

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

December 18, 2012

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, December 18, 2012 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Mike Straziuso, Won Chang, Isabel Muennichow, Rae Tso, Kathryn Freshley, Denny Welch, Marc Bayer, Jim Juhan, Judith Troutman, Hank Gioia

Directors Absent: Sy Wellikson

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 Muennichow led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

A representative of the Globe 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 clarified the circulating rumor that Broadband dropped all sports channels; wished everyone Happy Holidays; reported that the Board Presidents and First Vice Presidents have met with the City of Laguna Hills, and opened the floor to Mrs. Cris Robinson who spoke to the meeting with the City of Laguna Hills regarding the Laguna Hills Oakbrook development project.

APPROVAL OF THE MINUTES

Without objection or amendments, the Board approved the November 20, 2012 Regular Meeting minutes, and the November 30, 2012 Special Meeting minutes.

CONSENT CALENDAR

Without objection, the Board approved the Consent Calendar as amended by removing the following from the Maintenance and Construction Committee Consent Calendar: 2397-3D Approval of request to add the proposed 3'-0" X 7'-0" window on the north corner of living room, and 5511-3D Approval of request for the addition of a 4'0" X 4'0" Living Room window, placing them under the Maintenance and Construction Committee Report for further discussion, and the Board took the following actions:

Maintenance & Construction Committee Recommendations:

- | | |
|--------|---|
| 2267-C | Approval of request to retain red entry door color, with contingencies |
| 3095-D | Denial of request to install two satellite dishes on roof |
| 3137-A | Denial of request to install plastic bamboo shades |
| 3185-C | Denial of appeal request to retain clear plastic panels on patio covers |
| 5391-A | Approval of request to retain raised deck and built-in fountain, extend driveway, notch patio wall and install wrought iron fence, and stain rear patio cover, with contingencies |
| 5556-B | Approval of request for rear patio extension, with contingencies |

Landscape Committee Recommendations

- | | |
|---------|---|
| 3004-B | Approval of appeal request for tree installations at Mutual member's expense |
| 5500-2F | Denial of appeal request for tree removal |
| 3122-B | Approval of request for plant replacements at Mutual member's expense |
| 3179-A | Approve opposition to turf reduction |
| 5408 | Approval of request for off-schedule tree trimming at Mutual member's request |

Finance Committee Recommendation

RESOLUTION 03-12-142

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, December 18, 2012, 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 the purpose of this resolution.

RESOLUTION 03-12-143

WHEREAS, the Finance Committee recommends filing separate Small Claims Court cases of \$2,500 (or less) in an attempt to collect delinquent assessments by way of a judgment or stipulation against members/owners in Third Laguna Hills Mutual; and

NOW THEREFORE BE IT RESOLVED, December 18, 2012, that the Board of Directors hereby approves the filing of separate Small Claims Court cases for Member ID 931-370-88, Member ID 932-201-54, Member ID 932-311-26, Member ID 933-050-63, and Member ID 935-090-51; 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.

UNFINISHED BUSINESS

No unfinished business came before the Board.

NEW BUSINESS

The Board agreed (with Director Freshley opposing) to waive the reading of a proposed resolution authorizing the President to appoint directors to fill vacant committee assignments during elections. Director Bayer moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

Director Muennichow moved to clarify that the committees are Third Mutual committees. Director Welch seconded the motion and discussion ensued. The amendment carried with Director Troutman abstaining.

Member Linda Wilson (816-P) commented on the motion.

By a vote of 7-2-0 (Directors Gioia and Freshley opposed), the motion carried as amended and the Board of Director adopted the following resolution:

RESOLUTION 03-12-144

WHEREAS, Third Mutual recognizes that a transition/void period exists during elections the latter part of each year which impacts committee assignments, and

WHEREAS, this situation results in outgoing directors having no legal status and incoming directors not having been approved for committee assignments by their respective Boards, and

WHEREAS, there are also occasions over the course of the year when an assigned Third Board member cannot attend a Third Mutual Committee meeting to which he/she is assigned;

NOW THEREFORE BE IT RESOLVED, December 18, 2012, that the Board of Directors hereby authorizes the President, or Alternative as designated by Corporate Bylaws, in descending order, to appoint directors to fill vacant committee assignments that result in the transition/void period during elections; and

RESOLVED FURTHER, that the President may also designate an alternate Mutual Director to fill a temporary absence on Third Mutual Committees that occurs during the year; and

RESOLVED FURTHER, that said appointments are temporary and shall last only until the Board approves permanent committee assignments, and

RESOLVED FURTHER, that directors filling the temporary assignments are accorded all rights and privileges as though they were Board-approved committee members, and

RESOLVED FURTHER, that the Committee Chair will be advised of this action prior to the Committee meeting;

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

The Secretary of the Corporation, Director Isabel Muennichow, read a proposed resolution authorizing the Third Mutual President to designate alternate Directors to fill temporary absences on GRF Committees. Director Muennichow moved to approve the resolution. The motion was seconded.

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

RESOLUTION 03-12-145

WHEREAS, there is an occasion or occasions when an assigned Board member cannot attend a GRF Committee meeting;

NOW THEREFORE BE IT RESOLVED, December 18, 2012, that to assure that Third Mutual is represented with the same rights and powers as the regular appointee at GRF Committee meetings that the Third Mutual President may designate an alternate Director to fill this temporary absence; and

RESOLVED FURTHER, that the President of GRF and/or Committee Chair shall be advised of this action prior to the Committee meeting.

Director Gioia moved to appoint 2 Board members to serve on the GRF Trust and Bylaw Analysis Ad Hoc Committee. Director Tso seconded the motion and discussion ensued.

Without objection the Board appointed Directors Muennichow and Juhan to the Ad Hoc Committee.

COMMITTEE REPORTS

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

Director Won Chang reported from the Landscape Committee.

Director Muennichow read the proposed changes to the revised committee charter resolution. Director Chang moved to approve the resolution. Director Tso seconded the motion.

Director Tso left the meeting at 10:39 A.M.

By a vote of 8-0-0 (Director Tso was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-12-146

WHEREAS, the Landscape Committee has been established pursuant to Article VII, Section 1 of the bylaws of this Corporation;

NOW THEREFORE BE IT RESOLVED, December 18, 2012, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of this Committee as follows:

1. Insure that the level of service provided by the Landscaping Division, and the funds needed to accomplish this, are adequate to maintain Third

Mutual landscaping in an aesthetically pleasing, environmentally appropriate and cost-effective manner.

2. Determine service levels and capital and operating budget requirements for the Community and to review annual landscape budgets prepared by the managing agent and make recommendations to the Board of Directors.
3. Insure that the rules and regulations as listed in the Landscape Maintenance Manual are enforced uniformly throughout Third Laguna Hills Mutual.
4. Work with the Golden Rain Foundation (GRF) Landscape Committee to:
 - a. Help them determine (as accurately as possible) the water needed for varying types of landscape developments that would maintain the beauty of the grounds throughout the Community and to help them set up some long range plans for future landscape developments and practices that would work best with the anticipated future water supplies available for irrigation uses in the Community.
 - b. Promote the optimum and most efficient use of water in the Third Laguna Hills Mutual.
5. Work with the United Laguna Woods Mutual Landscape Committee, the Golden Rain Foundation Landscape Committee and our managing agent to:
 - a. Update the rules and regulations in the Community's Landscape Manual.
 - b. Develop policies with regard to control of pests such as ants, rodents, etc.
 - c. Promote and oversee recycling programs and provide for optimum trash pickup and disposal services at reasonable and customary costs.
6. Review each petition for a change in landscape and visit those sites (1) for which clarification is deemed necessary and (2) for which a denial is being considered. Based upon information supplied by a qualified staff member, a petition may be granted without an on-site visit.
7. Perform such tasks as may be assigned or referred to this committee by the Third Laguna Hills Mutual Board of Directors.

RESOLVED FURTHER, that Resolution 03-08-19, adopted March 18, 2008 is hereby superseded and cancelled.

Director Tso returned to the meeting at 10:42 A.M.

Resident Shari Horne gave a recycling report.

Director Welch reported from the Maintenance and Construction Committee.

Director Chang left the meeting at 10:47 A.M.

Director Muennichow read a proposed resolution approving \$17,600 to implement a reactive repair program for parapet walls at 35 Villa Paraisa type A buildings. Director Muennichow moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

By a vote of 8-0-0 (Director Chang was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-12-147

WHEREAS, in December 2011, a homeowner in Building 5054, a type A Villa Paraisa removed the interior drywall of the manor and discovered that the building paper had deteriorated beneath the exterior plaster; and

WHEREAS, upon further investigation the source of the majority of moisture intrusion problem originated at the top of the parapet walls which extends above the roof line in type A Villa Paraisas; and

WHEREAS, subsequent to the repairs made at Building 5054, Staff discovered a higher trend of moisture intrusion events with the Villa Paraisa type A buildings which have parapet walls when compared with type B and type C which do not have the parapet walls extending above the roof line;

NOW THEREFORE BE IT RESOLVED, December 18, 2012, that the Board of Directors hereby implements a reactive repair program for parapet walls at the remaining 35 Villa Paraisa type A buildings at an estimated cost of \$17,600 each from the existing Reserve Expenditures Plan for Building Structures; and

RESOLVED FURTHER, the repair method, which would be implemented after an investigation of moisture intrusion at the parapet walls at any of the 35 type A buildings, includes demolition of the existing stucco, installation of waterproof membrane, flashing, dry paper, lath and plaster at parapet walls which are found to leak from the top; 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 Muennichow read a proposed resolution approving \$13,500 for cul-de-sac 206 improvements. Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

By a vote of 7-0-1 (Director Tso abstained and Director Chang was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-12-148

RESOLVED, December 18, 2012, that the Board of Directors hereby approves \$13,500 in funding from the existing reserves plan for Mutual Revitalization for cul-de-sac 206 improvements; and

RESOLVED FURTHER, that the first improvement is to install an entry statement wall on the west side of CDS 206 at an estimated cost of \$5,500; and

RESOLVED FURTHER, that the second improvement is to install entrance pavers at CDS 206 in conjunction with United Mutual at an estimated cost of \$8,000; 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 Chang returned to the meeting at 10:54 A.M.

Director Freshley left the meeting at 10:54 A.M.

Director Muennichow read a proposed resolution approving \$6,550 to install a trash enclosure wall at cul-de-sac 331. Director Muennichow moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

By a vote of 8-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-12-149

WHEREAS, in cul-de-sac (CDS) 331 adjacent to Building 3279 and Building 3280 a new recycling bin is not screened from view;

NOW THEREFORE BE IT RESOLVED, December 18, 2012, that the Board of Directors hereby approves to install a trash enclosure wall at CDS 331 with landscaping and irrigation in the amount of \$6,550, to be funded from the Replacement Reserves – Walls Common Area, to help camouflage the view of the existing recycling bin; 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 Freshley returned to the meeting at 10:58 A.M.

Director Gioia left the meeting at 11:02 A.M.

The Board discussed the request of 2397-3D to add a proposed 3'-0" X 7'-0" window on the north corner of living room. The Board approved the variance request with Directors Welch and Bayer opposing, and Director Tso abstaining.

Director Gioia returned to the meeting at 11:06 A.M.

The Board discussed the request of 5511-3D for the addition of a 4'0" X 4'0" Living Room window. The Board approved the variance request with Directors Welch, Bayer, and Tso opposing.

Director Welch reported that the Garden Villa Recreation Sub-Committee did not meet.

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

Director Welch reported from Resident Problem Resolution Services.

Director Freshley reported from the Traffic Committee.

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

Director Chang reported from the Community Revitalization Ad Hoc Committee.

Director Chang moved to approve changing the committee name to the "Third Laguna Hills Mutual Revitalization Committee". Director Welch seconded the motion and discussion ensued. The motion carried unanimously.

GRF Committee Reports

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

DIRECTORS' COMMENTS

Directors made some final comments.

ADDITIONAL MEMBER COMMENTS

The Board recessed at 11:33 A.M. and reconvened into Executive Session at 11:46 A.M.

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

During its November 20, 2012 Regular Executive Session Board Meeting, the Board approved the October 16, 2012 Regular Executive Session minutes, and the October 24,

2012 Special Executive Session minutes. The Board approved one write-off for delinquent assessments and held a Meet and Confer regarding a member's delinquent assessment. The Board heard four disciplinary hearings and imposed fines totaling \$1,400 for violations of the Mutual's rules and regulations; discussed the legal matters of Lee Childress v. Third Mutual and Drino v. Third Mutual lawsuits; and discussed other member disciplinary, contractual and legal matters.

With no further business before the Board of Directors, the meeting was adjourned at 4:30 P.M.

Isabel Muennichow, Secretary