

LWV

May 07, 2009

Residents Voice

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Topics for Tonight

- **California Real Estate Alert**
- **Definitions; Fraud & Embezzlement**
- **LW Review – 25th Anniversary 1963-1988**
- **Recorded Governing Documents.**
- **“OUR” Property**
 - **Old Administration Building**
 - **Name Change**
 - **Water District**

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State of CA, Dept of Real Estate

- Fraud alert.
- Real Estate fraud is a form of theft criminals may use to steal your home, real estate holdings, or equity in your property. Real Estate fraud is on the rise throughout the country and can take many forms.
- Report suspicious activity to;
State of CA, Dept of Real Estate (213)620-2072

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Definitions

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Fraud

- Deceit; Trickery; Cheating
- (LAW) Intentional deception to cause a person to give up property or some lawful right.

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Embezzlement

- To take (money, for example) for one's own use in violation of a trust.

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1st 25 Year LW History

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1963 - Pop, 0 Bldgs 0

- CH #1 completed
- Gate 1 opened to 3 blocks of paved streets

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1964 – 1,730 pop, 17 bldgs

- Feb – First Mutual (530 units) sold in 1 ½ hrs
- Jun – Security Services organized
- Sep – 1st 10 families moved in
- Sep – 1st bus driver hired
- Nov – Start home mail delivery
- Nov – W. Simons heads up LW Foundation (PCM)
- Dec – Gate 2 opened
- All Coop Real Estate is owned by the Mutual

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1965 – Pop 6,630

- Mar – Free delivery of LW News, financed by LW Foundation
- Jul – CH #2 Built
- Mutual 1 elected first Director
- Men's and women's golf clubs organized, lawn bowling and shuffleboard facilities provided

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1966 — Pop 8,167

- Jul – first annual water ballet
- Nov – United Methodist Church dedicated
- Tennis Club organized
- Channel 6 opened
- 1st GRF Annual Mtg
- Library opened
- FHA new reserves. \$300 sale fund
- Garden center and RV storage set up

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1967 — Pop 10,100

- Jan – Military planes collide
- Jul – St. Nicholas Church dedicated
- Nov – Lutheran Church of the Cross dedicated
- Condos planned – unable to fund coops
- 9 Mutuals formed 1st Laguna Hills Mutual
- Community Relations office opened
- Gate 5 opened

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1968 — Pop 11,065

- Mar – Temple Judea dedicated
- Aug – Geneva Presbyterian Church dedicated
- Recession slowed sales to 452
- “Initiation” fee raised to \$1,200
- Moved LW Foundation from CH #1 to Admin
- 8 Mutuels formed 2nd Laguna Hills Mutual
- GRF Purchased medical clinic for \$2,718,440 from Rossmoor Corp

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1969 — Pop 12,434

- Feb – first condos built
- Jul – Christian Science Church held 1st meeting but dedication delayed until 1975
- Jul – St George Episcopal Church held first mtg
- Oct - First Baptist Church dedicated
- Nine holes added to 18 hole golf course
- Sale “Initiation” Fee raised to \$1,675
- Golf course opens every day

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1970 – Pop 13,166

- Introduce Garden Villas
- Rossmoor Towers (311 units) erected. Cost \$15m
- Donation of \$150,00 from Med Bldg Fund to Saddleback Community Hospital
- Gate 7 opened
- Gate 6 Guardhouse completed

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1971 – Pop 13,788

- Mar – CH # 3 grand opening. Cost bldg - \$783,000, furnishings \$105,000
- Friendship walk completed through effort of Rowland Wilson a retired nursery operator

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1972 — Pop 15,105

- Single family dwellings made available
- 27-hole Golf Course purchased from Rossmoor for \$2,969,571
- Gate 4 opened for car exit only
- PCM, Inc supplanted LW Foundation
- “Initiation” Fee raised to \$1,825

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1973 — Pop 16,611

- May – all 5 bldgs of CH#4 opened. Reported cost \$1,153,991
- Seven Mutuals merged into Third Laguna Hills Mutual
- “Initiation” Fee raised to \$2,575
- First of 371 home inside gate 11 occupied
- Oct – Grand opening of Laguna Hills Mall

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1974 — Pop 17,471

- Towers opened; two 14-story bldgs connected by 3 story community building.
- Jan – Saddleback Community Hospital opened; from LW came financial aid of \$7990,933. Outgrowth of medical facilities originally planned for Leisure World.

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1975 — Pop 18,063

- CH #6 purchased from Rossmoor Corps for \$280,000 plus \$20,000 for fixtures and furnishings.
- Coops merged into United Laguna Hills Mutual
- Condos merged into Third Laguna Hills Mutual

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1976 – Pop18,711

- Nov – Ribbon Cutting for new Library
- Aliso Park dedicated as Audubon Sanctuary
- Sep – 131 homes sold for \$12 mil in five-hour lottery
- Golden Rain Foundation approved home services contract for 24-hr service with Saddleback Community Hospital

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1977 – Pop 19,354

- Hank Litten named first mgr of PCM
- LW Historical Society incorporated
- May – First of 480 units inside gate 14 occupied as Mutuals 81 thru 84 (eventually included within Third Mutual)
- Nine hour lottery sold 222 units for \$21,381,700

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1978 — Pop 19,923

- Saddleback College Emeritus Institute took over Adult Education Program
- Douglas Ayres named PCM General Manager

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1979 — Pop 20,083

- Par Executive Golf Course opened. Purchased from Rossmoor Corp for \$700,922 for land and facilities
- Russ Disbro named PCM General Manager

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1980 — Pop 21,044

- New mini-gym dedicated
- Rossmoor Corp transferred 18 acres at Moulton Parkway and Santa Maria to Golden Rain Foundation for \$1.00
- Ross Cortese gave \$25,000 to help finance tennis complex

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1981 — Pop 21,140

- Jul — First occupancy in complex of 110 luxury units inside gate 9 as Mutual 68 & 69 (eventually included in Third Laguna Hills Mutual)

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1982 — Pop 21,072

- 32' Globe off Avenida de la Carlota, identifying symbol of Leisure World, donated by Rossmoor Corp.
- Presidents of all LW Corporations turned down City of Irvine proposal that LW come under Irvine “sphere of influence” with its status quo guaranteed, and that Irvine would annex the Moulton Parkway Commercial Area

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1983 — Pop 21,099

- Golden Rain Foundation agreed to pay Laguna Publishing Co \$1,850,000 to settle 10-yr-old lawsuit by Vernon Spitaleri, then publisher of the Laguna Hills News-Post, who said his freedom of press rights were violated when he was prevented from delivering his newspaper free door-to-door in Leisure World.
- Russ Disbro resigned, replaced by Malcolm Maremont.

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1984 — Pop 20,262

- California placed a floor of 55 years of age on retirement communities. It had been 52.
- LW resident won a court award of \$1,060,000 in a suit in which she charged Golden Rain and PCM with lack of promised security and an inadequately controlled pass policy in connection with a 1981 burglary at her manor. Defendants appealed.

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1985 — Pop 20,258

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1986 — Pop 20,512

- Jan – Complete 12,736 Manors in 2,529 bldgs
- Appeals Court reduced award in burglary negligence case to \$10,000 and became final when California State Supreme Court refused to hear case
- Resale (“initiation”) fees raised by GRF from \$1,500 to \$2,000

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1987 — Pop 20,635

- PCM GM Maremount resigned and was replaced by Russ Disbro
- PCM, Inc was sold by Johnstown America to Retirement Living Affiliates; PCM was founded in 1972 with LW as its major client
- CA Legislature outlawed resale transfer fees
- GRF Instituted a \$10 a month per manor charge to make up for \$1,500,000 shortfall

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1988 — Pop 20,868

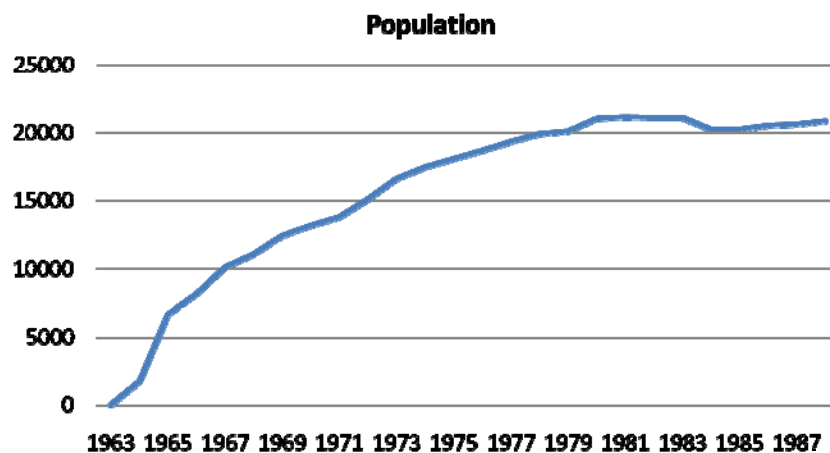
- Rossmoor Liquidating Trust said the Marine Corps, after years of controversy, reached agreement on the use of the 176 acres between the LW Maintenance Center and Gate 14 manors.

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1st 25 Year History



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Recorded Documents

These documents can be located in the Orange County Records

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Year	Description	Date Filed
1961	Rossmoor Leisure World Corp Grant Deed	Dec 4 & 11, 1961
1962	GRF Articles of Incorporation	Nov 19, 1962
1964	Declarations of Establishments of C&Rs (CC&R's)	Feb 28, 1964
1964	Original Trust Agreement	Mar 2, 1964
1964	Regulatory Agreement between GRF & HUD	Mar 2, 1964
1966	Amended GRF & HUD Regulatory Agreement	Mar 2, 1964
1964	Amended Trust Agreement	Apr 6, 1964
1964	Regulatory Agreement between LH Mutual 3 & HUD	Jul 1, 1964
1969	Amended Trust Agreement	Jan 9, 1969

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Year	Description	Date Filed
1970	Amended GRF Article of Inc.	Jun 24, 1970
1970	Third Mutual Article of Inc.	Nov 30, 1970
1970-71	Declaration of Covenants, Conditions & Restrictions	May 7, 1971
1972	Articles of Inc – LH Mutual Fifty	May 30, 1972
1971	Amended Trust Agreement	Oct 13, 1971
1975	United Laguna Hills Mutual Article of Incorporation	Nov 21, 1975
1988	Amended and Restated Declaration of CC&R's	May 10, 1988
2000	GRF Amended Articles of Incorporation	Nov 14, 2000

"Old" Administration Building

"A Fairy Tale ?"

Purchased from Rossmoor

- Original Grant Deed
- March 2, 1964 – Sect 1, Book 5931-5939, page 586-534
- GRF purchased property from Rossmoor Corp
- Deed states that;
 - “Subject to: Taxes, easements, covenants, conditions, restrictions and reservations, encumbrances and all other matters of record.”

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Sold to Mayer Corp

- August 11, 2004
- Mayer Financial purchased property from GRF
- Signed by:
 - Maurice Kravitz, GRF President
 - Milt Johns, GRF Vice President

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Sold to Standard Pacific

- April 27, 2006
- Standard Pacific Corp purchases from Mayer Corp
- Grant Deed states:
 - This grant is made subject to:
All other covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights of way, liens, charges, equitable servitudes and other matters of record on the date of recordation of this grant deed.

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What is Different between these Grant Deeds ???

- August 11, 2004
- Mayer Financial purchased property from GRF
- Signed by:
 - Maurice Kravitz
 - Milt Johns
- **Subject to: ??????????**
 - **No reference in grant deed to CCR's as would be normal to protect the buyer and seller.**

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Case Law Covers This

- However, 1995 CA Supreme Court Case ruled:
 - A CC&R restriction may be enforced even though neither the restriction nor the CC&Rs are ***referenced in a deed*** if the CC&R restriction appears as a matter of record in the public record at the time of purchase. Prior to this decision CC&R Restrictions could not be enforced if they were not referenced in a deed or other document conveying title. This rule was made retroactive so that it applies to all past and future transfers.

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Sequence of Documents

- CC&Rs exist in original Feb 28, 1964, documented public record
- CC&Rs exist in May 7, 1971 documented public record.
- CC&Rs exist in May 10, 1988 amended documented public record.

- Property sold Aug 11, 2004

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So What's the Question ???

- When GRF sold the Admin Bldg to the Mayer Corporation;
 - Who was responsible for ensuring that the sale meets the necessary FIDUCIARY requirements?
 - First American Title Company
 - Professional Community Management
 - Leisure World's Land Attorney
 - Golden Rain Foundation

Or, All Of The Above

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What do the CC&Rs Say?

- There will be NO legal proceedings to effect judicial partition unless LW has been in existence in excess of FIFTY (50) years and is obsolete and uneconomical to go on and the owners of fifty percent (50%) of the units join in such an action for partition, and,
- A partition shall be made ONLY upon the showing of the occurrence of anyone of the events provided in Corp Code Section #1359.

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Name Change ?

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Changing from LW to LWV

- The same restrictions that applied to the “Old” Admin Property apply to making a change in NAME.
- What is, “Laguna Woods Village?”
 - There is no public record of this name.
 - Anyone could open a bank account in the name of “Laguna Woods Village”
 - If this is a corporate account, the bank of record should verify this via articles of incorporation

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LW Land for Water District Pumping Station

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Water District Pumping Station

- Does it make any difference if we steal \$1.00 or \$1,000.00 as far as the law is concerned?
- NO! It is ILLEGAL to partition ANY AMOUNT of common ground without the approval of the owners.

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By the Way, "Who Owns The Pumping & Water Treatment Facility?"

- Be Sure to Come Next Meeting To Hear This Intriguing Answer.

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Conclusion

Instead of spending our effort and money on the maintenance of our manors,

We are expending millions of dollars on Real Estate Development of a Home Owner's Association that was completed in 1988.

Who derives benefit from all these costs ???

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The End

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