

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

November 20, 2012

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, November 20, 2012 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Mike Straziuso, Won Chang, Isabel Muennichow, Rae Tso, Sy Wellikson, Kathryn Freshley, Denny Welch (via telephone), Marc Bayer, Jim Juhan, Judith Troutman

Directors Absent: Hank Gioia

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

Others Present: Kelly Richardson, Esq.

CALL TO ORDER

Director Mike Straziuso, President of the Corporation, called the meeting to order at 9:30 A.M.

PLEDGE OF ALLEGIANCE

Director Bayer led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

A representative of the Globe was not present when the meeting started, 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 written.

CHAIR'S REMARKS—Mike Straziuso

President Straziuso announced the retirement of Pat McLaughlin, CFO and thanked her for her service to the Community, and welcomed Bill Rex, her replacement; congratulated Lynne Dvorak regarding her appointment as GRF Board President; and thanked Staff and the Board members for all their hard work in serving the Board.

APPROVAL OF THE MINUTES

Without objection or amendments, the Board approved the October 16, 2012 Regular Meeting minutes, and the October 24, 2012 Special Meeting minutes.

CONSENT CALENDAR

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

Maintenance & Construction Committee Recommendations:

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| 2208-B | Deny request to retain original window after retrofitting sliding glass at manor |
| 2273-C | Approve reimbursement of \$140 for main electric breaker replacement |
| 3371-1G | Approve request for a rear patio extension and block wall, with contingencies |
| 3439-B | Approve request for installation of patio walls and pedestals, with contingencies |
| 5307 | Approve request to retain the built-in counter unit at the courtyard, with contingencies |
| 5334-C | Approve request for rear patio extension with enclosure and cover, with contingencies |
| 5340-A | Authorize installation of alteration handrail at Member's expense and the Mutual would complete future maintenance of the handrail |
| 5502-C | Approve request for installation of a garden wall with wrought iron fence, with contingencies |
| 5511-1H | Deny request for Mutual to reverse dry-down charges |

Landscape Committee Recommendations

- | | |
|---------|---|
| 5008 | Deny appeal request for removal of 3 trees |
| 5412 | Deny appeal request for removal of 2 trees |
| 5465-A | Deny appeal request for tree removal |
| 3004-B | Approve request for tree installations at Mutual member's expense |
| 5369-3G | Approve request for tree removal and replacement at Mutual member's expense |
| 5500-2F | Denial of request for tree removal |

Finance Committee Recommendation

RESOLUTION 03-12-137

WHEREAS, Member ID 931-680-05 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, November 20, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-680-05; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

GENERAL MANAGER'S REPORT

Mr. Jerry Storage updated the Membership on the ongoing GRF projects within the Community and on Third Mutual projects.

MEMBER COMMENTS

Third Mutual Members were given the opportunity to speak and the Directors briefly responded.

Mrs. Cris Robinson entered the meeting and reported on the City of Laguna Hills' intent to develop multi-residential and commercial units in Oakbrook Village as part of its General Plan. The City did not perform an EIR and Cora Newman and Robert Hawkins, Esq. attended the City Council meeting on November 13, 2012 on the Board's behalf. Director Tso moved to share the cost of the experts' work done. Director Chang seconded the motion and discussion ensued. By a vote of 7-1-1 (Director Freshley opposed and Director Troutman abstained), the motion carried.

UNFINISHED BUSINESS

Without objection the Board waived the reading of the proposed resolution approving the revised standard procedures for scheduled implementation of the Mutual's fumigation process which was postponed from last month to satisfy the 30-day notification requirement.

Director Muennichow provided a brief summary of the proposed policy.

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

RESOLUTION 03-12-138

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, November 20, 2012, 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 shall provide 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, no less than two weeks prior to 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 **and includes an estimated duration of the medical ailment**, signed by a licensed physician, prohibiting the resident from vacating the unit:
 - (a) The Mutual shall allow for a one-time rescheduling of the fumigation on behalf of the requesting resident.
 - (b) Staff shall work with the resident and reschedule 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 shall issue 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 Resolution 03-10-51, adopted April 20, 2010 is hereby superseded and cancelled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

NEW BUSINESS

Director Muennichow moved to rescind Resolution 03-11-55 (Delegation of Actions and Commitments Matrix Policy). Director Bayer seconded the motion and discussion ensued.

Director Bayer called the question. Directors Wellikson, Bayer, Chang, Welch voted in favor and due to the lack of a 2/3s vote the motion failed and discussion on the main motion continued.

Member Pat Feeney (2399-1E) spoke to the motion.

By a vote of 8-1-0 (Director Freshley opposed), the motion carried.

Director Freshley called for a roll call vote.

By a roll call vote of 8-1-0, the motion carried.

AYES: Directors Juhan, Chang, Tso, Bayer, Welch, Muennichow, Troutman, Wellikson

NAYES: Director Freshley

Director Freshley moved to have legal counsel draft a procedure that replaces the Matrix policy for Board review. Director Wellikson seconded the motion.

Director Tso postponed the motion for 60 days. Director Muennichow seconded the motion and discussion ensued. By a vote of 7-2-0 (Directors Wellikson and Freshley opposed) the motion carried.

President Straziuso stated that due to the success of rescinding Resolution 03-11-55, the motion to approve the Request for Proposals (RFP) and Bidders List for Building 2307 Fire Damage Restoration is no longer necessary.

Director Freshley appealed the decision of the Chair.

Director Bayer moved to sustain the ruling of the Chair. The motion failed due to the lack of a second.

Director Freshley moved to approve the Request for Proposals (RFP) and Bidders List for Building 2307 Fire Damage Restoration. Director Wellikson seconded the motion and discussion ensued. The motion carried by a vote of 6-0-3 (Directors Muennichow, Chang and Bayer abstained).

COMMITTEE REPORTS

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

The Secretary of the Corporation, Director Muennichow, read a proposed resolution approving the revised financial requirements. Director Tso moved to approve the resolution. Director Wellikson seconded the motion and discussion ensued.

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

RESOLUTION 03-12-139

THIRD LAGUNA HILLS MUTUAL FINANCIAL REQUIREMENTS

WHEREAS, it is in the best interest of the Corporation to protect and preserve the financial integrity of the Corporation;

NOW THEREFORE BE IT RESOLVED, November 20, 2012, that the minimum financial requirements for membership will be as follows:

PROSPECTIVE MEMBERSHIP (manor)

Minimum Annual Income	\$42,000	regardless of the number of persons on title; plus additional income of \$21,000 for each additional manor purchased, and
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Minimum Assets	\$125,000	plus the purchase price of all manors owned
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(Verifiable marketable and/or income producing only)

GUARANTORS OF PROSPECTIVE MEMBERSHIP

Annual Income	\$72,000
Assets	\$200,000

(Verifiable marketable income producing only)

RESOLVED FURTHER, that the Managing Agent is hereby directed to disseminate this information to the realty community serving Laguna Woods Village, Laguna Woods; and

RESOLVED FURTHER, that this policy shall be put into effect November 20, 2012; and

RESOLVED FURTHER, that the Managing Agent is hereby directed to return to the Board in two years with recommendations for retaining or changing the requirements; and

RESOLVED FURTHER, that Resolution 03-05-17, adopted September 20, 2005 is hereby superseded and canceled.

Director Muennichow read a proposed resolution approving a policy for collecting small claims post judgments. Director Tso moved to approve the resolution. Director Freshley seconded the motion and discussion ensued.

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

RESOLUTION 03-12-140

WHEREAS, to date Third Mutual has 36 uncollected small claims post judgments totaling approximately \$85,000; and

WHEREAS, additional information and collection methods would assist the small claims process;

NOW THEREFORE BE IT RESOLVED, November 20, 2012, that the Board of Directors hereby approves issuing a subpoena for the production of documents as part of the debtor examination process and using an outside service to verify if members are deceased prior to filing cases as well as locating current addresses to properly file and serve cases; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Won Chang reported from the Landscape Committee.

On behalf of Denny Welch, Director Bayer reported from the Maintenance and Construction Committee.

Member Jack Davis (3302-P) spoke to his request for solar panel installation that was deferred at the Maintenance and Construction Committee meeting.

No action was taken on establishing a subcommittee on solar panel installation.

Director Tso moved to rescind Resolution 03-11-131 (installation of colored concrete crosswalks at 12 cul-de-sac intersections in Third Mutual). Director Bayer seconded the motion and discussion ensued.

Member Carol Skydell (3070-B) spoke to the motion.

By a vote of 5-3-1 (Directors Freshley, Troutman, and Muennichow opposed; and Director Juhan abstained), the motion carried.

Director Bayer moved to rescind Resolution 03-12-101 (installation of colored concrete crosswalks at 10 cul-de-sac intersections in Third Mutual). Director Tso seconded the motion and discussion ensued.

By a vote of 5-3-1 (Directors Freshley, Troutman, and Muennichow opposed; and Director Juhan abstained), the motion carried.

Director Bayer moved to refer the discussion regarding participating in the installation of pavers at CDS 206 to the next Maintenance and Construction Committee. Director Tso seconded the motion. By a vote of 8-1-0 (Director Freshley opposed), the motion carried.

Director Welch reported from the Garden Villa Recreation Sub-Committee.

President Straziuso reported that the Board Operating Rules Committee did not meet.

Director Wellikson reported from the Resident Problem Resolution Services.

President Straziuso reported that the Traffic Committee did not meet.

Director Welch reported from the Traffic Rules and Regulations Ad Hoc Committee.

Director Chang reported from the Community Revitalization Committee.

GRF Committee Reports

Directors gave brief reports from the committees from which they serve.

DIRECTORS' COMMENTS

Directors made some final comments.

ADDITIONAL MEMBER COMMENTS

Darlene Bacus (4023-A) commented on her plumbing issue.

Shari Horne (2354-3C) commented on alternative energy.

The Board recessed at 12:10 P.M. and reconvened into Executive Session at 1:00 P.M.

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

During its October 16, 2012 Regular Executive Session Board Meeting, the Board approved the September 13, 2012 Special Executive Session minutes, the September 18, 2012 Regular Executive Session minutes, and the October 8, 2012 Special Executive Session minutes. The Board heard two disciplinary hearings and imposed fines totaling \$800 for violations of the Mutual's rules and regulations; discussed the legal matters of Lee Childress v. Third Mutual lawsuit; and discussed other member disciplinary, contractual and legal matters.

During its October 24, 2012 Special Executive Session Board Meeting, the Board discussed potential litigation.

With no further business before the Board of Directors, the meeting was adjourned at 4:25 P.M.

Isabel Muennichow, Secretary