

MEMO

TO: Members of Third Laguna Hills Mutual

FROM: Third Laguna Hills Mutual Board of Directors

Date: January 21, 2021

SUBJECT: Results of CC&R Ballot (January 8, 2021) and Special Members Meeting (January 27, 2021)

The secret ballots for the CC&Rs restatement for all 59 tracts were counted on January 8. While an overwhelming number of those who voted were in favor to adopt the restated CC&Rs and bylaws, the number of secret ballots voted was still not sufficient to approve the restated documents. A total of 2,805 (46%) of our members voted to accept the restated CC&Rs; 1,309 (17%) voted against them. The total number of members voting was 3,844, representing 63% of all members eligible to vote, which is an outstanding number. Most elections/ballots in the Village see less than 20% of the members voting. One of the reasons why this measure did not pass is that 2,258 (37%) of the members chose to not voice their opinions, which is their right.

With such a majority of those voting “Yes,” you might ask why the measure did not pass. If this were a regular election, the measure receiving the most votes typically wins and the measure passes. However, this was not a regular election. The current CC&Rs requires a 67% approval of all eligible owners to amend or restate the documents—a percentage that is very difficult to attain, and one made even more difficult to reach when 37% of the members choose not to vote.

While Third Board members and many community members are disappointed at the outcome, the election results form the basis for the Board’s next move. At the request of some members, a special members meeting has been called to discuss two issues of importance to the petitioning members as set forth in (a) and (b) below. The meeting details are listed below.

Special Members Meeting Details

Date: January 27, 2021

Time: 10 a.m.

Access: Zoom or Granicus (The Zoom link will be provided to all Third Mutual members prior to the meeting via email.)

Subjects: (a) Altering the mutual’s insurance coverage, including—if required—amending the CC&Rs to accomplish said purpose; and rejecting outright the recently proposed restated CC&Rs and bylaws; and
(b) Establishing a task force to entertain suggestions from members for what they do or do not wish to be included therein

- Format:** Steve Parsons, Third Board President, will moderate
- (a) All members who wish to speak must participate via Zoom, not Granicus
 - (b) Each member will be allotted five (5) minutes to speak and address the two issues identified in the petition
 - (c) If a member wishes to have a second opportunity, time permitting, they will be allowed additional time after each member who wishes to speak has first had an opportunity to speak
 - (d) The meeting will end after all members have spoken, or after two and a half (2.5) hours, whichever comes first

The Third Board will be in attendance to **listen** to comments, criticisms, and suggestions related to the two issues as identified in the petition. The Board will not enter into debate with the members, as this is a special members meeting. The Board will listen to member feedback and will consider the members' input in any decisions the Third Board makes when it decides the next best course of action. In response as to why the Board has not decided what it intends to do in relation to the CC&Rs and bylaws, the Board intentionally decided not to consider its next move until after the Board has an opportunity to hear from the members at the special members meeting.

Even though the measure to restate the CC&Rs and bylaws did not pass, the Third Board is committed to continuing to work in the best interests of all the members of Third Mutual. We look forward to seeing you on January 27.



Steve Parsons, Third Board President

January 21, 2021