

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

May 17, 2011

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, May 17, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet

Executive Session: Jerry Storage, Patty Kurzet, Cris Robinson, Luis Rosas

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

In honor of Memorial Day, representatives of the American Legion Post 257 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 start of the meeting, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as amended by moving 11(b) *Discuss OCFA Red Lining of Curbs* for discussion before the Chair's Report.

OLD BUSINESS

Ms. Leslie Keane, Laguna Woods City Manager, introduced Assistant Chief Kevin Bass of the Orange County Fire Authority (OCFA).

Mr. Gene Hart, Security Division Director, entered the meeting at 9:40 A.M.

Ms. Keane addressed the issue of the misunderstanding that the OCFA is requiring that fire lanes be at least 20 feet wide to permit emergency vehicle access, and thus requiring that the Community restrict parking by creating fire lanes.

Mr. Bass addressed the Board on the fire code and indicated that the OCFA will not be mandating fire lanes in all width-restricted roadways within the Community.

Mr. Bass, Ms. Keane, and Mr. Hart left the meeting at 9:55 A.M.

Without objection, the Board directed Staff to remove red curbs with fire lane markings in Third Mutual. Dr. Paulus, with staff, will visit questionable locations and make a determination onsite as to how to foster adequate access for fire equipment.

CHAIR'S REPORT—Carol Moore

President Carol Moore commented on water conservation and on the progress of the Golf Building project.

APPROVAL OF THE MINUTES

Without objection the Board approved the minutes of the Special Meeting of April 13, 2011, and the Regular Meeting of April 19, 2011.

CONSENT CALENDAR

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

Maintenance & Construction Committee Recommendations:

- | | |
|---------|---|
| 969-3A | Denial of request to retain the non-conforming window at bedroom two |
| 2362-A | Approval of request to convert the living room window to a sliding glass door and add a patio, with contingencies |
| 2400-2H | Affirm Unoccupied Manor Inspection Fee (\$100) Policy and agree to uphold half of the fee (\$50) |
| 3230-A | Approval of request to retain the white wrought iron fence on the rear patio, with contingencies |
| 3244-1C | Denial of request to retain the new construction windows |
| 5331-Q | Approval of request for the Mutual to not paint the patio block walls during the Mutual's 2011 Exterior Paint Program, with contingencies |
| 5336-B | Approval of request to not install trellis structure to replace the old one that was removed to perform dry rot repairs |

Landscape Committee Recommendations

- | | |
|---------|---|
| 2395-1E | Rescind previous decision to approve of request for three (3) tree removals at Mutual Member's expense and deny request for the tree removals |
| 3336-2D | Approval of request for off-schedule tree trimming at the Mutual Member's expense |
| 3348-A | Approval of request for tree removal at the Mutual's expense |
| 5342-A | Denial of request to replant slope with larger plants and approval to add 6 more plants at the Mutual's expense |

- | | |
|--------|---|
| 5442 | Approval of request for pathway at the Mutual Member's expense |
| 5516-A | Approval of request for tree removal at the Mutual Member's expense |

Finance Committee Recommendations

RESOLUTION 03-11-59

WHEREAS, Member ID 931-370-25 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, May 17, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-370-25; 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 03-11-60

WHEREAS, Member ID 931-470-04 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, May 17, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-04; 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 03-11-61

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, May 17, 2011, 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 03-11-62

WHEREAS, Member ID 931-590-58 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, May 17, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-590-58; 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 03-11-63

WHEREAS, Member ID 931-710-69 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, May 17, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-69; 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 03-11-64

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, May 17, 2011, 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 03-11-65

WHEREAS, Member ID 932-380-08 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, May 17, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-380-08; 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 03-11-66

WHEREAS, Member ID 932-720-70 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, May 17, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-720-70; 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 03-11-67

WHEREAS, Member ID 934-500-12 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, May 17, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-500-12; 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. Jerry Storage commented on moving forward in a positive manner. Mr. Storage updated the Board on ongoing GRF projects within the Community including the Clubhouse projects; the City's plan to change the configuration of Santa Maria from Gate 8 to Moulton Parkway to accommodate "golf cart only" traffic lanes; the City's plan to construct a two-thirds acre City Centre Park; Gate One renovation; and the new Golf Building project.

Mr. Storage also updated the Board on Third Mutual projects including the replacement of beams at various buildings; the pilot study to upgrade the fire alarm system; the Water Conservation Pilot project; waterline epoxy piping; the elevator hydraulic replacement project; the flood mitigation in cul-de-sacs 371, 378, and 221; the Exterior Paint program; the rain gutter replacement program; new cluster mailbox installation; and electrical upgrades for water heaters. Mr. Storage announced that the Annual Guest Pass and Non-Resident Member Pass Programs are underway and applications are now being accepted; and provided details of the Annual Vehicle Decal Replacement Program.

President Moore described the Board decorum for Member Comments.

THIRD MUTUAL MEMBER COMMENTS and PUBLIC FORUM

- Lucie Falk (3377-A) commented on landscaping and tree trimming.
- Shari Horne (2354-3C) thanked PCM for trimming her tree in a timely manner.
- Art Harris (3244-1G) thanked the Board for pursuing the lawsuit against PCM; hoped that future contract negotiations will be open to the residents; and requested that the Board members make their personal contact information available to the residents.
- Corkey Eley (2401-2E) commented on letters she wrote to the Boards regarding the governing documents.
- Barbara Marsh (3433-B) announced that representatives of Associa will be speaking at the next Friends of the Village meeting.
- Gill Klappenbach (2395-3F) addressed the Board on his request for tree removals and water conservation.
- Mike Straziuso (4006-2E) commented on water conservation and the fines imposed on Third Mutual residents for over-usage.
- Richard Moren (2395-1G) commented on water heater electrical changes and flood mitigation.

DIRECTORS' RESPONSES TO MEMBER COMMENTS

- Director Wellikson commented on the Member Comments procedures.
- Director Freshley responded to comments made regarding water conservation.
- Director Tso thanked Mr. Storage for the ongoing work regarding beam replacements.
- Director Palmer responded to comments made regarding water conservation.
- Director Paulus responded to Mr. Harris's request for Board members' contact information.
- Director Welch responded to comments made regarding water conservation.
- Director Burrasca commented on Ms. Eley not receiving a response to her letters.
- Director Skydell commented on beam replacements.

OLD BUSINESS

The Board discussed and considered rescinding Resolution 03-11-07 which appropriates funds to widen the road in cul-de-sac 306 to allow for curbside parking for up to three vehicles.

Director Skydell made a motion to rescind Resolution 03-11-07. Director Freshley seconded the motion and the motion carried unanimously.

NEW BUSINESS

The Secretary of the Corporation, Director Carol Skydell, read a proposed resolution approving the appointments to the Candidate Information Committee. Director Skydell moved to approve the resolution. Director Wellikson 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 03-11-68

RESOLVED, May 17, 2011, that the following persons are hereby appointed to serve on the Candidate Information Committee of this Corporation:

Pat Feeney, Chair
Harry Curtis
Joseph Heller
Shari Horne
Leleng Isaacs
Ed Tao
Connie Matzenbacher

RESOLVED, that Resolution 03-10-65, adopted May 18, 2010 is hereby superseded and cancelled.

Members Bud Nesvig (2392-3H) commented on the appointments and Corkey Eley (2401-2E) commented on revising the CC&Rs.

Director Muennichow made a motion to approve the following legislative positions and direct Staff to prepare letters to be signed by the President. Director Welch seconded the motion. By a vote of 10-0-0, the motion carried and the Board approved the following legislative positions:

- SB 221 (Simitian) Small Claims Court: Jurisdiction – *Support*
- SB 563 (Committee on Transportation & Housing) Common Interest Developments: meetings – *Oppose unless amended*

FINANCE REPORT

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

Members Barbara Marsh (3433-B) and Bud Nesvig (2392-3H) addressed Director Freshley on her report.

COMMITTEE REPORTS

Director Lucy Shimon reported from the Landscape Committee.

Member Lucie Falk (3377-A) addressed Director Shimon on her report.

Director John Paulus reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution approving repairs to stairway support steel at 25 Garden Villa buildings, at an estimated cost of \$132,000. Director

Skydell moved to approve the resolution. Director Wellikson 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 03-11-69

WHEREAS, there are 25 Garden Villa buildings with exterior stairways requiring repairs due to deterioration of the support steel as a result of water intrusion;

NOW THEREFORE BE IT RESOLVED, May 17, 2011, that the Board of Directors of this Corporation hereby approves repairing the steel for two sets of stairways (total 50) in each of the 25 Garden Villa buildings, at an estimated cost of \$132,000, to be funded from the existing Replacement Reserves for Building Structures; and

RESOLVED FURTHER, that the paint on the steel stairway supports which contains a lead-based paint will be treated with the proper abatement procedures when repairs take place; 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.

Members Bud Nesvig (2392-3H) and Corkey Eley (2401-2E) addressed Director Paulus on his report.

Director Paulus made a motion to approve the Request for Proposals (RFP) and Final Bidders List for CDS 371 & 378 flood mitigation construction. Director Skydell seconded the motion and 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 Welch reported from the Information Access Ad Hoc Committee.

The Secretary of the Corporation read a proposed resolution to create a web-based search feature to make available *open* board meeting resolutions in a searchable database to be accessed through the Laguna Woods Village website. Director Skydell moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

Member Pat Feeney (2399-1E) offered to create titles for all resolutions.

Without objection, the Board accepted Ms. Feeney's offer.

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

RESOLUTION 03-11-70

WHEREAS, Third Mutual open Board meeting minutes are available on the Laguna Woods Village website dating back to 2006 but board resolutions are not specifically searchable; and

WHEREAS, the Board of Directors of this Corporation have expressed a desire to develop a system where board resolutions are specifically searchable on the website to improve corporate recordkeeping and research capabilities;

NOW THEREFORE BE IT RESOLVED, May 17, 2011, that the Board of Directors hereby directs Staff to create a web-based search feature to make available all post-2005 Third Mutual *open* board meeting resolutions in a searchable database to be accessed through the Laguna Woods Village website at no cost to the Corporation; 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 Burrasca reported from the Traffic Committee.

Members Pat Feeney (2399-1E) and Art Harris (3244-1G) addressed Director Burrasca on his report.

Director Muennichow reported on the Long Range Planning Committee.

Director Shimon reported on the Community Revitalization Committee.

GRF COMMITTEE REPORTS HIGHLIGHTS

There were no committee reports or highlights.

DIRECTORS' COMMENTS

- Director Tso announced that more international channels have been added to the broadband network and encouraged residents to attend the next Broadband Committee meeting.
- Director Freshley commented on the need for the additional appropriation in the amount of \$608,700 for the Golf Building project.

Member Bud Nesvig (2392-3H) commented on the high cost of the golf building and the need for Member approval.

- Director Welch commented on driving golf carts.
- President Moore commented on flood mitigation and thanked the American Legion Post 257 for leading the Membership in the Pledge of Allegiance to the Flag.

The Board recessed at 12:42 P.M. and reconvened into Executive Session at 1:43 P.M.

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

During its April 19, 2011 Regular Executive Session Board Meeting, the Board reviewed and approved the minutes of the Regular Executive Session of March 15, 2011 and the Special Executive Session of April 7, 2011; heard two (2) disciplinary hearings; approved two delinquent assessment write-offs; set a foreclosure sale date; discussed the Ellen Moss v. Third Mutual; Elliot Nesvig v. Third Mutual; and Milt Johns (Cross Complainant) v. Professional Community Management, Inc., et al.; discussed other member disciplinary matters; and discussed contractual and litigation matters.

The Traffic Committee of the Board met in Executive Session on April 27, 2011 to discuss member disciplinary issues.

During its May 2, 2011 Special Executive Session Board Meeting, the Board held a disciplinary hearing.

With no further business before the Board of Directors, the meeting was adjourned at 4:55 P.M.

Carol Skydell, Secretary