

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

June 18, 2013

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, June 18, 2013 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: None

Staff Present: Jerry Storage, Patty Kurzet
Executive Session: Jerry Storage, Patty Kurzet, 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 Troutman 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, were acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as written.

CHAIR'S REMARKS—Mike Straziuso

President Straziuso spoke to the City's bulky items pickup program, the current budget meetings, the City's discontinuance of paying for the Mutual's streetlights, increase in water rates, and banks now loaning in Third Mutual.

APPROVAL OF THE MINUTES

Without objection the Board approved the minutes of the May 21, 2013 Regular Meeting.

CONSENT CALENDAR

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

Maintenance & Construction Committee Recommendations:

3171-D	Approval of request to install hot tub on patio, with contingencies
3171-D	Denial of request to park golf cart in common area at manor

- 3377-A Approval of request to paint entry door alternate color of Spiced Raspberry Red, with contingencies
- 5044 Approval of request to fill in bottom portion of the nook window of manor, with contingencies

Landscape Committee Recommendations

- 2234-F Denial of request for tree removal
- 5581-A Approval of request for landscape design change at the Mutual Member's expense, pending a review by M&C Committee

Finance Committee Recommendation

RESOLUTION 03-13-63

WHEREAS, Member ID 931-530-97 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, June 18, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-530-97; 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 03-13-64

WHEREAS, Member ID 931-660-03 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, June 18, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-660-03; 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 03-13-65

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, June 18, 2013, that the Board of Directors hereby approves the filing of separate Small Claims Court cases for Member ID 931-580-22, Member ID 935-050-71, and Member ID 935-100-27; 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.

The Petitions that were given to GRF to call a Corporate Members meeting to allow for a direct election of GRF Directors were also provided to staff.

UNFINISHED BUSINESS

Mr. Kelly Richardson reported that the draft rules reflect the Association's current election procedures.

Director Muennichow moved to send the proposed election rules to the Board Operating Rules Committee. Director Tso seconded the motion and discussion ensued.

Inspector of Election Hillel Pitlik addressed the Board on the motion.

By a vote of 9-1-0 (Director Chang opposed), the motion carried.

The update on the ownership of Third Mutual streetlights was held during the Chair's Remarks.

NEW BUSINESS

No new business came before the Board.

COMMITTEE REPORTS

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

Director Chang reported from the Landscape Committee.

Director Welch reported from the Maintenance and Construction Committee.

Director Welch suggested revisions to the policy to provide clarification to the proposed policy.

Director Muennichow read the proposed policy for Plants on or Near Walls Surrounding Exclusive Use Patios and read the following proposed resolution:

RESOLUTION 03-13-xx

WHEREAS, Mutual members have installed vines and plants that impede maintenance access to walls surrounding exclusive use patio areas; and

WHEREAS, the Mutual desires to establish a policy that allows members to retain plants that are abutting or attached to only block walls and not other types of walls surrounding their exclusive use patios;

NOW THEREFORE BE IT RESOLVED, August 20, 2013, that the Board of Directors of this Corporation hereby adopts a policy for Plants on or Near Walls Surrounding Exclusive Use Patios within the Mutual, as attached to the official meeting minutes; and

RESOLVED FURTHER, that members requesting retention of their plants or vines must sign an "Agreement Regarding Permitted Maintenance of Exterior Ivy" which assigns responsibility for the maintenance and/or repair of the walls to the member; and to any subsequent member for the subject manor; 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 Wellikson seconded the motion and discussion ensued.

Director Freshley moved to refer the matter back to the Maintenance and Construction Committee. Director Tso seconded the motion and discussion ensued. The motion carried by a vote of 8-2-0 (Directors Chang and Welch opposed).

Director Muennichow read the proposed revisions to Mutual Alteration Standard Section 22 – Patio and Balcony Covers, Aluminum and Vinyl and read the following proposed resolution:

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 alteration standards with regard to Section 22 – Patio, Balcony and Eyebrow Covers, Aluminum and Vinyl;

NOW THEREFORE BE IT RESOLVED, August 20, 2013, that Section 22 – Patio and Balcony Covers, Aluminum and Vinyl of the Mutual Alteration Standards 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 Resolution 03-08-08 adopted January 15, 2008 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.

Director Welch moved to approve the resolution. Director Muennichow seconded the motion and discussion ensued.

Without objection, the Board postponed the motion to August to conform to the 30-day notification requirement.

Director Muennichow read the proposed new Mutual Alteration Standard Section 43 – Hot Tubs and read the following proposed resolution:

RESOLUTION 03-13-xx

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

WHEREAS, this Corporation recognizes the need to establish a policy to streamline the proper installation and maintenance of Hot Tubs;

NOW THEREFORE BE IT RESOLVED, August 20, 2013, that the Board of Directors of this Corporation hereby adopts a new Mutual Alteration Standard Section 43 - Hot Tubs, 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 Resolution M3-79-56, adopted April 17, 1979 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.

Director Welch moved to approve the resolution. Director Muennichow seconded the motion and discussion ensued.

Without objection, the Board postponed the motion to August to conform to the 30-day notification requirement.

Director Muennichow read the proposed revisions to the Interior Hard-Surface Flooring Complaint Rules and read the following proposed resolution:

RESOLUTION 03-13-xxx

WHEREAS, flooring is an integral sound attenuation element of the building where a floor is above another manor; and

WHEREAS, the installation of hard-surface flooring, which shall include wood, but not be limited to, tile, slate, linoleum, bamboo, laminates, and stone, within a manor can result in unreasonable noise being transmitted into the manor immediately below, which noise can adversely affect said resident's quality of life; and

WHEREAS, the Mutual has received complaints that the installation and/or utilization of hard-surface flooring within certain manors has resulted in an obstruction or interference with the rights of persons in the manors located immediately below, has annoyed said persons by unreasonable noise, thereby creating or constituting a nuisance; and

WHEREAS, Article III, Section 6 of Third's Amended and Restated Declaration of Covenants, Conditions and Restrictions (CC&Rs) states that "no Owner or Resident shall permit or suffer anything to be done or kept within the Project which will obstruct or interfere with the rights of other persons in the Project or annoy them by unreasonable noises or otherwise, nor shall any Owner or Resident commit or permit any nuisance"; and

NOW THEREFORE BE IT RESOLVED, August 20, 2013, that the Board of Directors hereby approves the Third Laguna Hills Mutual Interior Hard-Surface Flooring Complaint Rules, as attached hereto and to the official minutes of this meeting; and

RESOLVED FURTHER, that these Interior Hard-Surface Flooring Complaint Rules shall govern complaints by any Owner or resident of a first or second floor condominium that the interior hard-surface flooring in the condominium immediately above is in violation of Article III, Section 6 of the Mutual's CC&Rs

and/or Third Laguna Hills Mutual Alteration Standard Section 11A – Interior Hard-Surface Flooring; and

RESOLVED FURTHER, that Resolution 03-10-98, adopted July 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.

Director Welch moved to approve the resolution. Director Troutman seconded the motion and discussion ensued.

Without objection, the Board postponed the motion to August to conform to the 30-day notification requirement.

Director Welch reported from the Standards Sub-Committee.

Director Juhan 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 Gioia reported from the Quarterly Traffic Committee.

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

Director Chang 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 Finance Committee.
- Director Welch reported on the Maintenance and Construction Committee.

DIRECTORS' COMMENTS

Directors made their final comments.

ADDITIONAL MEMBER COMMENTS

No additional member comments were made.

The Board recessed at 11:58 A.M. and reconvened into Executive Session at 1:01 P.M.

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

During its May 21, 2013 Regular Executive Session Board Meeting, the Board reviewed and approved the April 16, 2013 Regular Executive Session minutes. The Board approved Notice of Defaults for Member ID 931-361-16, Member ID 931-580-69, and Member ID 932-791-16; heard two disciplinary hearings and imposed fines totaling \$1200 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 4:55 P.M.

Isabel Muennichow, Secretary