

Reestablish a democratic decision making process in Marina Hills

Appalling Explanation

A Bel Fiore homeowner, who, like most homeowners does not understand why the Directors did not send out proxies to allow homeowners to vote on term limits, after he and 100 fellow homeowners had formally petitioned the board to do so, requested that the Bel Fiore District Delegate ask the Directors for an explanation. This explanation was given by Linda Baker during the July Board Meeting: "The term limit petition was not answered, because it petitioned more than one issue, namely the term limits, the immediate effectiveness of term limits, and the requirement for sitting directors to apply this rule to themselves in case the homeowners voted for the term limit petition."

Linda Baker is absolutely wrong, neither the CC&Rs nor the Bylaws allow any Director to qualify and/or turn down any properly presented homeowners' petition.

The Bel Fiore District Delegate then furthermore stated, "that even if this was true, just last year the Directors initiated another homeowner petitioned vote that also talked about more than one issue: the parking on the driveway and the time period for which a garage door can be left open."

Presented with this contradiction to her illogical explanation, Linda Baker stated that the Board made a mistake last year. Treasurer Vito Ferrante jumped in and said that the mistake was "due to his frailty."

Both of Linda Baker's explanations are factually wrong and are an insult to the intelligence of all Marina Hills homeowners. ©

Linda Baker's Conflict of Interest

Linda Baker cannot honestly serve two masters with conflicting goals and interests

Just imagine this: California Governor Arnold Schwarzenegger responds to a call from President Bush to become the newly appointed Chief of Homeland Security. Schwarzenegger gets sworn in his new post, but simultaneously stays on as Governor of California, attempting to give two times 100% to two masters attempting simultaneously to solve many potential conflict of interest situations.

We all would laugh at such a hypothetical scenario, yet we have this very situation right here at Marina Hills: Linda Baker was appointed to the position as Secretary for all of Marina Hills, yet she is and has been for many

years (more than term limits would allow) Director on the Siena Board. Presently she is President.

The goals, interests and motivations of the Marina Hills association and the gated Siena sub-association are not the same, often they are different, if not contradictory.

If for example, a particular cost increase needs to be absorbed by either the 1538 homes of the Master Association or the 126 homes of the gated Siena Association, how do you think Linda Baker would vote?

Or why would Linda Baker vote for an improvement of the Marina Hills pool when such an

improvement would not add any benefits to Siena homeowners who already have their own sub-association pool?

From an ethical standpoint Linda Baker should have never accepted the controversial appointment to the Marina Hills Board. So far Linda Baker has missed one third of all Board Meetings.

Linda Baker, now voluntarily running for a director's position in the upcoming election has a serious conflict of interest by being on two related boards at the same time.

Common sense suggests not to vote for Linda Baker. ©

Should our Tennis Court & Pool be given away to vendors?

Does the Board have the authority to give away our association amenities at our recreation facility

Having a commercial vendor at the Marina Hills pool provide swimming lessons to toddlers is certainly a convenient way to teach swimming to our children. Improving your tennis skills by taking tennis lessons from a commercial tennis instructor right here at one of the six Marina Hills tennis courts is also convenient.

In the past, despite objections from residents, the Board has authorized some limited tennis instructions (only to Marina Hills residents and only during off-peak hours) as well as swimming instructions and commercially organized swim meets during the summer.

Unfortunately, it seems that the convenience for the homeowners to contract with a commercial vendor on the common grounds of Marina Hills comes at an exorbitant price:

"We have learned through experience over the years that these vendors end up conducting their business by supplying

services to non-residents in our common area" said one tennis fan.

"Have you ever been refused access to the lap lanes by the vendor supplying swimming lessons?" commented another homeowner.

"While it may be argued that the services are beneficial to a few families, this benefit is substantially outweighed by the problems created and loss of use by the other homeowners. Once a vendors gets access, invariably, the service becomes abused by services to non-homeowners on our property.

Allowing vendors, whether they are homeowners or not, to conduct business, such as lessons on our common areas, constitutes a giveaway, because other homeowners are denied use of the amenity while the business is conducted. Part of the use of our facility involves it's availability. The facilities are less available to us when these businesses are

conducted."

The Board, as reported in the official July / August newsletter, is deciding whether to allow less restricted commercial tennis instructions (Abolishment of tennis rule No 14). In reality, because of the Facilities Director's inability to enforce any restriction, this really means unrestricted commercial tennis lessons.

Another tennis player states: "The use of common areas for a profit motive constitutes a failure of this board to protect the assets and revenue of the residents. The board is attempting to have the homeowners at large absorb the overhead expenses such as night lights, depreciation of the nets, court surface, wind screens, fences, light fixtures, trash cans, cup holders, the allocated portion of the security guard, the allocated portion of the Recreation Director's salary, and the landscaping for the benefit of a few." ©

Summary of unresolved Marina Hills problems

Directors have a history of ignoring the CC&Rs and homeowners, violating state law, secrecy towards homeowners

Pattern of violating the CC&Rs and abrogation of homeowner voting rights On three different occasions (term limits, conflict of interest, fence color) during the last year, between 80 and 120 homeowners have signed petitions to call for a special meeting of the homeowners. According to the Marina Hills CC&Rs, the Directors "have the duty" to call the petitioned Special Meeting "within 20 days." The Directors should have mailed a voting proxy to all homeowners, just as they had been done earlier for the garage/driveway petition. The Marina Hills homeowners were denied their right to vote, the most fundamental of democratic rights, for each of the three petitions. Many homeowners are appalled by the continued lawlessness of the elected and appointed Directors.



One of the signed formal petition sheets which was ignored by the Directors Szwajkos, Dry, Johnston, Baker and Ferrante.



As recently as July 2004, Vito Ferrante failed to provide properly requested financial info.

Violation of State Law and CC&Rs The Marina Hills CC&Rs always had financial disclosure rights for the benefit of homeowners. Additionally, as of January 1, 2004, the Davis-Stirling Act, part of the California Civil Code, has given homeowners very specific rights for financial disclosure from homeowners associations. Yet, the Marina Hills Directors, have steadfastly refused to provide any financial information about the invoices for the official Marina Hills newsletter. The official newsletter is produced every **two** months, yet \$1,509 is paid to a **secret** vendor every **single** month. Is this secret vendor Cheryl Wilson, who gets this money over and above her salary? Or is it a company that potentially pays kickbacks to any of the Directors or the Board Employee? If everything was above board, why doesn't the Board disclose the information, as required by law. Treasurer Vito Ferrante has willfully ignored this request for information on at least one occasions.

Fence color was forced onto homeowners Last Spring the employee of the Board Cheryl Wilson selected BLACK as the new trim color for the clubhouse and wrought iron fences for the Marina Hills community. During several subsequent board meetings the voices of homeowners were ignored and suppressed. Under pressure the Board finally conducted an opinion poll. It is the consensus of most homeowners who closely observed this incident that this poll was manipulated by splitting the green color choice into two different shades of green. Under a cloud of secrecy the Directors have refused a homeowners' audit of the opinion poll. More homeowners selected green than black, yet the fences were painted black. The Directors violated the CC&Rs by ignoring a formal petition, signed by more than 5% of all Marina Hills homeowners. The homeowners had requested a formal vote on the fence color, that vote was illegally denied by the Directors.

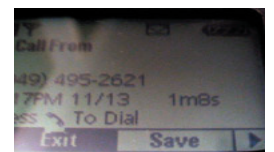


Homeowners perceived to loose control over their very own backyard when the Directors decided to ignore a formal petition by the homeowners.



Homeowners Commingling of Services On December 5, 2003, association paid workers from Villa Park Services were observed, within a 10-minute time frame to work both inside the private backyard of the Wilson residence (Then-Director Calvin Wilson and full-time Employee of the Board Cheryl Wilson) as well as on the common grounds of Marina Hills. Written requests by the homeowners to provide proof that no homeowner funds were misappropriated, have to date been ignored by the board. Instead they said: "We investigated ourselves and found that we did nothing wrong."

Personal physical intimidation During the November 2003 board meeting, SaveMarinaHills.org announced their web site. The very next day, Larry Coggins, a long time Marina Hills contractor and friend of the Wilsons, made a bodily-harm threatening phone call from the Marina Hills Club house to the publisher of the web site. As a result of this incident, Larry Coggins from LC Electrical and Maintenance was replaced as handyman for Marina Hills, yet as recent as June 2004 Larry Coggins was observed with Calvin Wilson within our community. During the November 2003 board meeting, an opposition homeowner, was assaulted by the Securitas security guards. The assaulting Security guard, as a result of this incident, was replaced but rehired by the Board within a two months time.



Caller ID information showing the 11/13/2003 phone call made from the 949-495-2621 fax line of the club house.

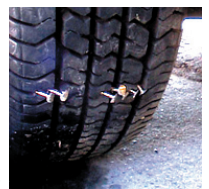


The City of Laguna Niguel does not have a building permit for this 7 ft. concrete/masonry structure on file.

Unequal treatment of homeowners As published in the April 2004 SaveMarinaHills newsletter, some homeowners are apparently more equal than others. The Board's sole and only direct Employee Cheryl Wilson and husband/former Director Calvin Wilson have modified the association maintained perimeter wall by replacing the wrought iron fence with a monumental 7 ft. masonry fireplace. The Directors have been asked but have failed to answer the question of who pays for the maintenance of the fireplace, which is part of the association maintained perimeter wall.

Criminal vandalism against homeowners Director Jane Dry incorrectly stated during the October 2003 Board meeting that the association, and not the city, controlled the parking in the streets of Marina Hills. During the next 10 days, a car parked legally in front of the house of then-Director Calvin Wilson and his wife, the Employee of the Board, Cheryl Wilson, was criminally vandalized. Within 72 hours the California license plate was stolen, within another 72 hours a tire was slashed. Calvin Wilson resigned as Director from the Board without explanation two months after this incident. ©

Seven nails were placed in a straight row into a Mercedes tire while parked in front of the Wilson residence. (Police report #03-226725)



Hans Strupat for Director

Candidacy statement

Publisher and contributing author of this newsletter, Hans Strupat, is running in the upcoming Director's election as candidate for the Board of Directors.



Hans Strupat, in a recent interview with SaveMarinaHills.org stated: "If elected, I will work on the following issues for the homeowners of Marina Hills:

- To continue, as the present directors have done successfully, to keep the grass green and to keep Marina Hills beautiful and a well respected community within South Orange County.

- To help bring transparency of the Board of Directors' actions to the residents of Marina Hills. To ensure that the Executive Session of the Board, as required by the CC&Rs, is used as little as possible and to provide maximum information to the residents of Marina Hills.

- To be directly and regularly available by phone (949-218-7408) to the residents of Marina Hills; to be available to engage in a direct and constructive dialogue with the homeowners.

- To reestablish democracy within Marina Hills. To attempt to cause ALL Directors to follow the CC&Rs and California civil laws.

- Investigate the pros and cons of term limits for Directors; ensure that Marina Hills homeowners have the opportunity to vote on such a measure as provided by the CC&Rs.

- Investigate the pros and cons of employing a direct employee versus management employed club house support staff, which could be serving the homeowners during their evening and weekend off-hours.

- Investigate the pros and cons of reducing the monthly assessment by about 10% and reducing the present high reserve, which calculates to more than \$1,500 per homeowner.

- Bring transparency of certain undisclosed accounting details to the residents of Marina Hills, as provided by law.

- To introduce the highest financial and ethical standards with regard to vendor selection, avoiding commingling of services and potential misuse of funds and power.

- Investigate the pros and cons of eliminating the ability of the association to foreclose on a homeowner's property.

- Reduce, rather than enlarge, the power of the Directors over the homeowners, whenever such a decision is at hand.

- Use common sense in solving association and homeowner problems and conflicts"

Hans Strupat has been a resident of Marina Hills for more than 16 years. His educational background is MS Electrical Engineering. ©

Who should you vote for?

Change requires voting against incumbents

Besides Hans Strupat, two other non-incumbent homeowners have declared their candidacy and are running for director positions in the upcoming election. Both Milton Stanford and Rob Sanders have been present at a number of Board Meetings during the last year.

During the homeowners' forum – a homeowners' only opportunity to address the board – both candidates have spoken, giving feedback and asking questions to the Directors of the Board on such subjects as the perimeter wall rebuilding project and the Wilson perimeter wall fireplace. In an interview with SaveMarinaHills both candidates stated that they support term limits and more democracy for Marina Hills.

Please vote for a total of two non-incumbent candidates. ©

Call for Action

Most importantly, please vote

Every homeowner should have received a Proxy Authorization. Please vote for the two candidates of your choice and mail the single sheet to Keystone or to SaveMarinaHills, 30251 Golden Lantern, Suite E263, Laguna Niguel, CA 92677.

If you have not received or if you have misplaced your Proxy Authorization, or if you already mailed your proxy and want to change your vote with a replacement proxy, give SaveMarinaHills a call (949-218-7404) and we will mail/deliver a new Proxy Authorization to you. Also, upon request we will pick up your proxy for on-time (August 25) delivery to Keystone Pacific.

MARINA HILLS PLANNED COMMUNITY ASSOCIATION
ANNUAL MEETING AND ELECTION
PROXY AUTHORIZATION - AUGUST 25, 2004

I, the undersigned, hereby authorize the following disposition of this proxy (PLEASE PLACE AN "X" IN ONE BOX ONLY)

☒ I have voted for the candidate(s) as designated below.
☐ I decline to vote and authorize this proxy to be used for quorum purposes only.
☐ I designate one of the current Board of Directors: _____

OR, I designate _____ as the true and lawful attorney, agent or proxy of the undersigned, with full power of substitution and revocation for and in the name, place and stead of undersigned, to vote upon any and all matters which may lawfully come before the membership, and any adjournments thereof. If I am present at such meeting or adjournments, I reserve the right to retrieve this proxy.

VOTING INSTRUCTIONS: Each unit is entitled to cast a total of two (2) votes and cumulative voting will not be utilized, which means, you cannot cast more than one vote for any candidate. The total votes cannot exceed two (2) or your proxy ballot will be void.

CANDIDATE:	VOTE	CANDIDATE:	VOTE
Linda Baker (Incumbent)	_____	Milton Stanford	_____
Chuck Johnston (Incumbent)	_____	Hans Strupat	<input checked="" type="checkbox"/>
Rob Sanders	_____		

IRS REVENUE RULING 70-604

To comply with the IRS Revenue Ruling 70-604, if the Association has a surplus of funds at the budget year end, the membership needs to vote to apply any excess funds to replacement funds (reserves) or next year's budget to reduce potential tax liabilities.

☒ For ☐ Against ☐ Abstain

In witness whereof, the undersigned has executed this instrument this 11 day of AUG

SIGNATURE: Please Sign here
NAME: Your name
ADDRESS: Your address

Only owners of record as of July 19, 2004 are eligible to sign this proxy, otherwise this proxy will be invalid. ALL HOMEOWNERS ARE REQUESTED TO SIGN AND RETURN THIS PROXY AUTHORIZATION IN THE ENCLOSED ENVELOPE, PRIOR TO AUGUST 25, 2004.

If you have any question or need any additional information to make an informed decision when voting for the candidates for the Marina Hills Directors, please call 949-218-7408.

Most importantly, please vote. The Directors are responsible for an almost \$2,000,000 annual budget and about \$2,500,000 in reserves. This is YOUR money.

Voting for an incumbent will most certainly continue the Board's pattern of ignoring homeowners, violating the CC&Rs and state law. You have the power today to make one step towards change.©

How we can improve homeowner communication

Marina Hills has the opportunity to establish a democratic homeowner-oriented bidirectional communication flow

Marina Hills has an official web site and an official newsletter. The newsletter is produced at great cost (\$3,000+ per issue) to all homeowners.

In the future, by working diligently, the Board can make both the web site and the newsletter useful:

- Re-publish the calendar on the web site and ensure integrity and correctness of the data such that the perception of secret Director meetings is eliminated.

- Make available, for the first time, the complete text of the CC&Rs, Bylaws, and all Rules for easy access by the

homeowners. (This would also eliminate the cost for new homeowners to get yet another paper copy during the escrow process.)

- Keep an archive of ALL past board meetings on the web site.

- Give all homeowners a voice by introducing a democratic forum on the web as well as diverse homeowner opinions in the official newsletter.

- Allow opt-in email registration to provide homeowners with timely reminders about updates on the official web site.

- Provide information about events BEFORE they happen. Information about upcoming events would allow homeowners to make a real time decision on when to participate in, for example a board meeting, where the pros and cons of a particular issue can be debated BEFORE a decision is made by the Directors.

- Publish the reservation rules and schedule relative to the Patio and Clubhouse. This would minimize the fear of favoritism for the clubhouse reservation. ☺

SaveMarinaHills.org

- Appalling Explanation about Term Limit Petition!
- Linda Baker has a conflict of interest!
- Summary of unresolved Marina Hills problems
- Should our Tennis Court and Pool be given away to Vendors?
- How we can we improve homeowner communication!

Read More inside this newsletter

Feedback from the last newsletter.

Can the Board adopt the Nixonian motto: "We're no crooks...!?" Anyway, congratulations for this dynamite expose and excellent presentation.

Amarante Homeowner 04051007201

We still need term-limits and a court challenge to the board's blatantly illegitimate refusals to honor the amendment petitions.

Marina Hills Homeowner 0405121207

Just read your last issue and not a least bit surprised about the article "are some homeowners more equal than others". Clearly a case of one rule for one "special person" and another for all the others! - Based on a number of conversations I have personally had with Cheryl, I could not agree more that she should have been dismissed a very long time ago! She has no appreciation for "customer service" and I am fairly certain that she believes that we (the customers who pay her salary!) are a pain in the neck. I would not employ her in my business if someone paid me thousands of dollars a year to have her!

Chandon Homeowner 0405202156

SaveMarinaHills.org

30251 Golden Lantern, #E263

Laguna Niguel, CA 92677

Fax: 360-935-3576

Phone: 949-218-7408

email: info@SaveMarinaHills.org

Participate in the Board vote.
Fill out your Proxy Authorization and
mail it in!

PRESORTED
STANDARD
U.S. POSTAGE PAID
LAGUNA NIGUEL, CA
PERMIT NO. 63