WHEREAS, staff has received a number of complaints regarding the functionality of the elevator telephones; and

WHEREAS, there are 82 elevators throughout Third Mutual, each equipped with a telephone that calls Laguna Woods Village Security Dispatch when a resident needs assistance while operating the elevator; and

WHEREAS, there are a variety of elevator telephone models that are installed throughout Third Mutual some of which are no longer manufactured, so when the telephone needs to be replaced a new model is installed; and having multiple telephone models can cause confusion among elevator operators, especially when the indication of a call being made is different from one building elevator to another;

NOW THEREFORE BE IT RESOLVED, March 16, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$32,000 to be funded from the Elevator Replacement Fund to replace all of the 82 elevator telephones with one uniform model within the Mutual; and

RESOLVED FURTHER, the elevator service contractor has agreed to install the new phones, at no additional charge, during the regular scheduled elevator maintenance, and the new phones will continue to be maintained and replaced as needed under the elevator service contract; 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.

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Director Freshley returned to the meeting at 11:25 A.M.

Members Shari Horne (2354-3C) and Bud Nesvig (2392-3H) commented on the resolution.

The Secretary of the Corporation read a proposed resolution adopting a pilot program to replace chandeliers in three Garden Villa building lobbies. Director Skydell moved to approve the resolution. Director Freshley seconded the motion and discussion ensued.

Members Denny Welch (5517-1C), Pat Feeney (2399-1E), and Bud Nesvig (2392-3H) addressed the Board on the resolution.

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

RESOLUTION 03-10-42

WHEREAS, there are chandeliers in the lobbies of each of the 53 Garden Villa buildings which use incandescent bulbs; and

WHEREAS, the Mutual has received complaints about the appearance and the required frequency of replacement of the bulbs in the current fixtures, and the current incandescent bulbs do not emit as much light, use more electricity, and do not last as long as fluorescent lights;

NOW THEREFORE BE IT RESOLVED, March 16, 2010, that the Board of Directors of this Corporation hereby adopts a pilot program to replace chandeliers in three Garden Villa building lobbies, to be selected by the Maintenance and Construction Committee, with three styles of chandeliers, that use fluorescent bulbs at a cost of \$4,500 to be funded from the Unappropriated Expenditures Fund; and

RESOLVED FURTHER, that such pilot program shall confirm the financial benefits and resident satisfaction by allowing Garden Villa residents a period of time to evaluate both the level of the chandeliers' illumination and aesthetic appeal and voice their opinions to the Maintenance and Construction Committee or the Garden Villa Association; and

RESOLVED FURTHER, that at the conclusion of the pilot program, the Maintenance and Construction Committee could then decide whether or not to evaluate replacement of the other chandeliers and which style to use as the replacement standard; 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 the following proposed resolution adopting standard procedures for scheduled implementation of the Mutual's fumigation process:

RESOLUTION 03-10

WHEREAS, during the course of the Mutual's Pest Control for Termites Program, a limited number of residents have historically requested postponement or cancellation of the Mutual's use of fumigation as a method of whole structure termite treatment due to medical conditions; and

WHEREAS, in order to protect the structural integrity of a termite infested building, and based on advice from legal counsel, the fumigation process should not be delayed indefinitely and should be implemented within a specified and reasonable period of time;

NOW THEREFORE BE IT RESOLVED, April 20, 2010, the Board hereby adopts the following procedure with regard to the scheduling and implementation of the fumigation process as part of the Mutual's Pest Control for Termites Program:

1. Mutual provides members and tenants of buildings scheduled for treatment with four (4) weeks advance written notice specifying:
 - (a) Mutual's intent to perform fumigation in accordance with the Mutual's authorized standard practice.
 - (b) Each member or tenant has the option of arranging for accommodations, in addition to any accommodations which may be provided by the Mutual during the fumigation process, and taking any additional steps that they believe are necessary and appropriate at their own expense.
2. If the Mutual receives, at its mailing address, ~~within~~ **no less than two weeks prior to** of the scheduled fumigation, a written request from a member or tenant to delay fumigation, and if the written request is due to a documented medical reason, signed by a licensed physician, prohibiting the resident from vacating the unit:
 - (a) The Mutual allows for a one-time rescheduling of the fumigation on behalf of the requesting resident.
 - (b) Staff works with the resident and reschedules fumigation. Considerations affecting the rescheduling include the nature of the medical issue and the timing of request within the program year. Requests made late in a program year may preclude fumigation until the following program year.

- (c) Staff will refer residents who request a second rescheduling of fumigation to the Board for action.
- (d) Staff issues a letter to members and tenants of an affected building advising that the fumigation of the building has been postponed and will be rescheduled by the Mutual at the earliest date possible and that they will be advised of that date in accordance with the notification procedure.

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 Skydell moved to approve the resolution. Director Freshley seconded the motion and discussion ensued.

Without objection, the Board agreed to change the sentence under #2 to read as follows “If the Mutual receives, at its mailing address, ~~within~~ **no less than two weeks prior to** of the scheduled fumigation,...”

Without objection, the resolution, as amended, was postponed to the April meeting to satisfy the thirty-day notification requirements.

Director Feldstein stated that the Board Operating Rules Ad Hoc Committee did not meet.

Director Lucy Shimon reported from the Landscape Committee.

Director Shimon made a motion to place a moratorium on receiving additional recycling bins from the City until an agreement is reached with Ware Disposal regarding newspaper and mixed recycling. Director Skydell seconded the motion and the motion carried by a vote of 7-0-2 (Directors Lippert and Robertson abstained).

Director Carol Skydell reported from the Ad Hoc Information Access Committee.

Director John Paulus reported from Resident Problem Resolution Services.

Director Dominic Burrasca reported from the Traffic Committee.

Member Denny Welch (5517-1C) announced the next topic for the CCA meeting.

GRF COMMITTEE REPORTS HIGHLIGHTS

Director Shimon reported from the Bus Services Committee.

PUBLIC FORUM

No comments were made.

DIRECTOR COMMENTS

- Director Lippert commented on obtaining a timeline from PCM regarding major projects outlining when the project will begin and the costs involved to move forward, so the Board can be kept in the loop for better communication between PCM and Third.
- Director Feldstein commented on his criticism regarding the new General Manager and stated that it was not directed at him, but at the management structure, and wanted to make sure that PCM will not make the decisions for the Board.
- Director Burrasca commented that he has a son named Jerry and feels that he has adopted another son with the new General Manager.
- Director Paulus announced that Ms. Katy Howe has replaced Mr. Jim Dyer as the staff officer for the M&C meetings.
- Director Skydell commented on a Director's inability to speak directly to staff. The General Manager stated that he would suggest a reporting structure to the Board.
- Director Straziuso welcomed Jerry Storage as the new General Manager.
- Director Freshley commented on speaking directly with Staff, and stated that it is seldom appropriate to approach Staff members with issues instead of directing the issues to the division heads.

The Board recessed at 12:49 P.M. and reconvened into Executive Session at 1:37 P.M.

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

During its February 16, 2010 Regular Executive Session, the Board reviewed and approved the minutes of the Special Executive Session Meeting of January 15, 2010, Regular Executive Session Meeting of January 19, 2010, and the Special Executive Session Meeting of January 26, 2010; approved the recording of Notices of Default for Member ID 931-470-42, Member ID 931-481-18, Member ID 931-681-26, Member ID 934-903-50; approved five write-offs in the total amount of \$33,243.12; heard three disciplinary hearings; heard two Meet and Confers regarding delinquent assessments; discussed the Rita Thompson v. Third Mutual litigation matter, potential litigation matters, and other disciplinary matters.

The Traffic Committee of the Board met in Executive Session on February 24, 2010 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 5:08 P.M.

Carol Skydell, Secretary