

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

October 24, 2012

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Wednesday, October 24, 2012 at 1:30 P.M. at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: Won Chang

Staff Present: Jerry Storage, Patty Kurzet, Cris Robinson

Others Present: Kelly Richardson, Esq.

CALL TO ORDER

Director Mike Straziuso, President of the Corporation, called the meeting to order at 1:30 P.M.

Director Wellikson moved to waive the reading of the proposed resolution approving to execute the Deed of Easement Agreement between the Mutual and the El Toro Water District. Director Bayer seconded the motion and the motion carried by a vote of 8-0-1 (Director Freshley abstained).

Director Bayer moved to approve to execute the Deed of Easement Agreement between the Mutual and the El Toro Water District. Director Troutman seconded the motion and discussion ensued.

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

RESOLUTION 03-12-136

WHEREAS, El Toro Water District (ETWD) currently provides Third Laguna Hills Mutual (Mutual) potable water for irrigation of landscape areas of the Mutual; and

WHEREAS, ETWD is proposing to expand the Recycled Water Distribution System to allow for the delivery of tertiary-treated recycled water to existing dedicated irrigation customers within the ETWD service area; and

WHEREAS, ETWD is requesting 41 10-foot wide perpetual non-exclusive easements and rights-of-way over the Mutual's property, (described by the Assessor Parcel Number on the attachment hereto), to install, enlarge, construct,

reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate a pipeline or pipelines for recycled water; and

WHEREAS, ETWD hired an appraiser to estimate current fair market value for each of the 41 easements for a cumulative nominal value of \$56,100; and

WHEREAS, the Mutual hired an independent appraiser to review ETWD's appraisal, and the Mutual's appraiser concluded, after inspecting a typical site and review of existing easement encumbrances with Staff, that the "nominal value" approach to value relied upon by the ETWD appraiser appears reasonable;

NOW THEREFORE BE IT RESOLVED, October 24, 2012, that the Board of this Corporation hereby agrees to execute the Deed of Easement and Acceptance Agreement between the Mutual and ETWD allowing the ETWD to install, enlarge, construct, reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate a pipeline or pipelines for recycled water over the 41 10-foot wide easements on Mutual property for a purchase price of \$56,100; and

RESOLVED FURTHER, that the President (Mike Straziuso), First Vice-President (Denise Welch), Second Vice-President (Marc Bayer), Secretary (Isabel Muennichow), and Treasurer (Rae Tso), or any agent of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution, and any one of the foregoing may sign the deeds of easement on behalf of Mutual.

Upon legal counsel's advice, the Board agreed, without objection, to adjourn into Executive Session to discuss the proposed Water Heater Damage Policy.

The Board discussed the proposed Board Meeting Rules Policy, and made recommended changes.

Director Muennichow moved to continue to restrict Open Forum to items not on agenda. Director Freshley seconded the motion and the motion carried with Director Tso opposing.

Director Wellikson left the meeting at 3:32 P.M.

Director Welch moved directing legal counsel to incorporate changes to the Meeting Rules and present a revised draft to the Board, and pending no further modifications or objections, to move forward with the 30-day notification process. Director Troutman seconded the motion and discussion ensued. By a vote of 5-2-1 (Directors Freshley and Gioia opposed; and Director Tso abstained), the motion carried.

The Board adjourned into Executive Session at 3:53 P.M.

ADJOURNMENT

With no further business before the Board of Directors, the special meeting was adjourned at 4:13 P.M.

Isabel Muennichow, Secretary