

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

**April 21, 2015**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, April 21, 2015 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim Matson, Beth Perak, Ray Gros, James Tung, Bunny Carpenter, John Luebbe, John McRae, Bert Moldow, Judith Troutman Rosemarie di Lorenzo Dickins, Wei-Ming Tao (Via Phone)

Directors Absent: None

Staff Present: Cris Robinson, Kim Taylor, Wendy Panizza  
Executive Session: Cris Robinson, Kim Taylor, Wendy Panizza, Blessilda Fernandez, Scott Dunham

Others Present: Denver R. Andrews, Jr. Esq. Law Offices of Denver R. Andrews, Jr. (Executive Session)

**CALL TO ORDER**

Jim Matson, President of the Corporation, chaired and opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:30 A.M.

**PLEDGE OF ALLEGIANCE**

Director Beth Perak led the Membership in the Pledge of Allegiance.

**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 agenda was approved as amended by replacing Director Beth Perak with Director Judith Troutman presenting the Finance report.

**CHAIR'S REMARKS**

President Matson spoke of various items concerning the Mutual.

**APPROVAL OF THE MINUTES**

Without objection, the Board approved the minutes of the March 17, 2015 Regular Open Meeting and the minutes of March 30, 2015 Special Opens Session, as written.

**CONSENT CALENDAR**

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

Maintenance & Construction Committee Recommendations:

- |        |   |
|--------|---|
| B2275  | Approve request to epoxy line pipes at Building 2275, at Mutual expense   |
| 2302-A | Approve request to retain stepping stones in Common Area, with contingencies  |
| 2337-E | Approve request to install a concrete walkway at front patio, with contingencies  |
| 3141-B | Approve request to retain side patio addition, a sliding glass door in living room and stepping stones, with contingencies          |
| 3164-A | Approve request to install an additional HVAC condensing unit, with contingencies   |
| 3212-C | Approve request to construct a revised Standard Plan #300 room addition and to perform window revisions, with contingencies         |
| 3277-P | Approve request to retain Pex® tubing, with contingencies   |
| 3320-C | Approve request to install a wrought iron fence in front of Manor, with contingencies   |
| 3403-A | Approve request to install metal fencing in the Common Area at the rear of patio of Manor, with contingencies                       |
| 3419-C | Approve request to install a sunroom in the previously extended rear patio, with contingencies                                      |
| 3487-A | Approve request to retain storage closet for the relocated water heater and a concrete pad, with contingencies                      |
| 4016-B | Approve request to retain a chaseway for an HVAC ductless system, with contingencies  |
| 5305   | Approve request to install stack stone veneer on the front and side elevations, with contingencies                                  |
| 5336-B | Deny request to retain a rear patio extension and corrugated plastic cover at Manor   |
| 5444   | Approve request for a rear patio enclosure, with contingencies  |
| 5503-C | Approve request for reimbursement of \$7,675 for charges incurred for an outside contractor to repair a clogged sewer line at Manor |

Landscape Committee Recommendations:

- |         |  |
|---------|--|
| B3416   | Approve request to remove 2 trees, at the Mutual's expense |
| 4006-3B | Deny request for tree topping                              |

Finance Committee Recommendations:

**ESOLUTION 03-15-41**

**Filing of Separate Small Claims Court Cases**

**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 21, 2015, that the Board of Directors hereby approves the filing of separate Small Claims Court cases for: Member ID 931-581-27, Member ID 932-311-38, and Member ID 933-030-56; 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**

In Mr. Jerry Storage's absence, Ms. Cris Robinson updated the membership on ongoing GRF projects within the Community.

### **MEMBER COMMENTS**

Third Mutual Members were given the opportunity to speak to any issues not on the agenda.

### **DIRECTORS' RESPONSES TO MEMBER COMMENTS**

The Directors briefly responded to Member Comments.

### **UNFINISHED BUSINESS**

Director McRae read a proposed resolution increasing the annual common area golf cart electric charge from \$100 to \$155 per year beginning January 2015 and prorated to May 2015, which was postponed in March to comply with Civil Code §4360. Director di Lorenzo Dickins moved to approve the resolution. Director McRae seconded the motion and discussion ensued.

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

### **RESOLUTION 03-15-42**

#### **Common Area Golf Cart Electrical Fee Increase**

**WHEREAS**, as a convenience to the residents, Third Mutual allows the ~~rechargeable~~ recharging of battery powered golf carts in assigned spaces of carports and under-building parking ~~vehicles to be recharged in Mutual-owned charging stations as well as other common areas~~; and

**WHEREAS**, to recover the electricity expense incurred, residents recharging ~~rechargeable battery powered vehicles~~ golf carts pay an annual fee designed to reimburse the Mutual for the cost of the used electricity;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, that due to escalating electricity rates, the Board of Directors of this Corporation hereby authorizes and directs its managing agent to increase the annual ~~common area~~ golf cart electric charge from \$100 to \$155 per year; and

**RESOLVED FURTHER**, that the increase shall be effective May 1, 2015; and residents will be charged a prorated fee for the incremental \$55 based on the effective date; and

**RESOLVED FURTHER**, that Resolution 03-11-199 adopted November 15, 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.

Director McRae read a proposed resolution approving the maximum number of units a Member is allowed to own, which was postponed in March to comply with Civil Code §4360. Director di Lorenzo Dickins moved to approve the resolution. Director Tung seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-43**

**Maximum Number of Units a Member is Allowed to Own**

**WHEREAS**, it is in the best interest of the Corporation and its members to preserve property values; and

**WHEREAS**, an excessive number of leased units will negatively impact the ability of members to obtain mortgages with favorable terms, which may lower property values;

**NOW THEREFORE BE IT RESOLVED**, *April 21, 2015, an individual may own a total of three (3) units: one (1) to live in, one (1) to lease; and one (1) to purchase to sell: and*

**RESOLVED FURTHER**, that an individual who currently owns memberships in excess of ~~two (2)~~ **three (3)** for which the property is leased or available for lease, shall be grandfathered. However, at such time as an excess membership is sold, that individual will be prohibited from purchasing additional memberships; and

**RESOLVED FURTHER**, that the managing agent is hereby directed to disseminate this information to the realty community serving ~~Leisure World~~, Laguna Woods **Village**; and

**RESOLVED FURTHER**, that this policy shall be put into effect ~~October 1, 2005~~ **July 1, 2015**; and

**RESOLVED FURTHER**, that Resolution 03-05-18, adopted September 20, 2005 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 McRae read a proposed resolution approving charging a variance request processing fee of \$100, which was postponed in March to comply with Civil Code §4360. Director di Lorenzo Dickins moved to approve the resolution. Director Luebbe seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-44**

**Charging a Variance Request Processing Fee of \$100**

**WHEREAS**, variance requests require significant staff time for proper processing, including research, report preparation, and then presentation to the appropriate committee and then the Board; and

**WHEREAS**, the Board realizes the fee cannot fully offset associated costs with processing variances requests, and when a member appeals the Board's decision on a variance request, the process extends further the amount of administrative costs significantly;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, that in order to partially offset administrative costs associated with processing variance requests, which is sometimes followed by an appeal of the Board's decision as mandated in accordance with Resolution ~~03-09-97~~ 03-13-105 the Board of Directors of this Corporation hereby sets the variance request processing fee at \$100; 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 McRae read a proposed resolution approving revisions to Alteration Standard Section 44 Electric Vehicle Charging Stations, which was postponed in March to comply with Civil Code §4360. Director Luebbe moved to approve the resolution. Director Perak seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-45**

**Amend Alteration Standard Section 44 Electric Vehicle Charging Stations**

**WHEREAS**, the Energy Committee of this Corporation recognizes the need to amend the Alteration Standard for charging of electric vehicles;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, that Section 44 Electric Vehicle Charging Stations of the Mutual Alteration Standards is hereby amended as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-14-109 adopted October 21, 2014 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 McRae read a proposed resolution approving revisions to the Mutual Committee Assignments. Director Troutman moved to approve the resolution. Director di Lorenzo Dickins seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-46**

**Mutual Committee Appointments**

**RESOLVED**, April 21, 2015, 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**

Jim Matson, Chair  
Rosemarie di Lorenzo Dickins  
James Tung  
Beth Perak

**Communications Committee**

Beth Perak, Chair  
John Luebbe  
Bunny Carpenter  
Judith Troutman  
Non-Voting Advisor: Joan Milliman, Hal Horne, Donna Dwaileebe

**Cost Savings Ad Hoc Committee**

~~Wei-Ming Tao~~  
~~Rosemarie di Lorenzo Dickins~~  
~~James Tung~~  
~~John McRae~~  
Non-Voting Advisors: Richard Johnston – Chair, Colin Johnston, and John Davis

**Electrical Vehicle Charging Ad Hoc Committee**

Bert Moldow  
John Luebbe  
Ray Gros  
Non-Voting Advisors: Bill Walsh and Steven Leonard

**Energy Committee**

Bert Moldow, Chair  
James Tung  
John Luebbe  
Non-Voting Advisors: Bill Walsh, Steven Leonard

**Executive Committee**

Judith Troutman, Chair  
Ray Gros  
Rosemarie di Lorenzo Dickins  
McRae – Alternate  
Tung – Alternate

**Finance (Committee of the Whole)**

Wei-Ming Tao, Chair  
Rosemarie di Lorenzo Dickins, Vice Chair  
Non-Voting Advisors: Colin Johnston, Richard Johnston, and John Davis

**Garden Villa Recreation Room Subcommittee**

Rosemarie di Lorenzo Dickins, Chair  
John McRae  
Bunny Carpenter  
**Voting** Advisors: Lenta Jarrett, Sharon Molineri, Shari Horne

**Laguna Woods Village Traffic Hearings**

Ray Gros

**Landscape (Committee of the Whole)**

James Tung, Chair  
Judith Troutman, Vice Chair  
John McRae  
Non-Voting Advisors: John Dudley, Dawn Johnston

**Maintenance and Construction (Committee of the Whole)**

Rosemarie di Lorenzo Dickins, Chair  
Bunny Carpenter, Vice Chair  
Non-Voting Advisors: Robert Sherinian, David Finley

**Meet and Confer**

Jim Matson, Chair  
James Tung  
John Luebbe  
Ray Gros

**New Resident Orientation**

Per Rotation List

**Paint Color Subcommittee**

Jim Matson, Chair  
Rosemarie di Lorenzo Dickins  
Judith Troutman  
Non-Voting Advisor: Ruth Matson

**Resident Problem Resolution Services**

Ray Gros, Chair  
Jim Matson  
James Tung

**Slope Renovation/Turf Conversion Sub-Committee**

Jim Matson – Chair  
James Tung  
John McRae  
Non-Voting Advisor: Darlene Bacus

**Standards Subcommittee**

John McRae, Chair  
James Tung  
Judith Troutman  
Ray Gros  
Non-Voting Advisor: TBD

**Traffic Hearing (quarterly)**

~~Ray Gros, Chair~~  
~~John Luebbe~~  
~~Bert Moldow~~

**Laguna Canyon Foundation**

Ray Gros

**RESOLVED FURTHER**, that Resolution 03-14-134, adopted November 18, 2014 is hereby superseded and canceled.

**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 McRae read a proposed resolution authorizing the changing of the Third Mutual Annual Meeting of the Members date to October 7, 2015. Director di Lorenzo Dickins moved to approve the resolution. Director Luebbe seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-47**

**Date Change for 2015 Annual Meeting of the Members**

**WHEREAS**, Bylaw Article 5.2 Annual Meeting states that the Annual Meeting of Mutual Members shall be held on the first Thursday of October of each year at 9:30 AM unless the Board of Directors fixes another time and/or date and so notifies the Mutual Members as provided in 5.4; and

**WHEREAS**, due to a scheduling conflict with Third Board of Directors;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, that the new date for the 2015 Annual Meeting of the Third Laguna Hills Mutual Members shall be held on Wednesday, October 7, 2015, at 9:30 A.M. Thereafter, the Annual

Meetings of the Third Laguna Hills Mutual Members shall comport with the Bylaws of this Corporation; 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 McRae read a proposed resolution approving the 2015 Record dates for voting. Director di Lorenzo Dickins moved to approve the resolution. Director Moldow seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-48**

**2015 Record Dates for Voting**

**WHEREAS**, Corporations Code §7611 provides that the Board may fix a date as the record date for the purpose of determining the members entitled to cast written ballots, and that such record date shall not be more than 60 days before the day on which the first written ballot is mailed or solicited; and

**WHEREAS**, Corporations Code §7611 provides that the Board may fix a date as the record date for the purpose of determining the members entitled to receive a notice of any meeting of members, and that such record date shall not be more than 90 nor less than 10 days before the date of the meeting; and

**WHEREAS**, Section 5.8.1 of the Third Laguna Hills Mutual Bylaws states that no membership shall be eligible to vote who is shown on the books of account of Third Corporation, on the record date for voting as set forth in 5.10 to be more than thirty (30) days delinquent in payment of any sums due to this Corporation; and

**WHEREAS**, by way of Resolution 03-11-53, the Board shall, at an open meeting of the Board of Directors held in advance of the annual meeting of members, fix such dates;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, the Board of Directors of this Corporation hereby sets the record date determining those members entitled to cast a written ballot to be June 29, 2015 (no more than 60 days before the day the ballots are mailed); and

**RESOLVED FURTHER**, that based on the advice of Corporate Counsel, the Board of Directors of this Corporation hereby sets the record date determining

those members entitled to receive a notice of the annual meeting to be July 9, 2015 (90 days before the annual meeting); and

**RESOLVED FURTHER**, that no Member shall be entitled to receive a ballot or notice who is shown on the books of account of Third Mutual, on said record date, to be more than thirty (30) days delinquent in payment of any sums due to this Corporation; 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 Moldow moved to allocate \$5000 pre-approved Discretionary funds for each Third Mutual Committee to use and that the Committee will notify the Board of each use of the fund. Director Perak seconded the motion.

Director Troutman moved to amend the motion to allow only the Landscape, Energy, and Communications Committee to have \$2000 pre-approved Discretionary funds.

Director Moldow withdrew his motion. Director Troutman withdrew her amended motion.

Without objection, the Board referred Discuss and Consider Discretionary Funds for Committees to the next Third Finance Committee meeting.

Director Troutman discussed the City's program to bring non-conforming Manors up to building code with the Board and Members.

### **COMMITTEE REPORTS**

In Director Wei-Ming Tao's absence, Director Judith Troutman gave the Finance Committee Report, and commented on the Resale & Lease Activities.

Director McRae read a proposed resolution approving revisions to deactivation of cable service at a delinquent member's unit, when a Member becomes 75-days delinquent. Director di Lorenzo Dickins moved to approve the resolution. Director Troutman seconded the motion and discussion ensued.

Without objection, "**currently or hereafter**" was added to the resolution.

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

### **RESOLUTION 03-15-49**

**Revision to Deactivation of Cable Service at a Delinquent Member's Unit,  
~~when the Board Approves an Assessment Lien~~ *when a Member  
becomes 75-Days Delinquent***

**WHEREAS**, Third Laguna Hills Mutual desires to strengthen delinquency collection procedures; and

**WHEREAS**, the Collection and Lien Enforcement Policy And Procedures For Assessment Delinquencies states "Failure to pay the assessments or failure to pay interest, a late fee, and/or the Administrative Collection Fee may also result in suspension of Membership in and the ability to use the facilities or services provided by the Golden Rain Foundation of Laguna Woods or by this Mutual"; and

**WHEREAS**, the GRF Board adopted Resolution 90-15-09 which authorizes GRF, at the request of the Mutual, to take disciplinary or suspension action against a Mutual Member which includes, but is not limited to, the suspension of the Mutual Member's right to use the cable TV system; and

**NOW THEREFORE BE IT RESOLVED**, on April 21, 2015, that the Board of Directors hereby approves deactivation of cable service at a delinquent member's unit, ~~when the Board approves an assessment lien~~, ***when a Member becomes 75-days delinquent, currently or hereafter***, except when a member's payment plan is approved by the Board and remains current; and

**RESOLVED FURTHER**, that Resolution 03-15-21, February 17, 2015 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 James Tung reported from the Landscape Committee.

Director McRae read a proposed resolution approving funding of \$30,000 for additional landscaping upgrades, including additional landscaping upgrades to the Golf Course drainage channel area. Director di Lorenzo Dickins moved to approve the resolution. Director Troutman seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-50**

### **Additional Funding for Drainage Project Landscape**

**WHEREAS**, on January 20, 2015, by way of Resolution 03-15-11, the Third Board approved the drainage project landscape design plan and cost estimates for Third Mutual Property and the Golden Rain Foundation property for cul-de-sac 219, for a total of \$71,189.81 (Third Mutual property \$45,240.19 and Golden Rain Foundation property \$25,949.62); and

**WHEREAS**, the Third Laguna Hills Mutual Landscape and Finance Committees are recommending the Board approve additional funding of \$30,000 for the drainage project landscape;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, the Board of Directors of this Corporation hereby approves additional funding of \$30,000 for additional landscape upgrades for the cul-de-sac 219 drainage project, to be funded from the existing budget for Replacement Reserves - Mutual Revitalization Program; and

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

Director Bunny Carpenter reported from the Maintenance and Construction Committee.

Director McRae read a proposed resolution approving performing fountain maintenance items and remodel at Building 2403, at an estimated cost of \$5,610 funded from the Unappropriated Expenditures Fund. Director Troutman moved to approve the resolution. Director di Lorenzo Dickins seconded the motion and discussion ensued.

By a vote of 9-0-1 the motion carried, and the Board adopted the following resolution as written:

#### **RESOLUTION 03-15-51**

#### **B2403 Fountain Remodel**

**WHEREAS**, the Third Laguna Hills Mutual Maintenance and Construction and Finance Committees recommend the Board approve performing Building 2403 Exterior Fountain Remodel to include aesthetic improvements and maintenance repairs due to its deteriorated condition;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, the Board of Directors of this Corporation hereby authorizes a Supplemental Appropriation in the

amount of \$5,610, funded from the Unappropriated Expenditures Fund to perform the renovations; 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 Troutman moved to approve single-sourcing Building 2403 fountain maintenance items and remodel to Atlas Tile & Stone, Inc. Director di Lorenzo Dickins seconded the motion. By a vote of 9-0-1 the motion carried.

Director Perak moved to waive all charges including the \$25 service charge associated with water shut-off requests by a Member until August 1, 2015, to encourage residents to upgrade their toilets to meet current code regulations. Director di Lorenzo Dickins seconded the motion. By a vote of 10-0-0 the motion carried.

Director di Lorenzo Dickins moved to revise the Statement of Compliance for low-flow toilets to permit an owner to attest the toilet(s) in their Manor meet the Mutual's requirements in lieu of a Contractor's signature and license number. Director Perak seconded the motion. By a vote of 10-0-0 the motion carried.

Director di Lorenzo Dickins moved to approve delegating responsibility for Sections 5 (SOW), 7 (RFP) and 9 (Bidder's List) of the Delegation of Actions and Commitments ("Matrix") to an RFP/Contact Task Force and appoint Directors Matson, di Lorenzo Dickens, Carpenter, and Troutman. Director Perak seconded the motion. By a vote of 10-0-0 the motion carried.

Director di Lorenzo Dickins moved to require a manor owner with an alteration window found to cause damage from reflecting sunlight to Garden Villa Breezeways recessed area to replace or modify the alteration window at Member's expense, initial replacement of the damaged breezeway carpet at Mutual's expense, any further damaged Breezeway will be at Member's expense. Director Luebbe seconded the motion. By a vote of 9-0-1 the motion carried.

Director McRae read a proposed resolution approving the Internal Dispute Resolution Policy:

**RESOLUTION 03-15-XX**

**WHEREAS**, the new Civil Code §5910 starting January 1, 2015 establishes minimum requirements for internal dispute resolution meetings; and

**WHEREAS**, Mutual legal counsel recommended adopting procedures regarding internal dispute resolution meetings;

**NOW THEREFORE BE IT RESOLVED**, June 16, 2015, that the Board of Directors of this Corporation hereby adopts the Third Laguna Hills Mutual Internal Dispute Resolution Policy, as attached to the minutes of this meeting, effective June 16, 2015; 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 McRae moved to approve the resolution. Director di Lorenzo Dickins seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried and the resolution was postponed to the June meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

Director Moldow moved to approve Alternative one: Authorize Replacement of Landscape at Building 3416 Sidewalk Area with Concrete, Plants, and Drip Irrigation System at Shared Mutual and Mutual Member Expense, at 5 feet. Director di Lorenzo Dickins seconded the motion. Director Moldow withdrew the motion. Director di Lorenzo did not object the withdrawal of the motion.

Director Moldow moved to approve Alternative 3: Authorize Replacement of Landscape at Building 3416 Sidewalk Area with Concrete, Plants, and Drip Irrigation System at Member Expense, at 5 Feet. Director Luebbe seconded the motion.

By a vote of 10-0-0 the motion carried pending staff reworking the figures to reflect 5 feet and agreement by the Resident.

Director Tung reported from the Water Subcommittee.

Director Moldow reported from the Energy Committee.

Director Gros reported from Resident Problem Resolution Services.

Director Gros reported from the Laguna Woods Village Traffic Hearings.

Director Perak reported from the Communications Committee.

Director McRae read a proposed resolution approving a Supplemental Appropriation not to exceed \$500 for materials, funded from the Unappropriated Expenditures Fund, to provide Welcome Packets to all new Third Mutual residents as a 120-day pilot program. Director McRae moved to approve the resolution. Director Moldow seconded the motion and discussion ensued.

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

**RESOLUTION 03-15-52**

**Welcome Packet to New Third Residents**

**WHEREAS**, Third Laguna Hills Mutual Communications and Finance Committees recommend the Board approve a Welcome Packet to improve communications to new residents;

**NOW THEREFORE BE IT RESOLVED**, April 21, 2015, the Board of Directors of this Corporation hereby authorizes a Supplemental Appropriation not to exceed \$500 for materials, funded from the Unappropriated Expenditures Fund, to provide Welcome Packets to all new Third Mutual residents as a 120-day pilot program; 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 Gros reported on the Laguna Canyon Foundation.

**GRF COMMITTEE HIGHLIGHTS**

GRF Committee highlights were given.

**DIRECTORS' COMMENTS**

The Directors made their final comments.

**ADDITIONAL MEMBER COMMENTS**

Members made additional comments.

The Board recessed at 12:10 AM. and reconvened into Executive Session at 12:55 PM.

**Summary of Previous Closed Session Meetings per Civil Code Section §4935**

During its March 17, 2015 Regular Executive Session Board Meeting, the Board approved the February 17, 2015 Regular Executive Session minutes, the February 9, 2015 Special Executive All Boards meeting minutes, the February 23, 2015 Special Executive meeting minutes, the February 24, 2015 Special Executive All Boards meeting minutes, the February 26, 2015 Special Executive Committee meeting minutes, and the March 4, 2015 Special Executive meeting minutes, as written. The Board heard four (4) disciplinary hearings and imposed \$1,750 in fines for violations of the Mutual's rules and regulations; discussed other member disciplinary matters; approved recording Two Notice of Default; approved establishing one Non-Judicial Foreclosure Sale Date; heard an update on the United Mutual

Probate Petition; discussed membership and resale matters; discussed contractual matters; and discussed legal matters.

During the March 24, 2015 Special Executive Committee meeting the Board discussed and considered five (5) Common Area Damage Reimbursement Hearings.

With no further business before the Board of Directors, the meeting was adjourned at 5:00 PM.

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John McRae, Secretary

**FINAL VERSION**

## **Third Laguna Hills Mutual**

### **Section 44 Electric Vehicle Charging Stations**

**ADOPTED OCTOBER 2014, RESOLUTION 03-14-109  
REVISED APRIL 2015, RESOLUTION 03-15-XX**

#### **1.0 GENERAL REQUIREMENTS**

- 1.1 PERMITS AND FEES:** A Mutual permit is required for all alterations to the building. A City of Laguna Woods permit may also be required. All fees for both Mutual and City permits shall be paid by the Member or on Member's behalf. Member and/or Member's contractor must provide the Permits and Inspections office with proof of City permit prior to beginning work.
- 1.2 MEMBER RESPONSIBILITY:** Member is solely responsible for the installation, maintenance, repair, and/or removal of all permitted common area alterations.
- 1.3 CODES AND REGULATIONS:** All work shall comply with all applicable local, state, and federal requirements including, but not limited to, the current edition of the National Electric Code (NEC).
- 1.4 WORK HOURS:** No work shall commence prior to 7:00a.m. and no work shall be permitted after 6:00p.m. Monday through Friday. Work on Saturday shall be permitted from 9:00a.m – 2:00p.m. for work which results in construction-related noise (e.g. cutting tile, hammering, use of power tools), and for work that does not create excessive noise, such as painting and carpet installation, permitted hours are 7:00a.m. – 6:00p.m. No work is permitted on Sunday.
- 1.5 PLANS:** The Member applying for a permit shall provide to the Permits and Inspections office a detailed plan(s) for approval indicating all work to be done, i.e., size, location, description and specifications.
- 1.6 DUMPSITES:** The premises shall be kept free of accumulation of waste materials and/or rubbish caused by construction work. The Member and/or Member's contractor is responsible for removal of debris and excess material and must leave work areas "**BROOM CLEAN**" daily. **USE OF COMMUNITY DUMPSITES FOR CONSTRUCTION RELATED DEBRIS IS PROHIBITED.** Contractor's or Member's dumpsters, if required, must have location approved by the Permits and Inspections office.

- 1.7 **CONTRACTOR:** Installation must be performed by a contractor properly licensed in California for the work being performed.
- 1.8 **CONTRACTOR CONDUCT:** Member's contractors, their personnel, and sub-contractors shall refrain at all times from using profanity, or abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor and subcontractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.
- 1.9 **RESTORATION OF AFFECTED AREAS:** Member shall cause to be completely restored all common areas affected by the installation process.

## 2.0 **ELECTRICAL POWER SOURCE**

- 2.1. Detailed site specific plans, wet stamped and signed by a California Licensed Electrical Engineer, showing electrical power source connection location, Electric Vehicle Charging Station location and routing of conduit must be submitted to the Permits and Inspections office for approval.
- 2.2. The use of the Mutual's main electrical service panel to a multi-unit building to accommodate the installation of electric vehicle Charging Station is strictly prohibited.
- 2.3 The use of Laundry Room, Carport, Recreation Room, and any other Mutual electrical circuits serving common area to accommodate the installation of electric vehicle Charging Station is strictly prohibited.
- 2.4 A written approval from Southern California Edison for the electrical power source connection to Edison equipment must be submitted to the Permits and Inspections office.
- 2.5 The Mutual Member is responsible for all costs associated with the installation of a new meter and payment for electrical service.
- 2.6. The Mutual Member is required to use a California Licensed and Certified Electrical Contractor for the installation of the Electric Vehicle Charging Station.

## 3 **LOCATION**

- 3.1 The location of the Electric Vehicle Charging Station is restricted to

the Mutual Member's parking space or garage.

- 3.2** The location of new meters is restricted to the Mutual Member's parking space or as approved by Southern California Edison and the Permits and Inspections Department.
- 3.3** If the proposed Electric Vehicle Charging Station, and or any electrical conduit and any other equipment, including the electric meter is approved to be located on Common Area, the Mutual Member will be required to record a Common Area Use Agreement.
- 3.4** The Electrical Vehicle Charging Station shall be installed complying with all applicable manufacturer's guidelines and shall be suitable for the environment (indoor or outdoor) where it is to be located.
- 3.5** Adequate barriers must be installed to protect the Electrical Vehicle Charging Station from contact with vehicles.
- 3.6** If the installation is in an area subject to flooding, the Electric Vehicle Charging Station shall be elevated or designed accordingly.

#### **4.0 CONDUIT ROUTING**

- 4.1** The Mutual Member and/or their contractor is responsible to notify Dig Alert (dial 8-1-1) 48 hours prior to excavation to identify all underground utility locations and is responsible for the subsequent coordination with any utility companies.
- 4.2** The Mutual Member is responsible to notify the Landscape Department through the Property Service desk a minimum of 10 days prior to excavation. Work related to removal and/or re-routing of Mutual landscaping and irrigation lines may be performed by the Mutual at the Member's expense.
- 4.3** Any revision to Mutual plumbing lines requires written authorization from the Permits and Inspections department prior to the commencement of work. Some work may be required to be performed by the Mutual at the Member's expense.
- 4.4** The Mutual Member is responsible for all costs associated with trenching, concrete or asphalt cutting to accommodate conduit runs.

#### **5.0 INSURANCE**

- 5.1** For installations in locations other than a private garage, the Mutual Member and any future owners of the Manor must maintain liability insurance coverage of at least \$1,000,000 for the Electric Vehicle Charging Station, which insurance policy shall name Third Laguna Hills Mutual as an additional named insured.

### **Internal Dispute Resolution Policy**

**DATE:** April 15, 2014

**FOR:** Third Laguna Hills Mutual  
Board of Directors

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#### **SUMMARY / RECOMMENDATION**

The internal dispute resolution procedure established in 2010 by the Board of Directors is no longer in compliance with the Davis-Stirling Act as a result of revisions that took effect on January 1, 2015. Staff conferred with Mutual legal counsel and recommends approval of a new internal dispute resolution policy to comply with the revisions in the civil code. Staff recommends the Board of Directors approve *Alternative One: Approve Internal Dispute Resolution Policy*.

#### **BACKGROUND**

On December 21, 2010, the Board of Directors approved the use of internal dispute resolution procedures for chargeable services and damage restoration disputes in accordance with then Civil Code §1363.840, appointing three directors as Board representatives in meet and confer sessions with members. The purpose of this action was to channel member-specific disputes away from the Maintenance & Construction Committee to allow members more opportunity to discuss and resolve disputes in a less formal environment. If a decision or agreement was reached, it was then signed by the parties and approved by the Board of Directors as part of the consent calendar.

On January 21, 2014, the Board of Directors adopted Resolution 03-14-05, amending the Rules Regarding Chargeable Services to have all common area replacement or repair charges referred to the Board of Directors for hearing in closed session, in compliance with Civil Code §5855 (Attachment A).

As a result, internal dispute resolution (meet and confer) meetings continued only for chargeable service disputes and other member-specific disputes that do not qualify for consideration in closed session in accordance with Resolution 03-14-05 and Civil Code §5855.

As of January 1, 2015, Article 2 of the Davis-Stirling Act (Attachment B), which addresses internal dispute resolution, was revised superseding Civil Code §1363.840, requiring homeowner associations to either adopt a procedure regarding internal dispute resolution (Civil Code §5910) or be required to follow the Statutory Dispute Resolution Procedure (Civil Code §5915). Most notably, the revised civil code now allows members to bring legal representation to internal dispute resolution meetings.

## **ANALYSIS / ALTERNATIVES**

Because the current internal dispute resolution procedure approved by the Board in 2010 no longer complies with the Davis-Stirling Act, Staff proposes the adoption of a new procedure (Attachment C).

The proposed internal dispute resolution procedure, in accordance with the revised Davis-Stirling Act, necessitates that directors assigned to internal dispute resolution are provided clear direction and parameters from the Board as to what they can agree to in an internal dispute resolution meeting. The parameters are established in executive session. Agreements reached as a result of internal dispute resolution meetings must be signed by the directors and member. Though not required by the revised civil code, the proposed policy would require agreements to be ratified by the Board within 30 days in order to memorialize the agreement in the Board minutes.

Per the revised Davis-Stirling Act, “A **written** agreement, **signed by both parties**, reached pursuant to the procedure, which is not in conflict with the law or the governing documents, binds both parties and is judicially enforceable.” As such, the parameters established by the Board of Directors for possible agreement and the agreement itself must not be in conflict with the governing documents of the Mutual.

Additionally, the proposed internal dispute resolution procedure requires members to provide the Mutual a minimum of ten (10) business days’ advance written notice to the other parties, including the Mutual, so the other parties may determine if they wish their respective legal counsel to attend.

If the Board of Directors does not adopt an internal dispute resolution procedure, the Mutual would be required to respond to requests for internal dispute resolution in accordance with the Statutory Dispute Resolution Procedure, Civil Code §5915. The Board would be required to designate one director to represent the Mutual, and the member would not be required to provide written notice to the Board if they choose to be represented by an attorney, at the least causing the Mutual to delay and reschedule internal dispute resolution meetings in order to be appropriately represented and excess costs to the member.

### *Alternative One: Approve Internal Dispute Resolution Policy*

By approving Alternative One, the Mutual would adopt an internal dispute resolution policy in accordance with Civil Code §5910. Member-specific disputes will continue to be channeled to internal dispute resolution as was the intention of the procedure established in 2010, but in accordance with the revised Davis-Sterling Act.

### *Alternative Two: Status Quo, Defaulting to the Statutory Dispute Resolution Procedure*

With approval of this alternative, the Mutual would not have an established procedure for internal dispute resolution and would be required to adhere to the default procedure in accordance with Civil Code §5910. As a result, only one director would be designated to

represent the Mutual, and the member would not be required to provide written notice to the Board if they choose to be represented by an attorney. Staff does not recommend this alternative because it may cause delays to internal dispute resolution meetings and excess costs to the member.

**Prepared By:** Petros Frangos, Maintenance Administrative Services Manager

**Reviewed By:** Wendy Panizza, Property Services Manager  
Cris Robinson, Legal & Public Affairs Manager

**Attachment A**  
**California Civil Code §5855**

**Civ. Code §5855. Requirements for Disciplinary Action by Board**

- a. When the board is to meet to consider or impose discipline upon a member, or to impose a monetary charge as a means of reimbursing the association for costs incurred by the association in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting.
- b. The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting. The board shall meet in executive session if requested by the member.
- c. If the board imposes discipline on a member or imposes a monetary charge on the member for damage to the common area and facilities, the board shall provide the member a written notification of the decision, by either personal delivery or individual delivery pursuant to Section 4040, within 15 days following the action.
- d. A disciplinary action or the imposition of a monetary charge for damage to the common area shall not be effective against a member unless the board fulfills the requirements of this section.

## **Attachment B**

### **Davis-Stirling Act, Article 2**

#### **Civ. Code §5900. Internal Dispute Resolution**

- a. This article applies to a dispute between an association and a member involving their rights, duties, or liabilities under this act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the common interest development or association.
- b. This article supplements, and does not replace, Article 3 (commencing with Section 5925), relating to alternative dispute resolution as a prerequisite to an enforcement action.

#### **Civ. Code §5905. Dispute Resolution Procedure Required**

- a. An association shall provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article.
- b. In developing a procedure pursuant to this article, an association shall make maximum, reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.
- c. If an association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in Section 5915 applies and satisfies the requirement of subdivision (a).

#### **Civ. Code §5910. Minimum Requirements of Dispute Resolution Procedure**

A fair, reasonable, and expeditious dispute resolution procedure shall at a minimum satisfy all of the following requirements:

- a. The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.
- b. The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure.
- c. If the procedure is invoked by a member, the association shall participate in the procedure.
- d. If the procedure is invoked by the association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right of appeal to the board.
- e. A written resolution, signed by both parties, of a dispute pursuant to the procedure that is not in conflict with the law or the governing documents binds the association and is judicially enforceable.
- f. The procedure shall provide a means by which the member and the association may explain their positions. The member and association may be assisted by an attorney or another person in explaining their positions at their own cost.
- g. A member of the association shall not be charged a fee to participate in the process.

**Attachment B (continued)**  
**Davis-Stirling Act, Article 2**

**Civ. Code §5915. Statutory Dispute Resolution Procedure**

- a. This section applies to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.
- b. Either party to a dispute within the scope of this article may invoke the following procedure:
  1. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
  2. A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
  3. The board shall designate a director to meet and confer.
  4. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.
  5. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
- c. A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:
  1. The agreement is not in conflict with law or the governing documents of the common interest development or association.
  2. The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.
- d. A member shall not be charged a fee to participate in the process.

**Civ. Code §5920. Inclusion in Annual Policy Statement**

The annual policy statement prepared pursuant to Section 5310 shall include a description of the internal dispute resolution process provided pursuant to this article.

## **Attachment C**

### **Proposed Third Laguna Hills Mutual Internal Dispute Resolution Policy**

1. The Internal Dispute Resolution (“IDR”) process provides the Mutual as well as all Owners an alternative to the filing of any litigation related to a dispute involving their respective rights, duties or liabilities under the Mutual governing documents, the Davis-Stirling Common Interest Development Act and/or the nonprofit mutual benefit corporation law or any other state or federal law (a “CID Dispute”). ***An owner should be permitted to request IDR for a disputed assessment or charge (not a delinquency or a request for a payment plan.)*** The IDR process is available not only to disputes between the Mutual and an Owner, but can also be used to help resolve disputes between Owners. ~~It does not relate to any collection of assessments unless the Mutual determines it needs to pursue litigation to collect same.~~
2. Either party (Mutual or an Owner) to a CID Dispute may invoke the following procedure:
  - a. The party may request the other party to meet and confer, in an effort to resolve the CID Dispute. The request shall be in writing.
  - b. An Owner may refuse a request to meet and confer. The Mutual may not refuse an Owner’s request to meet and confer.
  - c. In response to a CID Dispute involving the Mutual, the Board will designate two Directors (“Mutual Designees”) to represent the Mutual and meet and confer with the Owner. The Mutual Designees shall also have the right to request the Chairperson of any applicable Committee involved in the CID Dispute to assist the Mutual and attend the meet and confer session with the Owner.
  - d. IDR meetings between Owners and not involving the Mutual should be held at a “neutral” location. To the extent conference rooms are available, and if the requesting Owners provide a minimum of ten (10) business days’ advance written notice, the Mutual will provide a conference room in the Community Center for the purpose of the IDR meeting. IDR meetings involving the Mutual will be held in the Community Center.
  - e. IDR meetings will be one hour in length. By requesting or agreeing to participate in IDR, the parties agree to commit one hour to the effort to resolve the dispute.
3. An Owner participating in IDR may be assisted by an attorney or another person in explaining their positions at the Owner’s cost, as also the Mutual may be so assisted at Mutual cost. Although an Owner is permitted to bring Owner’s attorney or other representative to the IDR meeting, the Mutual encourages direct discussions between the Mutual representative and the Owner, without legal counsel, to further the goal of resolution through an amicable, no cost, and expeditious process.

**Attachment C (continued)**  
Proposed Third Laguna Hills Mutual  
Internal Dispute Resolution Policy

4. If an Owner desires to bring Owner's attorney to the IDR meeting, the Owner shall give ten (10) business days' advance written notice to the other parties, including the Mutual, so that the other parties may determine if they wish their respective legal counsel to attend. Failure of Owner to advise if Owner is bringing legal counsel will require a postponement of the IDR meeting to a date at which Mutual counsel or the counsel of any other party is able to participate. If an Owner appears at the IDR meeting with previously unannounced counsel, the IDR will be rescheduled and will not proceed.
5. In an IDR meeting, the parties will meet promptly at a mutually convenient time and place, explain their positions to each other and confer in good faith in an effort to resolve the CID Dispute. If all parties to the IDR are not present, and no one has called to indicate a problem with arrival, the IDR will be cancelled after 15 minutes of waiting.
6. A resolution of the CID Dispute agreed to by the parties shall be memorialized in writing and signed by all participating parties, including, if the Mutual is involved, the Board Designees on behalf of the Mutual.
7. The Agreement reached by the Owners or the Owners and the Board Designees will bind the parties and be judicially enforceable if the following conditions are satisfied.
  - a. The Agreement is in writing and signed by all parties to the IDR process;
  - b. The Agreement is not in conflict with law or the Mutual governing documents; and
  - c. If the IDR involves the Mutual as a participant, the Agreement is consistent with the authority granted in advance to the Mutual representatives by the Board or is ratified by the Board of Directors within thirty (30) days of the date that the Agreement is executed by the Owner and the Mutual Designees.
8. The Owner participating in the IDR Process shall not be charged a fee to participate in the IDR Process.
9. All parties participating in the IDR process should note that the goal of the meeting is not to determine who is right or who is wrong, nor does IDR determine a "winner." The purpose of the IDR meeting is to try to find a compromise between the disputing parties, and thereby enhance neighborliness and harmony at Third Laguna Hills Mutual. Therefore, parties participating should come to the IDR meeting with an open mind and prepared to be flexible in dealing with other parties to the IDR.