

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

March 18, 2014

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, March 18, 2014 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Mike Straziuso, Kathryn Freshley, Beth Perak, Judith Troutman, Jim Juhan (via phone conference), Rosemarie di Lorenzo Dickins, Ray Gros, Hank Gioia, Wei-Ming Tao, Won Chang

Directors Absent: Bert Moldow

Staff Present: Jerry Storage, Cris Robinson, Kim Taylor, Kelly Richardson, Esq.
Executive Session: Jerry Storage, Cris Robinson, Kim Taylor, Luis Rosas, Kelly Richardson, Esq., Cynthia Grace, Wendy Bucknum

Others Present: None

CALL TO ORDER

Director Mike Straziuso, President, called the meeting to order at 9:30 A.M.

PLEDGE OF ALLEGIANCE

Director Freshley 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 Board approved the agenda as amended by changing 3268-C from 'Deny' to 'Approve' request for reimbursement on the Consent Calendar.

CHAIR'S REMARKS

President Straziuso commented on Directors' duties with regard to placing agenda items on the agenda and the duty of Directors to act as a Board and support the Board decision after the decision of the Board has been made.

APPROVAL OF THE MINUTES

Without objection, the Board approved the February 18, 2014 Regular Meeting minutes as written.

CONSENT CALENDAR

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

Maintenance & Construction Committee Recommendations:

- | | |
|--------|---|
| 3137-B | Deny request to retain second satellite dish |
| 3268-C | Approve request for alteration asbestos testing reimbursement |
| 3379-A | Deny request for reimbursement for alteration garage door installation |
| 3379-B | Deny request for reimbursement for alteration garage door installation |
| 3379-C | Deny request for reimbursement for alteration garage door installation |
| 3392-B | Deny reimbursement request associated with removal and reinstallation of alteration patio cover |
| 3399-B | Approve request for patio extension, with contingencies |
| 3430-A | Approve request for wrought iron fence in common area, with contingencies |
| 3511-C | Approve request for window additions, with contingencies |
| 4023-B | Deny request to reimburse one-third of the remaining costs associated with replacing the bearing wall |
| 5024 | Authorize program painting of Building 5024 exterior front elevation pop-out areas in the body color from the color option selected for Building 5024 |

Landscape Committee Recommendations:

- | | |
|--------|---|
| 5267 | Deny Appeal request for tree removal |
| 3249-B | Deny request for tree removal |

Finance Committee Recommendations:

RESOLUTION 03-14-20

Notice of Delinquent Assessment

WHEREAS, Member ID 931-470-69 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 18, 2014, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-69; and

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

RESOLUTION 03-14-21

Notice of Delinquent Assessment

WHEREAS, Member ID 931-470-86 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 18, 2014, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-86; and

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

RESOLUTION 03-14-22

Small Claims Court Cases – Delinquent Assessments

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, March 18, 2014, that the Board of Directors hereby approves the filing of separate Small Claims Court cases for Member ID 931-370-345, Member ID 932-311-26, Member ID 931-470-86, Member ID 935-050-71; and

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

RESOLUTION 03-14-23

Small Claims Court Case – Delinquent Chargeable Services

WHEREAS, the Finance Committee regularly 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

WHEREAS, the Finance Committee recommends filing a separate Small Claims Court case to collect delinquent Chargeable Services by way of a judgment or stipulation against a former member/owner in Third Laguna Hills Mutual; and

NOW THEREFORE BE IT RESOLVED, March 18, 2014, that the Board of Directors hereby approves the filing of a separate Small Claims Court for Member ID 931-471-11; 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

Mr. Storage updated the membership on the ongoing GRF projects within the Community and on Third Mutual projects.

MEMBER COMMENTS

Third Mutual Members were given the opportunity to speak and the Directors briefly responded.

UNFINISHED BUSINESS

Director Troutman read a proposed resolution approving the Common Area Use Policy, which was postponed to conform to the 30-day notification requirement. Director Troutman moved to approve the resolution. Director Gros 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 03-14-24

Common Area Use Policy

WHEREAS, Resolution 03-06-05 adopted on January 26, 2006 was developed in response to the then new California Civil Code Section 1363.07 (now Section 4600) which permits the Mutual to transfer portions of the Common Area to Members as Exclusive Use Common Area without the requirement of two thirds (2/3) of the owners approval under certain limited circumstances; and

WHEREAS, the Mutual seeks to clarify the circumstances under which expansion of a Manor might be considered within the limits of Section 4600;

NOW THEREFORE BE IT RESOLVED, March 18, 2014, that the Board has received input from legal counsel, has reviewed the proposed revisions to the "Decision Tree," and hereby adopts the policy outlined in this Resolution (and the attachments hereto, discussed below), to govern the Board's decision-making when owners apply to the Mutual for authorization of an improvement encroaching into Common Area or Exclusive Use Common Area. Specifically, the Mutual, in determining whether the improvement is to be approved, shall use the analysis in the Decision Tree, attached hereto to and incorporated into these Minutes; and

RESOLVED FURTHER, that consistent with the Decision Tree, the Mutual shall consider the following when evaluating whether to approve a Member application for the construction of an Improvement:

- (1) The Improvement must be consistent with:
 - (a) Third Mutual's architectural and building guidelines;
 - (b) Provisions of California Civil Code Section 4600; and
 - (c) Third Mutual's CC&Rs, Resolutions and other Mutual Rules.
- (2) Civil Code Section 4600 permits the Mutual Board to approve an Improvement that transfers the burden of management and maintenance of any common area which is generally inaccessible and not of general use to the Mutual Membership at large.
- (3) If the proposed Improvement affects a neighboring Manor, the Member shall submit a Neighbor Awareness Form for each affected neighbor.
- (4) If the proposed Improvement will be located partially or wholly upon Common Area, and is generally accessible to Members or could reasonably be used by or for the benefit of Members other than the applying Member, then the Board will reject a given application, unless any other exception in Section 4600 applies.
- (5) The Board may also approve an Improvement which is located partially or wholly upon Common Area in order to eliminate or correct an encroachment due to errors in the original construction; or would accommodate a disability; or would permit the installation of an electric vehicle charging station.
- (6) The Board's decisions on this matter are in its sole and absolute discretion.

RESOLVED FURTHER, if the proposed Improvement is to be located entirely within an Exclusive Use Common Area already associated with the applicant's Manor, the application may be approved provided the Improvement is otherwise in compliance with Third Mutual's architectural and building guidelines, and otherwise permissible under Third Mutual's CC&Rs, and other applicable Rules and Resolutions. Compliance with Third Mutual's architectural and building guidelines shall be a threshold required for any proposed Improvement, whether located on a Member's separate interest, Exclusive Use Common Area or the Common Area; and

RESOLVED FURTHER, that if the Mutual grants a Member the exclusive use of a portion of the Common Area or Exclusive Use Common Area for the purpose of an Improvement located (partially or entirely) on that Common Area or Exclusive Use Common Area, that Member must, as a condition to receiving final approval for the Improvement, execute a recordable Common Area Agreement (substantially in the form of the "Agreement Confirming Continuing Tenant In Common Ownership of Common Area", attached to and incorporated by reference into this Resolution). Such Common Area Agreement provides, among other things, the Member agrees that the area in question shall become an exclusive use Common Area, and not the applying Member's separate interest. The Common Area Agreement also requires the Member shall assume the responsibility for insuring and maintaining the area containing the Improvement, and agrees to indemnify Third Mutual for any and all claims pertaining to the Improvement; and

RESOLVED FURTHER, that Resolution 03-06-05 dated January 26, 2006 is hereby superseded and cancelled; and

RESOLVED FURTHER, that PCM officers and employees charged with the responsibility of overseeing construction of additions, modification and improvements within Third Mutual are hereby authorized to take all appropriate actions consistently with these minutes and to carry out the purpose and intent of this resolution.

Director Troutman read a proposed resolution approving the revised Interior Inspection of Vacant Manors Policy, which was postponed to conform to the 30-day notification requirement. Director Troutman moved to approve the resolution. Director Gros 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 03-14-25

INTERIOR INSPECTION OF VACANT MANORS

WHEREAS, vacant manors present a number of concerns to Third Mutual and its residents, and those concerns increase the longer the manor is vacant; and it is to the benefit of Third and its residents to inspect the condition of manors which have been vacant for one or more years; and

WHEREAS, based on corporate counsel's opinion, and the Mutual's governing documents, the Mutual has the right to inspect manors at any time in the event of an emergency; and the right to enter manors at a reasonable hour in non-emergency situations for the purpose of performing maintenance and/or making repairs;

NOW THEREFORE BE IT RESOLVED, March 18, 2014, that the Board of Directors hereby amends its Interior Inspection of Vacant Manors Policy to include the requirement the owner of record expressly authorizes a non-emergency inspection; and

RESOLVED FURTHER, that except in case of an emergency inspection, the Mutual will provide a minimum of 15 days' notice of inspection to the owner of record of each vacant manor; and

RESOLVED FURTHER, the Mutual will conduct non-emergency inspections only upon receipt of written permission from the owner of record; and

RESOLVED FURTHER, if the owner of record does not respond after two contact attempts by the Mutual or specifically denies entry, the matter may be referred to the Board for member disciplinary action; and

RESOLVED FURTHER, non-emergency inspections will be conducted with Security personnel in attendance to document and ensure there is no adverse impact upon the manor interior by the Mutual's inspection; and

RESOLVED FURTHER, the inspector will identify and note conditions within the manors and facilitate remediation of adverse functional conditions identified if necessary to protect against damage to Mutual property, common area damage or nuisance to neighboring residents; and

RESOLVED FURTHER, the Mutual will charge an inspection and administration fee of \$100 to the owner of the inspected manor; and

RESOLVED FURTHER, that necessary emergency repairs, those that are required to prevent damage to Mutual property, that are the responsibility of the member will be carried out and charged to the owner of record; and

RESOLVED FURTHER, that necessary emergency repairs that are the responsibility of the Mutual will be carried out at Mutual cost; and

RESOLVED FURTHER, that Resolution 03-08-107 adopted October 21, 2008 is hereby superseded and cancelled; and

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

Director Troutman read a proposed resolution approving revisions to the GRF Committee appointments. Director Troutman moved to approve the resolution. Director Gros 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 03-14-26

GRF Committee Appointments

RESOLVED, March 18, 2014, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted July 2012, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Business Planning Committee

Mike Straziuso
Hank Gioia

Energy Committee

Bert Moldow
Judith Troutman
Ray Gros

Community Activities Committee

Beth Perak
Rosemarie di Lorenzo Dickins

Finance Committee

Hank Gioia
Wei-Ming Tao

Government and Public Relations Committee

Jim Juhan
Wei-Ming Tao
Beth Perak

Landscape Committee

Judith Troutman
Rosemarie di Lorenzo Dickins

Maintenance and Construction Committee

Jim Juhan
Kathryn Freshley

Media and Communication Committee

Kathryn Freshley
~~Beth Perak~~
Jim Juhan

Mobility and Vehicles Committee

Mike Straziuso
Ray Gros

Recreation Master Plan Ad Hoc Committee

Hank Gioia
Judith Troutman

Security and Community Access Committee

Ray Gros
Bert Moldow

RESOLVED FURTHER, that Resolution 03-13-132, adopted December 17, 2013 is hereby superseded and canceled.

Director Troutman read a proposed resolution approving revisions to Mutual Committee appointments. Director Troutman moved to approve the resolution. Director Gros seconded the motion and discussion ensued.

By a vote of 8-0-1 (Director di Lorenzo-Dickins abstained), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-14-27

Mutual Committee Appointments

RESOLVED, March 18, 2014, 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

Mike Straziuso, Chair
Ray Gros
Judith Troutman
Beth Perak

Communications Committee

Beth Perak, Chair
Jim Juhan
Ray Gros
Won Chang
Bert Moldow
Non-Voting Advisor: Joan Milliman

Finance (Committee of the Whole)

Hank Gioia, Chair
Wei-Ming Tao, Vice Chair
Non-Voting Advisors: Joan Milliman, ~~Jim Hart~~, Mary Robertson

Garden Villa Recreation Room Subcommittee

Jim Juhan, Chair
Rosemarie di Lorenzo Dickins
Won Chang
Mike Straziuso
Non-Voting Advisors: Shari Horne, Harry Curtis, Lynn Jarrett, Marian Dailey

Landscape (Committee of the Whole)

~~*Judith Troutman, Chair*~~
~~*Jim Juhan, Chair*~~
Rosemarie di Lorenzo Dickins, Vice Chair
Non-Voting Advisors: Barbara Marsh, John Dudley

Maintenance and Construction (Committee of the Whole)

~~*Jim Juhan, Chair*~~
~~*Judith Troutman, Chair*~~
Kathryn Freshley, Vice Chair
Non-Voting Advisors: Sy Wellikson, ~~Harry Curtis~~

Meet and Confer

Mike Straziuso, Chair
Ray Gros
Kathryn Freshley

New Resident Orientation

Per Rotation List

Paint Color Subcommittee

Judith Troutman
Wei-Ming Tao
Non-Voting Advisor: Rose Weiss

Resident Problem Resolution Services

Mike Straziuso
Beth Perak
Jim Juhan

Revitalization Committee

Won Chang, Chair
Kathryn Freshley
Beth Perak
Wei-Ming Tao
Judith Troutman
Bert Moldow
Non-Voting Advisors: Bob Hatch, Barbara Marsh

Standards Subcommittee

Jim Juhan, Chair
Ray Gros
Rosemarie di Lorenzo Dickins
Kathryn Freshley
Non-Voting Advisor: Denny Welch

Traffic Hearing (quarterly)

Hank Gioia, Chair
Bert Moldow
Ray Gros

Laguna Canyon Foundation

Ray Gros

Joint Task Force to Analyze GRF Trust and Bylaws

Jim Juhan
Beth Perak

RESOLVED FURTHER, that Resolution 03-13-116, adopted November 19, 2013 is hereby superseded and canceled.

NEW BUSINESS

Director Troutman read a proposed resolution approving setting the record date determining those members entitled to cast a written ballot to be June 26, 2014. Director Troutman moved to approve the resolution. Director Perak 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 03-14-28

2014 Record Date

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, March 18, 2014, 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 cast a written ballot to be June 26, 2014 (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 3, 2014 (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 Troutman read a proposed resolution approving the revised Resale Policy:

Resolution 03-14-XXX

Resale Policy

WHEREAS, it is the policy of the Third Laguna Hills Mutual that the Seller of a condominium property in Third Mutual, or his agent, must adhere to the established Resale Policy to allow for an orderly transfer of ownership;

NOW THEREFORE BE IT RESOLVED, May 20, 2014 that the Board of Directors of this Corporation hereby approves the Proposed Resale Policy as attached to the official meeting minutes; and

RESOLVED FURTHER, that resolutions 03-03-59 and 03-03-60 are hereby superseded and cancelled; and

RESOLVED FURTHER, that staff shall take the necessary steps to inform the realty community and the residents of Third Mutual; 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 the resolution. Director Gioia seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to the May meeting to satisfy the 30-day notification requirement.

Without objection, the Board did not discuss agenda item 12(c) 'Discuss and Consider the Energy Subcommittee be given the Status of a Full Committee.'

Without objection, the Board did not discuss agenda item 12(d) 'Discuss and Consider Sending a Letter to California Public Utilities Commission regarding a SCG&E Tariff Hike.'

Director Gioia moved to remove agenda item 12(e) "Discuss and Consider Requesting that GRF Stop all Spending on RMP Projects for Gate 12 and 16 in Accordance with GRF Bylaws as Amended on January 9, 2014". The motion was seconded by Director Perak.

By a vote of 6-4-0 (Directors Tao, Di Lorezo Dickins, Freshley, Troutman opposed) the motion failed due to lack of required 2/3rds vote-, and discussion ensued.

Director Freshley moved to demand that GRF rescind resolution 90-13-98 or instruct PCM to stop all work on the Recreation Master Plan, which is costing approximately \$25,000 per week, until GRF and United have mediated and settled on the issue. The motion was seconded by Director Tao.

Director Troutman called for the previous question, and this was seconded by Director Gros. By a vote of 7-3-0 the motion carried by required 2/3 vote.

Director Freshley called for a roll call vote.

By the following roll call vote of 3-7-0, the original motion failed:

AYES: di Lorenzo Dickins, Freshley, Tao

NAYES: Straziuso, Perak, Troutman, Juhan, Gros, Gioia, Chang

Director Gioia moved to remove agenda item 12(f) 'Discuss and Consider Stating that the Third Mutual Board is in support of United Mutual's Calling a Corporate Members Meeting for the Purpose of Recalling Two GRF Directors, Without Cause' from the agenda. Director Gros seconded the motion.

By a vote of 6-4-0 the motion to remove from the agenda item failed due to lack of required 2/3 vote.

Director Freshley moved that the Third Mutual Board support United Mutual's calling a Corporate Members Meeting for the purpose of recalling two GRF Directors, without cause. Director Tao seconded the motion. Discussion ensued.

Director Perek called for the previous question, seconded by Director Gioia. Director Freshley called for a roll call vote.

By the following roll call vote of 7-3-0, the motion to Call for the Question carried:

AYES: Straziuso, Perak, Troutman, Juhan, Gros, Gioia, Chang

NAYES: di Lorenzo Dickins, Freshley, Tao

Director Freshley called for a roll call vote regarding the original motion.

By the following roll call vote of 3-7-0, the original motion failed:

AYES: di Lorenzo Dickins, Freshley, Tao

NAYES: Straziuso, Perak, Troutman, Juhan, Gros, Gioia, Chang

Mr. Kelly Richardson discussed Blanket Recordation with respect to providing the Mutual with added protection.

Director Perek moved to require that foreclosing parties must record a sale and allow the association to identify the new party responsible for payment of assessments. Director Gros seconded the motion.

Director Freshley moved to postpone approval of requiring that foreclosing parties must record a sale and allow the association to identify the new party responsible for payment of assessments to the April Board meeting. Director Tao seconded the motion.

By a vote of 4-6-0 the motion failed.

By a vote of 7-2-1 the original motion carried.

COMMITTEE REPORTS

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

Director Troutman read a proposed resolution approving the revisions to the Investment Policy:

RESOLUTION 03-14-

THIRD LAGUNA HILLS MUTUAL INVESTMENT POLICY

RESOLVED, May 20, 2014, that the Managing Agent of this Corporation, and an Investment Manager are hereby authorized to invest the funds of the Corporation which, in the opinion of said Managing Agent are not required within a reasonable time to pay obligations of the Corporation; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby authorizes the Managing Agent of this Corporation, to retain an Investment Manager and to give that Manager discretion to transact purchases and sales of investments for the Third Laguna Hills Mutual account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

RESOLVED FURTHER, that all investments on behalf of this Corporation must be made with the underlying principles in the following order of priority: (1) safety,

(2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the Managing Agent and Treasurer of this Corporation upon completion of each investment transaction;
2. For funds administered by the Managing Agent no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of any two of the Treasurer or the President or 1st Vice President of this Corporation. Furthermore, if a member of the Board of the Corporation desires an investment to be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity, approval must be received from the Board of Directors of this Corporation;
3. No funds shall be invested except in authorized investments as provided herein. Authorized investments are limited to:
 - a. obligations of, or fully guaranteed as to principal, by the United States of America;
 - b. Up to 30% of the portfolio may be invested in Corporate Bonds rated A through AAA;
 - c. No more than 3% of the portfolio is to be invested in any one corporate bond issuer; and
 - d. Up to 25% of the portfolio may be invested in Government Sponsored Federal Agencies, namely FNMA (Federal National Mortgage Association – Fannie Mae), FHLMC (Federal Home Loan Mortgage Corporation – Freddie Mac, and FHLB (Federal Home Loan Bank).
4. Investments on behalf of this Corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village, Laguna Woods, California. However, separate investment receipts will be held in the name of this Corporation. Any such investments may be held for the account of the Corporation in book-entry form;

RESOLVED FURTHER, that Resolution 03-09-129 adopted October 20, 2009 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 the resolution as written.

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

Without objection, the Board postponed the resolution to the May meeting to satisfy the 30-day notification requirement.

Director Troutman reported from the Landscape Committee.

Director Troutman reported from the Maintenance and Construction Committee.

Director Troutman read a proposed resolution approving a supplemental appropriation totaling \$1,111,000 from the Unappropriated Expenditures Fund to perform dry rot repairs identified in the mid-cycle dry rot inspections conducted in 2011 and 2012. Director Troutman moved to approve the resolution. Director Gros second 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 03-14-29

Supplemental Appropriation for Third Mutual Dry Rot Repairs

WHEREAS, the Mutual conducted dry rot inspections in 2011 and 2012 on buildings last painted in 2006 and 2007, respectively; and

WHEREAS, a significant number of necessary repairs were discovered; and

WHEREAS, the Mutual performed repairs in cul-de-sac 212, which provided an accurate model of costs to complete all remaining repairs; and

NOW THEREFORE BE IT RESOLVED, that on March 18, 2014, the Board of Directors authorizes a supplemental appropriation totaling \$1,111,000 from the Unappropriated Expenditures Fund to perform dry rot repairs identified in the mid-cycle dry rot inspections conducted in 2011 and 2012; 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 Tao reported on behalf of Director Moldow from the Energy Subcommittee.

Director Juhan reported from Resident Problem Resolution Services.

Director Chang reported from the Revitalization Committee.

Director Gros reported from the Traffic Rules and Regulations Ad-hoc Committee.

Director Perak reported from the Communications Committee.

Director Gros reported on the Laguna Canyon Foundation.

GRF Committee Reports Highlights

Director Perak reported from the Government and Public Relations Committee.

DIRECTORS' COMMENTS

Directors made their final comments.

ADDITIONAL MEMBER COMMENTS

No additional member comments were made.

The Board recessed at 1:10 P.M. and reconvened into Executive Session at 1:55 P.M.

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

During its February 18, 2014 Regular Executive Session Board Meeting, the Board approved the January 21, 2014 Regular Executive Session minutes as written. The Board heard three disciplinary hearings and imposed no fines for violations of the Mutual's rules and regulations; approved three notices of default; discussed and considered Damage Restoration Hearing Process; discussed potential litigation matters; discussed contractual issues; and discussed other member disciplinary matters.

With no further business before the Board of Directors, the meeting was adjourned at 5:15 PM.

Judith Troutman, Secretary