

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

October 19, 2010

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, October 19, 2010 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, John Paulus, Kathryn Freshley, Carol Skydell, Lucy Shimon, Dominic Burrasca, Dick Palmer, Denny Welch, Isabel Muennichow, Rae Tso, Sy Wellikson

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet
Executive Session: Jerry Storage, Patty Kurzet, Sandy Meyer

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 Dick Palmer 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, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Director Freshley made a motion to approve the agenda as written. Director Skydell seconded the motion and the motion carried unanimously.

CHAIR'S REPORT—Carol Moore

President Moore commented on various issues that caused the Board to incur legal expenses.

APPROVAL OF THE MINUTES

Director Freshley made a motion to approve the minutes of the Regular Meeting of August 17, 2010. Director Skydell seconded the motion and the motion carried by a vote of 9-0-1 (Director Muennichow abstained).

Director Freshley made a motion to approve the minutes of the Regular Meeting of September 21, 2010. Director Skydell seconded the motion and the motion carried by a vote of 9-0-1 (Director Muennichow abstained).

Director Freshley made a motion to approve the minutes of the Special Meeting of September 24, 2010. Director Skydell seconded the motion and the motion carried by a vote of 9-0-1 (Director Muennichow abstained).

CONSENT CALENDAR

The Board approved the Consent Calendar and the Board took the following actions:

Maintenance & Construction Committee Recommendations:

- | | |
|-----------|---|
| 2129-A | Approval of request to install windows in room addition, with contingencies |
| 2400-1D | Approval of request for entry door modification and glass block window, with contingencies |
| 2404 Bldg | Approval of request for Mutual to permanently remove the water fountain at the common area of Building 2404 |
| 3012-A | Approval of request to retain new construction master bedroom window, with contingencies |
| 3121-B | Approval of request for window to sliding glass door modification and concrete entry slab extension, with contingencies |
| 3149-C | Approval of request for front and rear extensions with block walls and gates, with contingencies |
| 3299-Q | Approval of request to replace living room window with pair of French doors, with contingencies |
| 3333-B | Approval of request to install awnings over the front entry door and living room sliding glass door, with contingencies |
| 3391-A | Approval of request to retain stepping stones, with contingencies |
| 3455-B | Approval of request for window to sliding glass door modification and rear patio extension with block wall and gate, with contingencies |
| 3511-B | Approval of request to remove fireplace and chimney and install French doors and windows in living room, with contingencies |
| 5202 | Approval of request to install stacker stone on columns, and retain black entry door, with contingencies |
| 5416 | Approval of request to retain trapezoid window in Living Room and enlarged bathroom window, with contingencies |
| 5481-A | Approval of request for room addition off kitchen and install new dining room window, with contingencies |
| 5510-2G | Approval of request to retain retrofit sliding glass door in living room, with contingencies |
| 5569-A | Approval of request for modifications to previous board-approved rear patio extension and retaining wall, with contingencies |

Landscape Committee Recommendations

- | | |
|--------|---|
| 3403-N | Denial of request for two (2) tree removals |
| 3403-P | Denial of request for two (2) tree removals and more plants |
| 3427-N | Partial approval to remove and replace only one type of plant at the Mutual's expense |

- | | |
|---------|---|
| 3499-1D | Approval of request for plant replacements at the Mutual member's expense |
| 3528-C | Denial of request for tree removal |
| 4013-3G | Denial of request for tree removal |

Finance Committee Recommendations

RESOLUTION 03-10-149

WHEREAS, Member ID 931-480-84 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, October 19, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-480-84; 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 03-10-150

WHEREAS, Member ID 931-511-21 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, October 19, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-511-21; 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 03-10-151

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, October 19, 2010, 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 this resolution as written.

RESOLUTION 03-10-152

WHEREAS, Member ID 931-710-76 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, October 19, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-76; 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 03-10-153

WHEREAS, Member ID 932-201-26 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, October 19, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-201-26; 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.

GENERAL MANAGER'S REPORT

Mr. Storage updated the membership on current ongoing projects affecting Third Mutual; updated the Board on the Plan-A-Ride Program and the projected savings to the community; provided a brief summary of the CAI Large Scale Community Conference he attended, announced that US News and World Report has named Laguna Woods Village as one of the top 10 retirement communities in the country; and encouraged residents to sign up for the Laguna Woods village newsletter on the website to receive by way of email information which promotes more communication with the residents.

President Moore described the Board decorum for Member Comments.

THIRD MUTUAL MEMBER COMMENTS and PUBLIC FORUM

- Shari Horne (2354-3C) commented on not receiving notice of the power washing performed on her Building's interior.
- Bud Nesvig (2393-3H) commented on Bank of America's stock decline, GRF's appropriation of expenditures to miscellaneous projects, and commented on the golf building project.
- Rosemarie di Lorenzo Dickins (4015-2G) asked Mr. Storage if there was anything that he learned at the Large Scale Community Conference that can be applied to the Village.
- John Modeer (2324-A) commented on the Board's removal of his request from the agenda.
- Sheila Mason (3499-1D) commented on garage flooding and landscaping around her building.
- Corkey Eley (2401-2E) commented on her letter to all of the Board regarding the cost of the new Golf Building and the residents' right to vote on the project.
- Mike Straziuso (4006-2E) welcomed the newly elected Directors to the Board and commented on the need to maintain the buildings' infrastructure and encouraged the Board to withdraw the lawsuit and use the Mutual's funds to maintain the buildings.
- Art Harris (3244-1G) encouraged residents to educate themselves about the lawsuit which will bring back integrity to the Community.

DIRECTORS' RESPONSES TO MEMBER COMMENTS

- Director Wellikson commented that in order to reduce the length of the meetings that the Board should only respond to comments made by Members of Third Mutual and those issues that are under the jurisdiction of the Board.
- Directors Freshley, Burrasca, Skydell expressed their opposition to limiting comments to only Third Members.
- Director Paulus responded to Ms. Horne's comments about the power washing.
- Director Freshley responded to Mr. Nesvig's comment about Bank of America and responded to the costs incurred for the new Golf Building.

- Mr. Storage responded to Ms. di Lorenzo Dickins' question by noting topics discussed at the Large Scale Community Conference that have applicability to the Village.
- Director Freshley explained why the Board removed Mr. Modeer's variance request for a patio extension and enclosure from the agenda and the Board discussed the issue. The Board agreed to allow him to start on the roof and encouraged him to attend the next M&C Committee.
- Director Paulus responded to Ms. Mason's comment on garage flooding and landscaping.
- Director Paulus responded to Mr. Straziuso's comment on the lawsuit and indicated that there is no mandate from this election.

OLD BUSINESS

No old business came before the Board.

NEW BUSINESS

No new business came before the Board.

FINANCE REPORT

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

COMMITTEE REPORTS

Director Lucy Shimon reported from the Landscape Committee.

Director Freshley left the meeting at 11:12 A.M.

The Secretary of the Corporation, Director Skydell, read a proposed resolution endorsing and agreeing to jointly participate in the new bulky item pickup system implemented by Ware Disposal. Director Skydell moved to approve the resolution. Director Shimon seconded the motion.

By a vote of 9-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-154

WHEREAS, the Laguna Woods City staff has requested that the Board endorses and agrees to jointly participate in the new bulky item pickup system proposed by Ware Disposal; and

WHEREAS, currently the cost to haul away bulky items on a "per request" basis is being charged to the Community, after exceeding the initial 1200 pickups covered by the franchise agreement; and

WHEREAS, the new bulky item collection program being offered will pick up bulky items one day each month from a designated area where people can set out their “unlimited number” of items for pick up free of charge;

NOW THEREFORE BE IT RESOLVED, October 19, 2010, in an effort to eliminate concern over items being abandoned along curbs, at trash enclosures or inside dumpsters for long periods of time in anticipation of the monthly bulky item pickup, the Board hereby approves the City’s request that the Board work in cooperation with the City to:

- Designate appropriate areas throughout the community that are centrally located in each cul-de-sac.
- Work with the City to provide signage for the assigned areas as needed.
- Educate residents regarding the importance of using the designated pickup areas in a timely fashion (no more than 24 hours before the scheduled pickup).

RESOLVED FURTHER, that an education campaign will be developed to promote the monthly bulky item pickup program and the alternative for expedited collection using 95-gallon carts or 3-yard bins that can be rented on a weekly basis at reasonable rates – \$28.99 for the cart and \$83.76 for the bin. The campaign will target current residents, new residents and realtors, who can provide information to people either moving in or out; 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 Maintenance and Construction Committee.

Director Paulus made a motion to establish a Water Heater Electrical Requirements Ad Hoc Committee and appoint Directors Paulus, Palmer, Freshley and Moore to coordinate with staff the development of an approach to address and correct electrical panel problems for standard 4,500 watt water heater installations in the Mutual. Director Skydell seconded the motion and the motion carried by a vote of 9-0-0 (Director Freshley was absent from the meeting).

Director Freshley returned to the meeting at 11:24 A.M.

Members Shari Horne (2354-3C) and Pat Feeney (2399-1E) addressed the Board on the electrical issues.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to re-align the storm drain line at Cul-de-sac 221. Director Skydell moved to approve the resolution. Director Shimon seconded the motion.

Member Bud Nesvig (2392-3H) addressed the Board on the resolution.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-155

WHEREAS, by way of Resolution 03-10-36, the Board of Directors appropriated \$35,000 to have their attorney retain a Civil Engineering Consultant to investigate three drainage areas that experienced flooding in early 2010, and cul-de-sac 221 is one of the three affected areas; and

WHEREAS, the Consultant performed an investigation for the area near Building 2404 which concluded that the existing 12-inch outlet pipe from this catch basin does not have the capacity to drain the area during larger storm events and the connection to the existing 84-inch City storm drain causes hydraulic backup to the system, and recommended that the storm drain servicing cul-de-sac 221 be upgraded and re-routed to eliminate the connection to the 84-inch City storm drain;

NOW THEREFORE BE IT RESOLVED, October 19, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$166,500 to be funded from the Disaster Fund to re-align the storm drain line at cul-de-sac 221 so that it will discharge at a nearby existing culvert near the 27-hole golf course; and

RESOLVED FURTHER, that the new line will be routed through the landscape area between buildings 2404 and 2403 and near or through the Clubhouse Four northern parking area; and a storm drain easement will be required through GRF-managed property; 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 authorizing a supplemental appropriation to replace the inlet cover to increase the capacity of the drain at cul-de-sac 371. Director Skydell moved to approve the resolution. Director Freshley seconded the motion and discussion ensued.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-156

WHEREAS, by way of Resolution 03-10-36, the Board of Directors appropriated \$35,000 to have their attorney retain a Civil Engineering

Consultant to investigate three drainage areas that experienced flooding in early 2010, and cul-de-sac 371 is one of the three affected areas; and

WHEREAS, the Consultant performed a hydrologic investigation in and around cul-de-sac 371 and recommended that the existing inlet cover be upgraded to increase the capacity of the drain;

NOW THEREFORE BE IT RESOLVED, October 19, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$3,025 to be funded from the Disaster Fund to replace the inlet cover to increase the capacity of the drain at cul-de-sac 371; 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 authorizing a supplemental appropriation to increase the size of the outlet pipe in cul-de-sac 378. Director Skydell moved to approve the resolution. Director Freshley seconded the motion and discussion ensued.

By a vote of 9-1-0 (Director Palmer opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-157

WHEREAS, by way of Resolution 03-10-36, the Board of Directors appropriated \$35,000 to have their attorney retain a Civil Engineering Consultant to investigate three drainage areas that experienced flooding in early 2010, and cul-de-sac 378 also known as Calle Pico is one of the three affected areas; and

WHEREAS, the Consultant performed a hydrologic investigation for the area near Calle Pico and recommended that the existing storm drain system be updated by increasing the capacity of the outlet pipe;

NOW THEREFORE BE IT RESOLVED, October 19, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$72,300 to be funded from the Disaster Fund to increase the size of the outlet pipe in cul-de-sac 378 (Calle Pico); and

RESOLVED FURTHER, that the two catch basins in Calle Pico will be rebuilt and the existing 18-inch pipe will be replaced with a 24-inch pipe which will increase storm runoff capacity and decrease storm water ponding depth in the street during a large storm event; 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 Paulus made a motion to authorize staff to continue the Repairs Prior to Paint and Roofing programs as presented in the 2010 Business Plan. The motion was seconded and discussion ensued. The motion carried unanimously.

Director Skydell reported from the Board Operating Rules Ad Hoc Committee.

Director Palmer reported from the Water Conservation Ad Hoc Committee.

Director Paulus reported from Resident Problem Resolution Services.

Director Paulus reported from the Garden Villa Recreation Room Ad Hoc Committee.

Director Burrasca reported from the Traffic Committee.

Director Freshley updated the Board on the legal fees incurred to date.

GRF COMMITTEE REPORTS HIGHLIGHTS

- Director Skydell reported on the Government and Public Relations Committee and spoke to the City's zoning modification plan and asked for the Board to approve the plan. Without objection, the Board agreed to send a letter to the City approving the plan.
- Director Freshley reported on the new Golf Building ground breaking ceremony in November 2010.

DIRECTORS' COMMENTS

- Director Muennichow thanked those members who voted for her and commented on her goals for the Community.
- Director Tso thanked those members who voted for her and vowed to serve the Community to the best of her ability.
- Director Wellikson commented on looking forward to working with the Board.
- Director Welch hoped that she would feel better next month.

The Board recessed at 12:39 P.M. and reconvened into Executive Session at 1:38 P.M.

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

During its Regular Executive Session meeting of September 21, 2010 the Board reviewed and approved the minutes of August 17, 2010; heard three (3) disciplinary hearings; approved recording Notices of Default for Member ID 931-370-28, Member ID 932-440-07, Member ID 932-600-19; approved filing two separate Small Claims Cases of \$2,500 (or less); discussed the legal matters of Ellen Moss v. Third Mutual; Victoria Pullman v. Third Mutual; Third Mutual v. PCM, Inc., and Dolores Fruchtmann v. Third Mutual; and discussed other member disciplinary and legal matters.

The Traffic Committee of the Board met in Executive Session on September 22, 2010 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 4:50 P.M.

Carol Skydell, Secretary