

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

March 21, 2006

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, March 21, 2006 at 9:00 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Richard Moos, Mark Schneider, Gunter Vogt, James Matson, Phyllis Fish, George Arnold, Robert Hatch, Dominic Burrasca, Raymond Gros, Larry Souza, Jim Keysor

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (9:28 A.M. – 9:35 A.M.)
Executive Session: Cris Trapp

CALL TO ORDER

Director Richard Moos, 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 9:00 A.M.

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

PLEDGE OF ALLEGIANCE

Director Larry Souza led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Cheryl Walker from the News, and the LWV Channel 6 Camera Crew were acknowledged as present.

APPROVAL OF AGENDA

The Agenda was approved as amended by adding two Notice of Delinquent Assessments Resolutions under the Finance Committee Recommendations as 11(c).

APPROVAL OF THE MINUTES

The Minutes of the Regular Meeting of February 21, 2006 were approved as submitted.

CHAIRMAN'S REPORT – Richard Moos

President Moos announced the KPMG Presentation on March 27, 2006 and stated that the Board needs to attend to establish a quorum.

GENERAL MANAGER'S REPORT – Milt Johns

Mr. Milt Johns reported on the Robert Mayer Corporation's proposal to lease the auxiliary parking lot adjacent to the Library for use as a construction staging area; and updated the membership on the status of the Community name change and announced that the application for the trademark is complete.

Mutual Member Corkie Eley (2401-2E) commented on the name change.

TREASURER'S REPORT

Director Gunter Vogt reported on the Treasurer's Report and from the Third Finance Committee.

Director Vogt reported on the Mutual's Resale & Lease Activity.

Mutual Member Dorothy Bilecki (3491-O) encouraged the Board Members to talk into the microphones.

OLD BUSINESS

The reading of the proposed resolution on Committee Appointments was waived and the Secretary of the Corporation, Director Gunter Vogt read the proposed changes to the Committee Appointments. Director Bob Hatch moved to approve the resolution. Director Mark Schneider seconded the motion.

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

RESOLUTION 03-06-14

RESOLVED, March 21, 2006 that the following persons are hereby appointed to serve on the committees and services of this corporation:

Maintenance and Construction

Jim Matson, Chair
Larry Souza, Vice Chair
Ray Gros
Phyllis Fish
Jim Keysor
Mark Schneider
Gunter Vogt
George Arnold
Robert Hatch
Dominic Burrasca
Richard Moos
Advisors: John Heiney

Landscape

Phyllis Fish, Chair
Dominic Burrasca
Jim Keysor
George Arnold
Robert Hatch
Advisors: John Dudley, Ann Souza, **Carol Moore**
Non-voting advisor: Charlene Sydow

Finance

Bob Hatch, Chair
Gunter Vogt, Vice Chair
Jim Matson
Larry Souza
Ray Gros
Phyllis Fish
Jim Keysor
Mark Schneider
George Arnold
Dominic Burrasca
Richard Moos
Advisor: Jim Hart

Long Range Planning

Mark Schneider, Chair
Ray Gros, Vice Chair
Jim Keysor
Bob Hatch

Traffic

Ray Gros, Chair
George Arnold, Vice Chair
Dominic Burrasca

Select Audit

Bob Hatch
Richard Moos

Resident Information Services

Phyllis L. Fish
Dominic Burrasca

New Resident Orientation

Per Rotation List

Representative to Laguna Canyon Foundation

Gunter Vogt

RESOLVED FURTHER, Resolution 03-06-01, adopted January 17, 2006 is hereby superseded and canceled.

NEW BUSINESS

The Secretary of the Corporation, Director Vogt read the following proposed resolution on approving the election procedures in compliance with the new law.

RESOLUTION 03-06-

WHEREAS, California Civil Code §1363.03, effective July 1, 2006 regulates the manner in which Common Interest Developments conduct their election process; and

WHEREAS, it is necessary for each corporation to adopt the rules regarding elections;

NOW THEREFORE BE IT RESOLVED, May 16, 2006 that the Board of Directors of this Corporation hereby authorizes staff to administer the election process per the subject report titled "Election Procedure" which is attached to the official record of this meeting in the files of this Corporation, and which is in compliance with Civil Code §1363.03, and

RESOLVED FURTHER, that Resolution M3-79-103 adopted November 20, 1979 is hereby superceded and cancelled, and Resolution M3-82-38 adopted March 16, 1982 is hereby amended; 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 Vogt moved to approve the resolution. Director Schneider seconded the motion. Discussion ensued.

Ms. Janet Price entered the meeting at 9:28 A.M.

Director Vogt made a motion to table to satisfy the statutory thirty-day notification process. Director Matson seconded the motion and the motion carried unanimously.

The Secretary of the Corporation, Director Vogt read a proposed resolution on reserve legislation. Director Vogt moved to approve the resolution. Director Jim Keysor seconded the motion. Discussion ensued.

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

RESOLUTION 03-06-15

WHEREAS, over the past several years the California Legislature has passed legislation that mandates how Associations must calculate and report replacement reserve funding plans; and

WHEREAS, the Legislature seems to be moving in the direction of increased reserve reporting requirements and an ultimate stipulation of a minimum reserve-funding level requirement;

NOW THEREFORE BE IT RESOLVED, March 21, 2006 that the Board of Directors of this Corporation hereby approves and authorizes staff to communicate to appropriate state legislative entities and HOA industry organizations, regarding newly introduced Assembly Bill 2100, language that conveys that Third Laguna Hills Mutual (Third Mutual) recognizes it is important for all community associations to adopt and use a financial planning and budget process that accurately reflects projected annual operating costs and long-term reserve expenditures that result in a balanced budget. In addition, Third Mutual supports the full and open disclosure to members and the opportunity for participation by members in the development of the budget. The elected Board of Directors is charged with the fiduciary duty for managing the community, and resulting liability, and therefore should be the final decision-making entity for their communities.

RESOLVED FURTHER, that if and when legislation is drafted that mandates a minimum funding level, staff is authorized to communicate to the aforementioned Legislative bodies and HOA organizations that Third Mutual recognizes and supports the need for adequate reserve funding levels and recommends a minimum funding requirement of up to 50% for communities who are part of an association with collectively over 1,000 units to be achieved over a period of ten years.

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.

Ms. Janet Price entered the meeting at 9:35 A.M.

Director Hatch reported on the need to establish an Architectural Committee Ad Hoc Committee to address patio enclosure variance requests. Discussion ensued.

Mutual Members Isabel Muennichow (5285) and Corkie Eley (2401-2E) commented on the proposed committee.

By way of consensus, the Board agreed to discuss the formation at the next Maintenance and Construction Committee Meeting.

CONSENT CALENDAR

Mutual Member Mehdi Taghiei (3366-1C) addressed the Board on the denial of his request to retain the patio enclosure and requested that the Board reconsider the recommendation.

By way of consensus, Mr. Taghiei's request was removed from the consent calendar and added as a discussion item under the Maintenance and Construction Committee Report; and Landscape Committee items: *2391-2E Denial of Appeal request for tree topping; 3296-D Denial of Appeal request for tree removal; 3336-1C Denial of Appeal request for tree removal; 964-C Denial of request for tree removal; 3230-C Denial of request for tree removals* were removed and returned back to Committee.

Mutual Member Lucie Falk (3377-A) commented on tree removal requests.

The Consent Calendar was approved as amended and the following actions were taken:

Maintenance & Construction Committee Recommendations:

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|---------|--|
| 3334-B | Appeal of request to build room addition enclosure |
| 3420-1H | Approval of appeal request to exclude retrofitting of sliding glass doors while retrofitting all windows of same elevation |
| 5014 | Approval of request to build sunroom over existing extended patio |
| 5014 | Denial of request to enclose top of garden area with glass roof, and install windows along top of existing wall in private garden area |
| 5077 | Approval of request to enclose patio |
| 5077 | Approval of request to install walkway and Flagstone landing area at entryway |
| 5219 | Approval of request to construct steps adjacent to manor |
| 5240 | Approval of request to seal window in kitchen |
| 5243 | Approval of request to enclose patio |
| 5303 | Approval of request to retain window alterations in bathrooms |
| 5374-C | Approval of request to extend kitchen within existing entrance garden walls, creating new all-purpose room |
| 5447 | Approval of request to enclose patio |

Landscape Committee Recommendations

- | | |
|--------|---|
| 2227-D | Approval of request for breezeway planter conversion and installation of pavers at the Mutual's expense |
| 3354-A | Approval of request for courtyard conversion at the Mutual's expense, with contingencies |
| 3383-C | Approval of request for off-schedule tree removal at the Mutual's expense |
| 5285 | Approval of request for tree removal at the Mutual's expense |
| 5294 | Denial of request for more trees |
| 5294 | Approval to install stepping stone pathway at the Mutual's expense |
| 5333-B | Denial of request for tree removal |
| 5525-A | Denial of request for five (5) tree removal |

Finance Committee Recommendations

RESOLUTION 03-06-16

WHEREAS, Member ID 931-591-67 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment in an amount exceeding \$1800; 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 21, 2006 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-591-67; 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 03-06-17

WHEREAS, Member ID 932-120-17 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment in an amount exceeding \$1800; 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 21, 2006 that the Board of Directors hereby approves the recording of a Lien for Member ID 932-120-17; 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.

COMMITTEE REPORTS

Director Jim Matson reported from the Maintenance and Construction Committee.

Director Jim Keysor left the meeting at 10:04 A.M.

Director Matson made a motion to return *3366-1C Denial of request to retain patio enclosure* back to the Maintenance and Construction Committee. Director Vogt seconded the motion. The motion carried unanimously by a vote of 9-0-0 (Director Keysor was absent from the meeting).

Director Keysor entered the meeting at 10:07 A.M.

Mutual Member Edward Molina (2401-2A) addressed the Board on maintenance issues.

Director Jim Matson reported from the Standards Sub Committee.

Director Ray Gros reported from the Plumbing Ad-Hoc Committee

Director Phyllis Fish reported from the Landscape Committee.

Director Mark Schneider reported from the Third Long Range Planning Committee.

Director Dominic Burrasca reported from Resident Information Services.

Director Ray Gros reported from the Traffic Committee.

Director Jim Matson reported from the Joint GRF Bylaw Review Ad Hoc Committee.

Mutual Member Dorothy Bilecki (3491-O) commented on GRF voting advisors.

GRF COMMITTEE REPORTS

Director Robert Hatch reported from the GRF Finance Committee.

Director Jim Matson reported from the Maintenance & Construction Committee.

Director Mark Schneider reported from the Community Activities Committee.

Director Mark Schneider reported from the Government and Public Relations Committee.

Director Ray Gros reported from the GRF Security and Community Access Committee.

Director Jim Keysor reported from the Broadband Services Committee.

Director Dominic Burrasca reported from the Bus Services Committee.

GOOD OF THE ORDER AUDIENCE

- Jerry Sheinblum (3488-C) announced the next CCA Townhall meeting in Clubhouse 5 at 1:30 P.M.
- Lucie Falk (3377-A) encouraged the residents to be proactive in the Community
- Corkie Eley (2401-2E) commented on heating in the manors and the budget

- Grete Rothschild (3110-N) announced that Transportation Awareness Day is on April 26

DIRECTORS

- Director Schneider commented on the budget process
- Director Souza commented on role of non-voting advisors and installation of a door opener at CH 1
- Director Keysor commented on checks and balances
- Director Hatch commented on committee formations
- Director Fish commented on joy of living in Laguna Woods Village
- Director Vogt commented on the 1997 Maintenance Division Operation Report
- Director Burrasca commented on GRF issues

The meeting recessed at 11:10 A.M. and reconvened into Executive Session at 11:20 A.M.

During its February Regular Executive Session Meeting, the Board approved the minutes of the Regular Executive Session of January 17, 2006, the Special Executive Session of February 10, 2006, and the reconvened Special Meeting of February 13, 2006; discussed member disciplinary and contractual issues; and reviewed the Litigation Status Report.

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

With no further business before the Board of Directors, the meeting was adjourned at 3:30 P.M.

Gunter Vogt, Secretary