

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

April 16, 2013

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, April 16, 2013 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Mike Straziuso, Isabel Muennichow, Rae Tso, Kathryn Freshley, Denny Welch, Beth Perak, Jim Juhan, Judith Troutman, Hank Gioia, Sy Wellikson

Directors Absent: Won Chang

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

ACKNOWLEDGEMENT OF MEDIA

A representative of the Globe was not present at the time of acknowledgement, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Director Muennichow moved to remove 12(g) *Discuss 19 Restaurant and Lounge Signage at Village Greens* from the agenda. Director Wellikson seconded the motion and discussion ensued. By a vote of 7-1-1 (Director Freshley opposed and Director Juhan abstained), the motion carried.

President Straziuso moved to add an item under New Business: *Discussion of Director Attendance on TV6*. Director Wellikson seconded the motion and discussion ensued. The motion carried by a 2/3s vote.

The Board approved the agenda, as amended.

CHAIR'S REMARKS—Mike Straziuso

President Straziuso commented on the price and consumption of water, reported on the El Toro Water District Recycling Project, and reported on the Presidents and Vice Presidents meetings.

Mr. Kelly Richardson, Esq. entered the meeting at 9:43 A.M.

APPROVAL OF THE MINUTES

Without objection the Board approved the minutes of the March 6, 2013 Special Meeting (budget kick-off), amended and approved the minutes of the March 6, 2013 Special Meeting, and approved the minutes of the March 19, 2013 Regular Meeting, the minutes of the March 28, 2013 Special Meeting, and the minutes of the March 29, 2013 Special Meeting.

CONSENT CALENDAR

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

Maintenance & Construction Committee Recommendations:

- | | |
|---------|--|
| 2401-2A | Approval to reverse labor charges for emergency chargeable service |
| 3420-1E | Denial of request to enlarge living room window |
| 5391-A | Approval of request to install a concrete walkway, with contingencies |
| 5543-C | Denial of request to retain corrugated plastic roof on the patio cover |

Landscape Committee Recommendations

- | | |
|---------|--|
| 4011-2E | Approval of request for tree removal including cost of replacement tree at Mutual Member's expense |
| 5521-B | Approval of request for tree removal including cost of replacement tree at Mutual Member's expense |

Finance Committee Recommendation

RESOLUTION 03-13-38

WHEREAS, Member ID 931-360-18 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, April 16, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-360-18; 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 03-13-39

WHEREAS, Member ID 931-360-49 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, April 16, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-360-49; 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 03-13-40

WHEREAS, Member ID 931-370-88 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, April 16, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-370-88; 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 03-13-41

WHEREAS, Member ID 931-460-07 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, April 16, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-460-07; 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 03-13-42

WHEREAS, Member ID 931-580-95 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, April 16, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-580-95; 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 03-13-43

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, April 16, 2013, 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.

RESOLUTION 03-13-44

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, April 16, 2013, that the Board of Directors hereby approves the filing of separate Small Claims Court cases for Member ID 931-360-49, Member ID 931-580-95, Member ID 932-120-63, 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

The Membership was updated 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

The Board considered a proposed resolution adopting the revised Open House Policy which was postponed from the previous month to satisfy the 30-day notification requirement.

Director Wellikson moved to waive the reading and approve the proposed resolution. Director Freshley seconded the motion, and by a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-13-45

THIRD LAGUNA HILLS MUTUAL OPEN HOUSE POLICY

WHEREAS, the GRF Board has passed a Resolution allowing Open House directional signage to be posted on GRF property with the intention of improving the marketability of cooperatives and condominiums in Laguna Woods Village; and

WHEREAS, providing directional signage to a particular cul-de-sac to a scheduled Open House will help guide traffic to the cooperative or condominium for sale or rent; and

NOW THEREFORE BE IT RESOLVED, April 16, 2013, that open houses in Third Mutual are hereby authorized to be held every Saturday and Sunday, between the hours of 11:00 A.M. and 4:00 P.M.; and

RESOLVED FURTHER, that broker previews are hereby authorized to be held every Thursday, between the hours of 9:30 A.M. and 1:30 P.M.; and

RESOLVED FURTHER, that a maximum of three signs with a maximum size of 24" x 24" may be displayed, in accordance with Section 713 of the California Civil Code; and signs shall be placed only at the entrance to, and within the cul-de-sacs in which the manor is located; and

RESOLVED FURTHER, directional signs shall be placed at street intersections to direct traffic to a specific cul-de-sac. There shall be one sign per direction with a maximum of four signs per intersection; and

RESOLVED FURTHER, directional signs shall be with 24" x 9" corrugated plastic with vinyl lettering and adhere to the GRF approved colors, font and logo; and

RESOLVED FURTHER, realtors shall be responsible for providing the signs and shall adhere to the specifications in accordance with this resolution; and

RESOLVED FURTHER, non-conformance to this policy shall result in removal of sign from premises; and

RESOLVED FURTHER, that signs may be posted on the day of the open house no earlier than 10:00 A.M., and must be removed no later than 5:00 P.M. on the same day; and

RESOLVED FURTHER, that non-residents wishing to visit the open house must be either accompanied by a licensed real estate agent who has been approved for Laguna Woods Village entry, or granted Gate access by the Seller/Resident of the property; and

RESOLVED FURTHER, that members selling their properties "For Sale By Owner" shall be required to comply with the same guidelines as Realtors; and

RESOLVED FURTHER, that Resolution 03-11-214, adopted December 20, 2011, 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.

The Board considered the following resolution approving revisions to Mutual Alteration Standard Section 14 *Fireplace Installations*:

RESOLUTION 03-13

WHEREAS, the Board of Directors of this Corporation adopted Resolution M3-96-28 on May 21, 1996, which approved the Third Laguna Hills Mutual Alteration Standards; and

WHEREAS, the Maintenance & Construction Committee of this Corporation recognizes the need to further amend a portion of the Standards with regard to Section 14 *Fireplace Installations*;

NOW THEREFORE BE IT RESOLVED, May 21, 2013, that Mutual Alteration Standard Section 14 *Fireplace Installations* is hereby amended as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution M3-96-28, adopted May 21, 1996 is hereby amended; 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 Welch moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to May to conform to the 30-day notification requirement.

The Secretary of the Corporation, Director Muennichow, read the proposed changes to the Mutual Committee Appointments. Director Wellikson moved to approve the resolution. Director Welch seconded the motion.

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

RESOLUTION 03-13-46

Mutual Committee Appointments

RESOLVED, April 16, 2013, that the following persons are hereby appointed to serve on the committees and services of this Corporation; and

RESOLVED FURTHER, that each committee chair in consultation with the vice chair may appoint additional members and advisors with interim approval by the President subject to the approval of the Board of Directors:

Board Operating Rules Committee

Mike Straziuso, Chair
Isabel Muennichow
Beth Perak

Revitalization Committee

Won Chang, Chair
Jim Juhan, Vice Chair
Isabel Muennichow
Denny Welch
Judith Troutman
Non-Voting Advisors: Doh Shin, Bob Hatch

Finance (Committee of the Whole)

Rae Tso, Chair
Hank Gioia, Vice Chair
Non-Voting Advisors: Jim Hart, Mary Robertson

Garden Villa Recreation Room Subcommittee

Jim Juhan, Chair
Denny Welch
Won Chang
Mike Straziuso

Landscape (Committee of the Whole)

Won Chang, Chair
Judith Troutman, Vice Chair
Non-Voting Advisors: Barbara Marsh, John Dudley

Maintenance and Construction (Committee of the Whole)

Denise Welch, Chair
Jim Juhan, Vice Chair
Non-Voting Advisors: TBD

Management Agreement Ad Hoc Committee

Mike Straziuso, Chair
Rae Tso, Vice Chair
Sy Wellikson

Meet and Confer

Kathryn Freshley
Denny Welch
Sy Wellikson

New Resident Orientation

Per Rotation List

Paint Color Sub-Committee

Isabel Muennichow
Judith Troutman
Non-Voting Advisor: Rose Weiss

Resident Problem Resolution Services

Denny Welch, Chair
Jim Juhan, Vice Chair
Mike Straziuso

Standards Sub-Committee

Denny Welch
Judith Troutman
Hank Gioia
Jim Juhan

Traffic Hearing (quarterly)

Rae Tso
Sy Wellikson
Denny Welch

Traffic Rules and Regulations Ad Hoc Committee

Denny Welch, Chair
Jim Juhan, Vice Chair
Hank Gioia
Advisor: Hal Horne

Laguna Canyon Foundation

Isabel Muennichow

RESOLVED FURTHER, that Resolution 03-13-12, adopted February 19, 2013 is hereby superseded and canceled.

Director Muennichow read the proposed changes to the GRF Committee Appointments. Director Muennichow moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

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

RESOLUTION 03-13-47

GRF Committee Appointments

RESOLVED, April 16, 2013, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted July 2012, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Business Planning

Mike Straziuso
Rae Tso

Recreation Master Plan Ad Hoc Committee

Hank Gioia
Judith Troutman

Community Activities

Isabel Muennichow
Denny Welch

Finance

Rae Tso
Hank Gioia

Landscape Committee

Won Chang
Judith Troutman

Maintenance and Construction

Denny Welch
Jim Juhan

Media and Communication Committee

Rae Tso
Beth Perak

Mobility and Vehicles Committee

Kathryn Freshley
Jim Juhan

Security and Community Access

Mike Straziuso
Sy Wellikson

RESOLVED FURTHER, that Resolution 03-13-13, adopted February 19, 2013 is hereby superseded and canceled.

NEW BUSINESS

President Straziuso entertained nominations to fill the 2nd Vice President position.

Director Tso nominated Director Gioia for the 2nd Vice President position. Director Gioia accepted the nomination.

Director Welch nominated Director Muennichow for the 2nd Vice President position. Director Muennichow accepted the nomination.

By way of secret ballot, and a vote of 6-4, Director Gioia was elected 2nd Vice President.

Director Muennichow read a proposed resolution ratifying the Officer Appointments. Director Muennichow moved to approve the resolution. Director Wellikson seconded the motion.

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

RESOLUTION 03-13-48

RESOLVED, April 16, 2013, that the following persons are hereby elected as officers of this Corporation:

Mike Straziuso	President
Denny Welch	1st Vice President
Hank Gioia	2nd Vice President
Isabel Muennichow	Secretary
Rae Tso	Treasurer

RESOLVED FURTHER, that the following Staff persons are hereby appointed as officers of this Corporation:

Jerry Storage	Vice President
Betty Parker	Assistant Treasurer
Patty Kurzet	Assistant Secretary
Cris Robinson	Assistant Secretary
Wendy Panizza	Assistant Secretary
Scott Dunham	Assistant Secretary

RESOLVED FURTHER, that Resolution 03-12-124, adopted October 4, 2012 is hereby superseded and canceled.

Director Welch moved to rescind the Candidate Information Committee Standard Operating Procedure (Resolution 03-11-32). Director Troutman seconded the motion and discussion ensued. By a vote of 8-1-0 (Director Freshley opposed), the motion carried.

Director Wellikson moved to direct legal counsel to draft updated Election Procedures. Director Welch seconded the motion and discussion ensued. By a vote of 8-0-1 (Director Freshley abstained), the motion carried.

Director Tso moved to approve the Bulk Cable TV Services Agreement with GRF. Director Welch seconded the motion and discussion ensued. The motion carried unanimously.

Director Muennichow read the following proposed resolution revising Robert's Rules regarding the Civil Code's 30-Day Postponement Requirement:

RESOLUTION 03-13-

WHEREAS, Civil Code §1357.130 Notice of Rule Change, states that "the board of directors shall provide written notice of a proposed rule change to the members at least 30 days before making the rule change"; and

WHEREAS, Robert's Rules of Order states that "in cases where no more than a quarterly time interval will elapse between sessions, a question can be postponed until, but not beyond, the next regular business session"; and

WHEREAS, monthly board meetings sometimes occur only 28 days apart, and it has been the Board's practice to postpone matters related to Civil Code §1357.130 to the next monthly board meetings; and it is the Board's desire to simplify postponement of proposed rule changes;

NOW THEREFORE BE IT RESOLVED, May 21, 2013, that the Board of Directors hereby modifies the above sentence in Robert's Rules of Order by adding "...except that if the next regular monthly business session of the Board of Directors is less than 30 days from the date of postponement, a proposed rule change may be postponed for two sessions;" 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 moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

Director Welch moved to postpone further discussion until the May meeting. Director Troutman seconded the motion and the motion carried.

Mrs. Cris Robinson entered the meeting at 11:20 A.M. and reported on the requirements of Directors participating telephonically in Board Meetings, indicating that a board member must

partake in the discussion so everyone can hear the person speak and vote, and cannot just call in and vote without the participation.

The Board discussed Directors' attendance on TV6 representing their own views that do not support Board actions.

Director Troutman moved to compose Director Guidelines for Directors appearing on TV 6's Third Mutual Update segment. Director Tso seconded the motion and discussion ensued.

Director Muennichow amended the motion to refer the guidelines to the Operating Rules Ad Hoc Committee. Director Troutman seconded the motion. By a vote of 7-2-0 (Directors Tso and Freshley opposed), the amendment carried.

By a vote of 7-2-0 (Directors Tso and Freshley opposed), the motion carried as amended.

Mrs. Robinson left the meeting at 11:54 A.M.

COMMITTEE REPORTS

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

Director Judith Troutman reported from the Landscape Committee.

Director Welch reported from the Maintenance and Construction Committee.

Director Freshley left the meeting at 12:11 P.M.

Director Muennichow read a proposed resolution approving to incorporate exterior paint coating into the Mutual's Reserve Plan. Director Welch moved to approve the resolution. Director Wellikson seconded the motion.

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 03-13-49

WHEREAS, as part of the Mutual's evaluation of paint materials for the 2013 Exterior Paint Program, KTA-Tator Inc. performed an analysis of paint material alternatives, and cautioned that eventually the thickness of the paint coatings on the Mutual's building walls could lead to failure of the paint, resulting in potential blistering and peeling, which would make it necessary to remove the paint from the walls and reapply to bare surfaces; and

NOW THEREFORE BE IT RESOLVED, April 16, 2013, that the Board of Directors hereby approves to incorporate funding for removal of exterior coatings into the Mutual's 30-year Reserve Plan; and

RESOLVED FURTHER, the paint removal component would be slated to begin in 25 years at an average of 16,580 square feet per year (1% of the average annual paint program exterior square footage); 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 12:15 P.M.

Director Welch moved to refer the following proposed resolution authorizing a supplemental appropriation of \$82,500 to construct 12 new unassigned parking spaces in CDS 402 back to the Maintenance and Construction Committee. Director Straziuso seconded the motion and discussion ensued.

By a vote of 9-0-0, the following resolution was referred back to the Maintenance and Construction Committee:

RESOLUTION 03-13-

WHEREAS, cul-de-sac (CDS) 402 inside Gate 14 has 17 unassigned parking spaces, which, when unavailable, causes residents and guests to park outside CDS 402 forcing them to walk a distance on the hilly Gate 14 area to return to CDS 402;

NOW THEREFORE BE IT RESOLVED, April 16, 2013, that the Board of Directors hereby authorizes a supplemental appropriation in the amount of \$82,500, to be funded from the Unappropriated Expenditures Fund, to construct 12 new unassigned parking spaces in CDS 402; 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 Welch reported from the Standards Sub-Committee.

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

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

Director Welch reported from Resident Problem Resolution Services.

Director Tso reported from the Quarterly Traffic Committee.

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

Director Juhan reported from the TLHM Revitalization Committee.

Director Muennichow reported from the Joint Task Force to Analyze the GRF Trust and Bylaws.

GRF Committee Reports

- Director Troutman reported on the Recreation Master Plan Ad Hoc Committee.
- Director Welch reported on the Maintenance and Construction Committee.
- Director Tso reported on the Media and Communications Committee.

DIRECTORS' COMMENTS

Directors made their final comments.

ADDITIONAL MEMBER COMMENTS

Members were given the opportunity to make additional comments.

The Board recessed at 12:34 P.M. and reconvened into Executive Session at 1:27 P.M.

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

During its March 19, 2013 Regular Executive Session Board Meeting, the Board reviewed and approved the minutes of the Special Executive Session of February 5, 2013, the minutes of the Special Executive Session of February 15, 2013, and the Regular Executive Session of February 19, 2013. The Board approved recording Notice of Default for Member ID 931-360-22; approved five write-offs; heard two disciplinary hearings and imposed fines totaling \$200 for violations of the Mutual's rules and regulations; and discussed other member disciplinary, contractual and legal matters.

With no further business before the Board of Directors, the meeting was adjourned at 4:22 P.M.

Isabel Muennichow, Secretary