

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

September 18, 2007

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, September 18, 2007 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim Matson, Gunter Vogt, Isabel Muennichow, Larry Souza, Ray Gros, John Paulus, Richard Moos, Dominic Burrasca, Bob Hatch, Carol Moore, Rich Haskell

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (9:45 A.M. – 10:50 A.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp

CALL TO ORDER

Director Jim Matson, 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 Isabel Muennichow led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Cheryl Walker from the Laguna Woods Globe, and by way of remote cameras, the Laguna Woods Village Channel 6 Camera Crew was acknowledged as present.

APPROVAL OF AGENDA

The Agenda was approved as written.

APPROVAL OF THE MINUTES

The Report of the August 10, 2007 Special Business Plan Meeting Version 3, and the Regular Meeting of August 21, 2007 were approved as submitted.

MEMBER COMMENTS

- Anita Robertson (2243-F) commented on an overflowing trash bin in her cul-de-sac
- Lucie Falk (3377-A) commented on the slate of new candidates
- Pamela Grundke (2214-B) announced the next Residents' Voice meeting
- Sherman Cole (3426-A) commented on his variance request to retain wood framed windows
- Denise Welch (5517-1C) announced the next CCA Meeting Town Hall Meeting

CHAIRMAN'S REPORT – Jim Matson

President Matson announced that the Special Board Meeting to count the ballots will be held on September 28, 2007 at 8:30 A.M.; and commented on the Board's accomplishments over the year.

Ms. Janet Price entered the meeting at 9:45 A.M.

GENERAL MANAGER'S REPORT

Mr. Johns updated the Board on the GRF Land Planning Team and the development of the Environmental Impact Report.

TREASURER'S REPORT

Director Richard Moos reported on the Treasurer's Report and Resale & Lease Activities.

OLD BUSINESS

No old business came before the Board.

NEW BUSINESS

Ms. Price provided a summary of the proposed 2008 Business Plan.

The Secretary of the Corporation, Director Isabel Muennichow, read a proposed resolution on adopting the 2008 Business Plan. Director Moos made a motion to approve the resolution. Director Vogt seconded the motion and discussion ensued.

Director Larry Souza made a motion to amend, proposing a reduction in the Surplus Recovery from \$439,344 to \$73,244. Director Gros seconded the motion and discussion ensued.

Mutual Members Stanley Feldstein (2403-1B), Anita Robertson (2243-F), and Allen Cohen (2391-2A) addressed the Board on the amendment.

By a vote of 6-3-1 (Directors Souza, Vogt, Hatch, Muennichow, Gros, and Paulus voted in favor; Directors Haskell, Moore, Burrasca opposed and Director Moos abstained) the motion carried.

Director Rich Haskell made a motion to amend, proposing a decrease in the General Operating Fund contribution by \$5.00 per manor/per month, from \$11.00 to \$6.00. Director Moore seconded the motion and discussion ensued.

By a vote of 3-6-1 (Directors Haskell, Moore, Burrasca voted in favor; Directors Souza, Vogt, Hatch, Muennichow, Gros, and Paulus opposed and Director Moos abstained) the motion failed.

By a vote of 8-2-0 (Directors Burrasca and Moore opposed) the main motion as amended carried, and the Board of Directors adopted the following resolution:

RESOLUTION 03-07-88

**THIRD LAGUNA HILLS MUTUAL
2008 BUSINESS PLAN RESOLUTION**

RESOLVED, September 18, 2007, that the Business Plan of this Corporation for the year 2008 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said business plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$24,540,389 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2008, from which will be deducted \$73,224 derived from prior years' surplus. In addition, the sum of \$14,985,532 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2008. Therefore, a total of \$39,452,697 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$3,485,366 of which \$3,051,667 shall be expended from the Replacement Funds, \$272,000 from the Elevator Replacement Fund, \$113,652 from the Laundry Replacement Fund and \$48,047 from the Garden Villa Recreation Room Fund; and

RESOLVED FURTHER, that all sums paid into the Replacement Reserves shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the corporation as shown on each member's breakdown of monthly assessments for the year 2008 and as filed in the records of the Corporation; said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2008; 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.

The Secretary of the Corporation read a proposed resolution on adopting the 2008 Replacement Reserves Plan. Director Muennichow moved to approve the resolution. Director Gros seconded the motion.

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

RESOLUTION 03-07-89

**THIRD LAGUNA HILLS MUTUAL
2008 REPLACEMENT RESERVES RESOLUTION**

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the association's obligations for repair and/or replacement of major components during the next 30 years; and

WHEREAS, Civil Code § 1365.2.5 requires specific reserve funding disclosure statements for common interest developments;

NOW THEREFORE BE IT RESOLVED, September 18, 2007, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$2,080,000 (indexed for projected inflation), while meeting its obligations to repair and/or replace major components; 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.

Ms. Price left the meeting at 10:50 A.M.

Mr. Johns provided a summary of the request from 2205-B for an exception to the Mutual's occupancy requirements to move into the Community prior to the age of 55 years old.

Director Hatch made a motion to approve the request. Director Gros seconded the motion and discussion ensued.

Director Muennichow amended the motion to approve the request pending legal counsel advisement. Director Moore seconded the motion and discussion ensued. By a vote of 1-9-0 (Director Muennichow voted in favor), the motion failed.

By a vote of 10-0-0 the main motion carried.

Director Moore made a motion to approve an exception to the Mutual's occupancy requirements for 2339-D. Director Moos seconded the motion and discussion ensued. By a vote of 10-0-0 the motion carried.

CONSENT CALENDAR

Absent any objections the Consent Calendar was approved as amended by moving 3426-A *Approval of request to retain wood framed windows and French doors* from the Maintenance and Construction Committee Consent Calendar to under the Maintenance and Construction Committee Report for action, and the following actions were taken:

Maintenance & Construction Committee Recommendations:

- 3229-A Approval of request to retain alteration patio block wall, with contingencies
- 3426-B Approval of request to install rear patio slab, with contingencies
- 3441-B Approval of request to install rear patio slab, with contingencies
- 5074 Approval of request to install photovoltaic solar panels on roof, with contingencies
- 5074 Approval of request to install additional windows in previously approved master bedroom extension, with contingencies
- 5077 Approval of request to install motorized retractable exterior sunshade, with contingencies
- 5387-B Approval of request to extend rear patio slab and install pavers, with contingencies
- 5440 Approval of request to install wood frame windows and sliding glass doors, with contingencies
- 5463-C Approval of request to install window in existing patio sliding door opening on rear patio, with contingencies
- 5483-A Approval of request to retain window to door conversion, with contingencies

(b) Landscape Committee Recommendations

- 5465-A Approval of appeal request for tree removal at the Mutual Member's expense
- 2117-C Approval of request for tree removal and replacement at the Mutual Member's expense
- 2273-C Denial of request for 2 tree removals & replacements
- 3363-3D Denial of request for severe topping and trimming, but approval to remove the tree on-schedule at the Mutual's expense or off-schedule at the Mutual Member's expense
- 3506-A Denial of request for tree removal
- 3506-C Denial of request for tree removal
- 5533-O Approval of request for 2 tree removals and replacement at the Mutual Member's expense
- 5567-A Denial of request for larger plants

Finance Committee Recommendations

RESOLUTION 03-07-90

WHEREAS, Member ID 931-480-75 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, September 18, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-480-75; 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 03-07-91

WHEREAS, Member ID 931-680-25 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, September 18, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-680-25; 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 Larry Souza reported from the Maintenance and Construction Committee.

The Board considered the request of Mrs. Ursula Johnson, previous owner of 3426-A Bahia Blanca West, to retain the wood framed windows and French doors.

Director Muennichow made a motion to deny Mrs. Johnson's request to retain the windows and to approve Mr. Sherman Cole, the current owner's request to utilize the \$5,000 currently held in escrow to restore the windows to their original condition, and install new windows that meet all of the applicable Mutual Standards. Director Souza seconded the motion.

Mr. Cole addressed the board on his request

By a vote of 10-0-0 the motion carried.

Director John Paulus reported from the Standards Sub Committee.

Director Ray Gros reported from the Plumbing Ad-Hoc Committee.

Director Gunter Vogt reported from the Landscape Committee.

Director Isabel Muennichow reported from the Third Long Range Planning Committee.

Director John Paulus reported from Resident Information Services.

Director Ray Gros reported from the Traffic Committee.

GRF COMMITTEE REPORTS

Director Richard Moos reported from the GRF Finance Committee.

Director Larry Souza reported from the Maintenance & Construction Committee.

Director Carol Moore reported from the Community Activities Committee.

Director Gunter Vogt reported from the Landscape Committee.

Director Isabel Muennichow reported from the Government and Public Relations Committee.

Director John Paulus reported from the GRF Security and Community Access Committee.

Director Rich Haskell reported from the Broadband Services Committee.

Director Ray Gros reported from the Bus Services Committee.

DIRECTORS COMMENTS

- Director Paulus commented on the San Sebastian project and cost of the units and association fees
- Director Gros expressed his sentiments on being on the Board
- Director Muennichow commented on the housing market and encouraged the membership to improve their manors to increase the value of the community
- Director Haskell expressed his sentiments on his short stint on the Board
- Director Moore commended the American Legion's and the Kiwanis' work in the Community, and wished Directors Moos, Gros and Haskell good luck and thanked them for their work on the Board
- Director Vogt expressed his sentiments on working with the Board
- Director Moos wished the Directors the best in the coming years

- Director Souza thanked President Matson for a job well done over the year and expressed his thanks to Mr. Milt Johns and Ms. Patty Fox for their assistance during the year
- Director Hatch thanked the Board for a job well done over the year and wished the retiring Directors well in their retirement
- President Matson expressed his sentiments on being on the Board and wished the retiring Directors well

The meeting recessed at 11:50 A.M. and reconvened into Executive Session at 12:33 P.M.

The Traffic Committee of the Board met in Executive Session on August 22, 2007 to discuss member disciplinary issues.

During the August 21, 2007 Regular Board Meeting, the Board reviewed and approved the Minutes of the Special Executive Session of June 14, 2007, the Regular Executive Meeting of July 17, 2007, the Special Executive Session of July 30, 2007, and the Special Executive Session of August 9, 2007; heard two (2) Regular Disciplinary Hearings, and one (1) Appeal Disciplinary Hearing; and heard one (1) Meet and Confer and approved the Member's payment plan; discussed other member disciplinary matters; and discussed litigation issues.

With no further business before the Board of Directors, the meeting was adjourned at 3:16 P.M.

Isabel Muennichow, Secretary