

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

**March 15, 2011**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, March 15, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, John Paulus, Kathryn Freshley, Carol Skydell, Dick Palmer, Denny Welch, Isabel Muennichow, Rae Tso, Sy Wellikson, Lucy Shimon, Dominic Burrasca

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet

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

**CALL TO ORDER**

Director Carol Moore, President of the Corporation, chaired the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 9:30 A.M.

A moment of silence was held to honor the US Troops serving our country and those placed in harm's way.

**PLEDGE OF ALLEGIANCE**

Director Sy Wellikson led the Membership in the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

Ms. Claire Webb from the Laguna Woods Globe was not present at the start of the meeting, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

**APPROVAL OF AGENDA**

Without objection the Board approved the agenda as amended by removing *5221 Denial of request to fill in the planter area for outdoor golf cart parking* from the Maintenance & Construction Consent Calendar and *5532-A Approval of request for planter conversion to create golf cart parking space at the Mutual's expense* from the Landscape Consent Calendar, placing these items under their respective Committee Reports for further discussion.

Director Shimon introduced Ms. Kristin Young from the Orange County Transportation Authority who asked for volunteers to be in a bus commercial for Measure M. The Board members interested in participating agreed to contact her.

### **CHAIR'S REPORT—Carol Moore**

President Carol Moore commented on the Board's financial responsibility to maintain its reserves and the Mutual's infrastructure; commented on land use and encouraged residents to attend the March 24, 2011 GRF Land Use Presentation; and encouraged residents to utilize the EZPay program and get a one-time waiver of \$20 for signing up.

### **APPROVAL OF THE MINUTES**

Without objection the Board approved the minutes of the Regular Meeting of February 15, 2011.

### **CONSENT CALENDAR**

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

- (a) Maintenance & Construction Committee Recommendations:
- 3216-A Approval of request for a rear patio addition, vinyl lattice cover and walkway, with contingencies
  - 3289-C Approval of request to install a bay window in the Living Room with contingencies
  - 3337-2A Denial of request to reverse damage restoration charges and affirm the Mutual's damage restoration policy
  - 4011-3A Approval of request to retain XOX window in Three Story Building, with contingencies
  - 5263 Approval of request to perform major remodel, with contingencies
  - 5342-C Approval of request to retain the mural on the patio wall, with contingencies
  - 5515-1B Approval of request to install an additional window in the Living Room, with contingencies
  - 5515-2B Approval of request to install an additional window in the Living Room, with contingencies
  - 5563-A Approval of request to extend the rear patio slab and install slumpstone wall, with contingencies
- (b) Landscape Committee Recommendations
- 2392-2B Denial of appeal request for plant replacements and trimming
  - 3254-C Denial of appeal request for tree removal
  - 2345-B Approval of request for tree removal at Mutual's expense
  - 3236-B Denial of request for tree removal
  - 4012-3E Denial of request for tree removal
  - 5401 Denial of request for tree removal
  - 5410 Denial of request for tree removal

### Finance Committee Recommendations

**RESOLUTION 03-11-26**

**WHEREAS**, Member ID 931-470-28 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**, March 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-28; 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.

**RESOLUTION 03-11-27**

**WHEREAS**, Member ID 931-680-56 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**, March 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-680-56; 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.

**RESOLUTION 03-11-28**

**WHEREAS**, Member ID 932-200-79 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**, March 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-200-79; 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.

#### **RESOLUTION 03-11-29**

**WHEREAS**, Member ID 934-901-99 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**, March 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-901-99; 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.

#### **GENERAL MANAGER'S REPORT**

Mr. Jerry Storage updated the Board on ongoing GRF projects within the Community including the Clubhouse projects; reported on the City's plan to change the configuration of Santa Maria from Gate 8 to Moulton Parkway to accommodate "golf cart only" traffic lanes in both directions; reported on the City's plan to construct a two-thirds acre City Centre Park between vacant GRF property in the Gate 16 area and the drive leading up to the El Toro water reservoirs; and commented on the Moulton Parkway Smart Street project.

Mr. Storage also updated the Board on Third Mutual projects including the replacement of beams at various buildings, the upgrade of the fire alarm system in one building to serve as a pilot study, the Water Conservation Pilot project, the elevator hydraulic replacement project, the Exterior Paint program, and rain gutter replacements.

President Moore described the Board decorum for Member Comments.

#### **THIRD MUTUAL MEMBER COMMENTS and PUBLIC FORUM**

- Barbara Marsh (3433-B) invited the Board members to attend the next Friends of the Village meeting to discuss the Management Agreement.
- Rosemarie DiLorenzo Dickins (4015-2G) made recommendations as to what should be included in the General Manager's report.

- Bud Nesvig (2392-3H) discussed flooding mitigation in the cul-de-sacs.
- Corkey Eley (2401-2E) commented on her letter to the Board regarding governing documents, the management agreement, and the budget.
- Pat Feeney (2399-1E) commented on the City's requirement for an engineering report to replace stucco.
- Mike Straziuso (4006-2E) commented on the need for revisions to the CC&Rs with regard to the management contract cancellation clause; and commented on Third's lawsuit against PCM.

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

- Director Tso asked that Mr. Storage continue to report on Maintenance projects in his General Manager's report.
- Director Wellikson responded to Mr. Straziuso's comment on revising the CC&Rs.
- Director Paulus responded to Mr. Nesvig's comments on flooding mitigation.

#### **OLD BUSINESS**

The Secretary of the Corporation, Director Carol Skydell, read a proposed resolution approving a policy on planting fruit trees in common areas, which was postponed from last month to satisfy the thirty-day notification requirements. Director Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

Member Barbara Marsh (3433-B) addressed the Board on the resolution.

By a vote of 9-1-0 (Director Skydell opposed), the motion carried and the Board of Directors adopted the following resolution:

#### **RESOLUTION 03-11-30**

**RESOLVED**, March 15, 2011, that the planting of fruit trees in common areas managed by this Corporation shall be permitted under the following conditions:

1. Any fruit tree henceforth planted in a common area must be of the dwarf variety;
2. Any dwarf fruit tree planted must be planted either within the courtyard or directly adjacent to the manor or patio slab;
3. Any fruit tree presently planted in the common area must be marked by the installing resident, or his or her successor, with a yellow stake and fully maintained in a manner acceptable to the corporation; the same procedure shall apply to all dwarf fruit trees planted pursuant to this resolution;

**RESOLVED FURTHER**, that the managing agent is hereby authorized to remove any fruit tree located in a common area owned by this Corporation if

the previously stated conditions are not met and the compliance process has been followed; and

**RESOLVED FURTHER**, that this resolution shall become in full force and effect on March 15, 2011; and

**RESOLVED FURTHER**, that the Resolution M3-84-121 adopted on September 18, 1984, is hereby superseded and canceled; 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.

### **NEW BUSINESS**

The Secretary of the Corporation read a proposed resolution establishing a Candidate Information Committee. Director Skydell moved to approve the resolution. Director Wellikson seconded the motion.

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

#### **RESOLUTION 03-11-31**

**WHEREAS**, Civil Code 1363.03 allows candidates running for a homeowner association board to self-nominate, thereby eliminating the need for a Nominating Committee pursuant to Article 8 of the Third Laguna Hills Mutual Bylaws whose function was to conduct interviews and determine a candidate's qualifications to run for the Board of Directors; and

**WHEREAS**, there is still a need for a committee to assist the candidates in the election process and to educate them on the duties and responsibilities of a board director; and the Board of Directors of this Corporation would like to establish such a committee;

**NOW THEREFORE BE IT RESOLVED**, March 15, 2011, that the Board of Directors of this Corporation hereby establishes the Third Mutual Candidate Information Committee which shall be comprised of five Mutual members and two alternates, all of whom are knowledgeable about the community and how the board functions; 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.

The Secretary of the Corporation read a proposed resolution approving the Candidate Information Committee Standard Operating Procedures. Director Skydell moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Director Muennichow made a motion to amend the SOP by striking out the sentence "in the same election year in which he or she becomes a candidate" in Section 1(d). Director Shimon seconded the motion and discussion ensued on whether a Committee member can resign from the Committee and run for the Board.

Member Pat Feeney (2399-1E) spoke to her experience of serving on the Nominating Committee and then resigning to run for the Board; and Corkey Eley (2401-2E) commented on the SOP relating to the governing documents.

By a vote of 2-8-0 (Directors Muennichow and Welch voted in favor) the amendment failed.

By a vote of 8-2-0 (Directors Muennichow and Welch opposed), the main motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-11-32**

**WHEREAS**, the Board of Directors of this Corporation established a Candidate Information Committee in lieu of a Nominating Committee that is charged with soliciting qualified individuals to serve as candidates for the leadership of the Corporation; and

**WHEREAS**, this leadership determines the goals of the Corporation as well as the budget to achieve those goals; and

**WHEREAS**, the Candidate Information Committee needs a clear understanding of their duties and procedures;

**NOW THEREFORE BE IT RESOLVED**, March 15, 2011, that the Board of Directors of this Corporation hereby approves the Third Mutual Candidate Information Committee Standard Operating Procedures (SOP) dated March 15, 2011, as attached to these official meeting minutes, which describes the Candidate Information Committee procedures for preparing candidates for the annual election for the Third Mutual Board of Directors; and

**RESOLVED FURTHER**, that Resolution 03-09-57 adopted May 19, 2009 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 this resolution as written.

The Board discussed United's Land Use Proposal Presentation held on March 7, 2011 for the Third and Mutual 50 Boards of Directors and expressed their opinions on what should or should not be done to the land; whether the land should remain for use by the Community or be sold or leased.

Director Freshley announced the next GRF Land Use Ad Hoc Committee meeting to be held on March 24, 2011 where the land use consultants will present three proposals to GRF, and she encouraged residents to attend.

Members Pat Feeney (2399-1E), Corkey Eley (2401-2E), Margaret Klein (3487-A), and Tony Sorich (3402-B) addressed the Board on land use.

The Board took a vote of confidence of the general idea of United's land use proposal. The vote carried with Directors Palmer and Wellikson opposing.

The Secretary of the Corporation read the following proposed resolution establishing a Communications Ad Hoc Committee:

**RESOLUTION 03-11-**

**WHEREAS**, pursuant to Article 7, Section 7.1.2 of the By-Laws, the Communications Committee is hereby established as an ad hoc Committee of this Corporation; and

**NOW THEREFORE BE IT RESOLVED**, March 15, 2011, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of this Committee as follows:

- Establish dates and times for TV 6 appearances as assigned and approved by the Board; and
- Provide listing of agenda items on upcoming meetings to Rob Merritt and the Directors scheduled to appear on TV 6 according to their rotating schedule; and
- Establish dates, select locations, and appoint the Moderator for each of the quarterly "Coffees" scheduled for Third Mutual residents; and
- Develop new ways to keep the community informed and provide those suggestions to the Board for approval; and
- Perform such additional functions as may be assigned or referred to this committee by the Third Mutual Board; 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 Skydell moved to approve the resolution. Director Freshley seconded the motion and discussion ensued.

Member Pat Feeney (2399-1E) commented on the resolution.

By a vote of 5-5-1 (Directors Palmer, Paulus, Freshley, Skydell, Moore voted in favor; Directors Shimon, Muennichow, Tso, Wellikson and Welch opposed; and Director Burrasca abstained), the motion failed.

Due to the failure of the establishment of the Communications Committee Ad Hoc Committee, no one was appointed to serve on the committee.

Director Skydell made a motion to appoint Directors Skydell and Muennichow to serve on the GRF Bylaw Committee. Director Paulus seconded the motion and the motion carried unanimously.

Due to the late hour, the Board agreed to table the discussion regarding Director Guidelines/Board Representation to next month.

### **FINANCE REPORT**

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

Director Freshley made a motion to establish an ad hoc committee for the purpose of reviewing the discretionary investment policy. Director Skydell seconded the motion and discussion ensued. By a vote of 9-1-0 (Director Tso opposed), the motion carried.

Director Freshley made a motion to appoint Margaret Klein (chair), Kathryn Freshley, John Paulus, Denise Welch, Dick Palmer, and Rosemarie DiLorenzo Dickins to serve on the Discretionary Investment Policy Ad Hoc Committee. By a vote of 9-1-0 (Director Tso opposed), the motion carried.

### **COMMITTEE REPORTS**

Director Lucy Shimon reported from the Landscape Committee.

The Secretary of the Corporation read a proposed resolution maximizing the efficiency of Third's existing solid waste disposal and blue bin recycling programs. Director Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

Member Shari Horne (2354-3C) commented on the resolution.

By a vote of 9-0-1 (Director Muennichow abstained), the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 03-11-33**

**WHEREAS**, the City of Laguna Woods has an exclusive hauler, Ware Disposal, for solid waste (trash), mixed recyclables, and newspapers in Third Laguna Hills Mutual; and

**WHEREAS**, the fees for solid waste disposal hauling continue to trend higher as local landfill operations are closed requiring waste to be hauled greater distances; and

**WHEREAS**, a consultant was hired to study the solid waste disposal management in Laguna Woods Village and proposed service modification options to maximize efficiency of existing programs and to minimize landfill and hauling costs;

**NOW THEREFORE BE IT RESOLVED**, March 15, 2011, that the Board of Directors hereby directs its managing agent to pursue the following changes recommended by the consultant to maximize efficiency of Third Mutual's existing solid waste disposal and blue bin mixed recycling programs:

- A. Reduce excess capacity by removing a second 3-yard trash bin located in eight enclosures and replace capacity with a free blue mixed-recycling bin (cul-de-sacs 213, 217, 224, 307, and 316.) The cost avoidance for this option would be \$72.58 per bin per month for a total estimated savings of \$7,000 annually.
- B. Optimize existing capacity by reducing frequency of pickups from twice per week to once per week at 21 Catalina-style buildings. The cost avoidance per building for this option would be \$24.98 per month. Additionally, add 35 gallon blue recycling carts for curbside recycling at these locations. The added recycling service would be \$6.54 per month, for a net estimated savings of \$4,650 per year. Additional Catalina-style buildings will be evaluated for smaller 35 gallon blue carts instead of the 3-yard blue bins on an as-needed basis.
- C. Maximize the remaining available no-cost 3-yard blue bins for mixed recycling and also place additional 3-yard blue bins for mixed recycling to reduce the 3-yard and 4-yard trash pick-up locations to once per week while allowing for the frequency of trash pick-ups to be adjusted as needed if the blue bins do not entirely compensate for the loss of trash hauling capacity.

**RESOLVED FURTHER**, that the Board agrees to maintain its existing newspaper recycling 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.

The Secretary of the Corporation read the following proposed resolution limiting the number of potted plants on breezeways for two and three story buildings:

**RESOLUTION 03-11-**

**WHEREAS**, Third Laguna Hills Mutual wishes to continue to comply with the ADA requirements, and

**WHEREAS**, the Third Laguna Hills Mutual Landscape Committee has recommended limiting the number of planted pots on breezeways for two and three story buildings, and

**NOW THEREFORE BE IT RESOLVED**, April 19, 2011, that the Board of Directors of this Corporation hereby limits the number of potted plants for two and three story buildings on breezeways to six (6) feet on either side of the front door and with a 4-foot wide clearance, between the plants and the railing; 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 Skydell moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

The Board made minor changes.

Without objection, the Board postponed the resolution to the April meeting to satisfy the 30-day notification requirements.

The Board discussed the request of *5532-A for planter conversion to create golf cart parking space at the Mutual's expense* and the request of *5221 to fill in the planter area for outdoor golf cart parking*. Without objection, the Board agreed to return both requests back to the Maintenance and Construction Committee.

Director John Paulus reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to install door sweeps on trash bin enclosure doors at 78 buildings. Director Skydell moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

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

**RESOLUTION 03-11-34**

**WHEREAS**, Staff was directed to survey the condition of trash bin enclosure

doors at three-story buildings and determine the cost of reducing any gaps in the trash bin enclosure doors;

**NOW THEREFORE BE IT RESOLVED**, March 15, 2011, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$9,600 to be funded from the Unappropriated Expenditures Fund to install door sweeps on double-hinged trash bin enclosure doors at 78 three-story buildings; and

**RESOLVED FURTHER**, that such sweeps will reduce any gaps that may exist at the bottom of the trash enclosure doors; 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.

The Secretary of the Corporation read the following proposed resolution adopting an Electricity Usage Reimbursement Policy:

**RESOLUTION 03-11**

**WHEREAS**, the Mutual has historically reimbursed members for electricity consumption related to the restoration of manors as a result of moisture intrusion as well as for excess electricity consumed due to hot water supply line leaks; and

**WHEREAS**, the practice of reimbursing members for electricity usage has not been formally recorded as an explicit Third Mutual policy;

**NOW THEREFORE BE IT RESOLVED**, April 19, 2011, that the Board of Directors of this Corporation hereby adopts the Electricity Usage Reimbursement Policy, in accordance with Resolution 03-05-36 (Damage Restoration Policy), as follows:

- For moisture-intrusion events where dry-down of property is required, the Mutual will reimburse for electricity used in the dry-down of property, based on an established daily rate for each type of equipment extrapolated for the number of days each type of equipment is in place, as verified by the vendor.
- For hot water line leaks where excess electricity has been consumed, the Mutual will reimburse for electricity consumption beyond the normal amount for that month for a maximum period of three Southern California Edison billing periods, as evidenced by detailed billing statements for each of the three most recent billing periods involved. Excess electricity use will be reimbursed for the most recent three months of excess use. Any excess

electricity use dating before the most recent three months of excessive use is the responsibility of the member and is not reimbursable by the Mutual.

- All reimbursements will be charged to the Disaster Fund.

**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 Skydell moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to the April meeting to satisfy the 30-day notification requirements.

The Secretary of the Corporation read the following proposed resolution approving revisions to the General Requirements of all Alteration Standards:

#### **RESOLUTION 03-11**

**WHEREAS**, the Maintenance and Construction Committee recognizes the need to amend the General Requirements for all Alteration Standards;

**NOW THEREFORE BE IT RESOLVED**, April 19, 2011, that the Board of Directors of this Corporation hereby adopts the following revisions to the General Requirements of all Alteration Standards with respect to Saturday work hours and the conduct of contractors:

- 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). For work that does not result in excessive noise, such as painting and carpet installation, permitted hours are 7:00a.m. – 6:00p.m.
- Member's contractors, their personnel, and sub-contractors shall refrain at all times from using profanity, 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 personnel will, at all times, extend and exhibit a courteous demeanor to residents.

**RESOLVED FURTHER**, that the General Requirements of all Alteration Standards will be modified to reflect the changes; 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 Skydell moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to the April meeting to satisfy the 30-day notification requirements.

The Secretary of the Corporation read the following proposed resolution approving revisions to Mutual Alteration Standard *Section 19 - Balcony Modesty Paneling*:

**RESOLUTION 03-11**

**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**, the Maintenance & Construction Committee of this Corporation recognizes the need to further amend a portion of the Mutual Alteration Standards with regard to *Section 19 - Balcony Modesty Paneling*;

**NOW THEREFORE BE IT RESOLVED**, April 19, 2011, that Mutual Alteration Standard *Section 19 - Balcony Modesty Paneling* 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 03-07-01, adopted January 16, 2007 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 this resolution as written.

Director Skydell moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to the April meeting to satisfy the 30-day notification requirements.

The Secretary of the Corporation read the following proposed resolution approving revisions to Mutual Alteration Standard *Section 34 - Windows and Window Attachments*:

**RESOLUTION 03-11**

**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 34 - *Windows and Window Attachments*;

**NOW THEREFORE BE IT RESOLVED**, April 19, 2011, that Mutual Alteration Standard Section 34 - *Windows and Window Attachments* 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 03-07-47, adopted May 15, 2007 is 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 this resolution as written.

Director Skydell moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to the April meeting to satisfy the 30-day notification requirements.

Director Skydell reported from the Board Operating Rules Ad Hoc Committee.

Director Palmer reported from the Water Conservation Ad Hoc Committee.

Director Paulus reported from the Resident Problem Resolution Services.

Director Welch reported from the Information Access Ad Hoc Committee.

Director Burrasca reported from the Traffic Committee.

Director Muennichow reported on the Long Range Planning Committee.

Director Shimon reported on the Community Revitalization Committee.

#### **GRF COMMITTEE REPORTS HIGHLIGHTS**

There were no committee reports or highlights.

#### **DIRECTORS' COMMENTS**

- Director Welch commented on a flyer regarding earthquakes and announced the upcoming Senior Summit.
- Director Skydell encouraged residents to attend the March 24, 2011 GRF Land Use Ad Hoc Committee meeting.

- Director Muennichow encouraged residents to provide comments for the resolutions that have been postponed for 30 days and commented on Directors volunteering to schedule the Coffees and TV 6 appearances.

The Board recessed at 1:03 P.M. and reconvened into Executive Session at 1:40 P.M.

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

During its Regular Executive Session meeting of February 15, 2011 the Board reviewed and approved the minutes of the Special Executive Session of January 13, 2011 and the Regular Executive Session of January 18, 2011; heard four (4) disciplinary hearings; approved five (5) delinquency write-offs; approve the recording of a Notice of Default for Member ID 932-810-29; approved filing of one separate Small Claims Cases of \$2,500 (or less); discussed the legal matters of Ellen Moss v. Third Mutual; Victoria Pullman v. Third Mutual; Third Mutual v. PCM, Inc.; Elliot Nesvig v. Third Mutual.; and Milt Johns (Cross Complainant) v. Professional Community Management, Inc. et al.; and discussed other member disciplinary and legal matters.

The Traffic Committee of the Board met in Executive Session on February 23, 2011 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 4:20 P.M.

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Carol Skydell, Secretary

THIRD MUTUAL CANDIDATE INFORMATION COMMITTEE  
STANDARD OPERATING PROCEDURES (SOP)  
March 15, 2011

This SOP describes the Candidate Information Committee procedures for recruiting, educating, preparing and presenting the list of candidates for the annual election to the Third Mutual Board of Directors.

Any member of Third Mutual who wishes to be a candidate for the Third Mutual Board of Directors shall be included on the ballot if he or she complies with the eligibility requirements and procedures stated below.

1. To be eligible a candidate must:
  - a. be a member and year round resident in Third Mutual
  - b. not be a director, or reside in the same manor with a director, stockholder, officer, employee or partner of any other organization, whether private, public, or governmental, where such dual status would create a conflict of interest
  - c. not be, or reside in the same manor as a current member of the Candidate information Committee
  - d. not be a member of the Candidate Information Committee in the same election year in which he or she becomes a candidate
  - e. not be shown on the Third Mutual books of account to be more than 30 days delinquent in the payment of any sums
2. The candidate shall submit a completed Application for Candidacy including his or her signature affirming willingness to serve a full term if elected.
3. It is suggested that the candidates:
  - a. attend orientation meetings with the Candidate Information Committee
  - b. attend a minimum of five Board or Committee meetings during the three month prior to becoming a candidate
  - c. attend the "Meet the Candidates" televised event
  - d. submit a Candidate Statement to appear on the ballot
4. The Candidate Information Committee shall be comprised of five members and two alternates, all of whom are knowledgeable about the community and how the board functions. Appointment will be made by the President with Board approval and may consist of:
  - a. two former Directors who were elected by the membership and who completed their terms of office
  - b. three Third Mutual residents
  - c. two Third Mutual residents who will serve as alternates
5. In addition to Committee appointments, the President with Board approval, shall designate the chairperson. The Committee chair shall have the right to replace any member for lack of attendance at Committee meetings.

- a. The Committee shall be independent of the Board, individual members, or any outside influence, and while serving on the Committee shall make no public statements regarding any issues facing the Board
- b. No member of the committee shall be related to any candidate by blood, marriage, or adoption.

6. The duties of the Committee shall be to:

- a. recruit candidates
- b. review candidates' applications to ensure adherence to eligibility requirements
- c. schedule orientation sessions with the former Directors so that each candidate is fully informed as to the duties and responsibilities
- d. provide copies of the governing documents and schedule follow up sessions with the former Directors as needed
- e. schedule a session to apprise candidates of the procedures and materials available for campaigning
- f. arrange for and conduct a "Meet the Candidates" session to be televised on Channel 6
- g. prepare a final report to be presented to the Board at least seventy days before the Annual Meeting of Mutual Members listing those candidates who meet the eligibility requirements

7. Meet the Candidates Televised Event

- a. Candidates are given a fixed amount of time to present a statement outlining their qualifications and interests in Board activity
- b. All Candidates are asked a series of questions that have been prepared and submitted by the membership and screened by the moderator for appropriateness
- c. Each candidate shall be given an opportunity to be the first to answer a question
- d. The Meet the Candidates Session shall be conducted fairly by the moderator allowing candidates to answer each question and to make a final statement depending on the time constraints and the number of candidates and questions submitted