

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

**November 20, 2007**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, November 20, 2007 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Stanley Feldstein, Carol Moore, Dominic Burrasca, Cynthia Conners, John Paulus, Don Lippert, Jim Matson, Gunter Vogt, Isabel Muennichow, Larry Souza, Bob Hatch (via telephone 9:36 AM - 9:46 AM, 10:43 AM)

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (10:52 A.M. – 11:30 A.M.)  
*Executive Session:* Milt Johns, Patty Fox, Cris Trapp

**CALL TO ORDER**

Director Stanley Feldstein, 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 Dominic Burrasca 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.

**APPROVAL OF AGENDA**

The Agenda was approved as amended by removing agenda item 7(b) Entertain Motion to Establish Talent Bank Sub-Committee referring it to the Long Range Planning Committee, and adding the following agenda items under New Business: Entertain Motion to Approve Donation to the Community Civic Association, and Discussion re Board Room Acoustics.

**APPROVAL OF THE MINUTES**

The Board reviewed the Minutes of the Organizational Meeting of October 4, 2007. Director Carol Moore made a motion to remove the lined portion of Resolution 03-07-95. Director Dominic Burrasca seconded the motion and discussion ensued.

By a vote of 5-2-2 (Directors Vogt and Souza opposed), the motion carried.

Director Connors made a motion to approve the Minutes of the Organizational Meeting of October 4, 2007 as amended. Director Moore seconded the motion. By a vote of 8-0-1 (Director Souza abstained) the motion carried.

Director Connors made a motion to waive the reading of the Minutes of the Regular Meeting of October 16, 2007. Director Moore seconded the motion and the motion carried unanimously.

Director Connors made a motion to approve the Minutes of the Regular Meeting of October 16, 2007. Director Moore seconded the motion and the motion carried unanimously.

Director Connors made a motion to waive the reading and approve the Minutes of the Special Meeting of November 5, 2007. The motion was seconded and carried unanimously.

Director Hatch left the meeting at 9:46 A.M.

#### **MEMBER COMMENTS**

- Pat Whitson (3-H) commented on the November 5, 2007 meeting with Bill Hart, Esq. of HKC
- Barbara Marsh (3433-B) commented on addressing issues and taking care of the Community
- Bud Nesvig (2392-3H) commented on availability of board minutes
- Lucie Falk (3377-A) commented on the November 5, 2007 meeting with Bill Hart, Esq. of HKC
- Thelma Albert (2292-D) addressed the Board on her request for reimbursement for chargeable service
- Roy McLain (2087-E) commented on voting requirements
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting
- Harriet Arnest (4010-1A) wished everyone a Happy Thanksgiving
- Gene Ryan (3361-O) congratulated the Board on its openness to the Community and commented on land sales

#### **CHAIRMAN'S REPORT – Stanley Feldstein**

President Feldstein relinquished the Chair to First Vice President Director Carol Moore to speak to the need to rescind Resolution 03-06-33, adopted August 15, 2006 (treatment of corporation and confidential documents).

Director Feldstein made a motion to rescind the subject resolution, Director Burrasca seconded the motion and discussion ensued.

By a vote of 3-6-0 (Directors Lippert, Burrasca, and Feldstein voted in favor; and Directors Muennichow, Vogt, Matson, Connors, Souza, and Paulus opposed) the motion failed.

Director Bob Hatch returned to the meeting in person at 10:43 AM.

Mutual Members Jerry Sheinblum (3488-C) and Harriet Arnest (4010-1A) commented on the motion.

First Vice President Director Moore relinquished the Chair back to President Feldstein.

#### **GENERAL MANAGER'S REPORT**

Mr. Johns updated the Board on GRF's Community and Recreation Needs Assessment Plan Study and announced that there will be Town Hall meetings and workshops open to the Community.

Ms. Janet Price entered the meeting at 10:52 A.M.

#### **TREASURER'S REPORT**

Director John Paulus reported on the Treasurer's Report and Resale & Lease Activities.

A discussion was held relative to the approval to withdraw money from the Reserve Funds.

The President determined that the time was not appropriate for member comments.

The Secretary of the Corporation, Director Conners, read a proposed resolution on approving the Collection of Delinquent Assessment Accounts and Enforcement of Liens Policy. Director Moore moved to approve the resolution. Director Bob Hatch seconded the motion.

By a vote of 9-0-1 (Director Burrasca abstained) the motion carried and the Board of Directors adopted the following resolution:

#### **RESOLUTION 03-07-100**

**WHEREAS**, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties; and

**NOW THEREFORE BE IT RESOLVED**, November 20, 2007 that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2008; and

**RESOLVED FURTHER**, that Resolution 03-06-54, adopted November 21, 2006 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.

The Secretary of the Corporation read a proposed resolution on approving the Third Mutual Investment Policy. Director John Paulus moved to approve the resolution. Director Don Lippert seconded the motion. Director Hatch announced the changes to the membership.

By a vote of 9-0-1 (Director Matson abstained) the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 03-07-101**

**THIRD LAGUNA HILLS MUTUAL INVESTMENT POLICY**

**RESOLVED**, November 20, 2007 that Professional Community Management Inc., 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, Professional Community Management Inc. to retain an Investment Manager and to give that Manager discretion to transact purchases and sales of investments for Third Laguna Hills Mutual's 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 Professional Community Management, Inc., 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;
4. Authorized investments limited to obligations of, or fully guaranteed as to principal, by the United States of America.

5. 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 receipt 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;
6. Any authorized investments, as defined in Item 4 above, previously made by said Managing Agent, are hereby ratified; and

**RESOLVED FURTHER**, that Resolution 03-05-33 adopted November 15, 2005 is hereby superseded and canceled.

### **OLD BUSINESS**

President Feldstein indicated that there was nothing to report from the Law Firm Search Ad Hoc Committee.

Without objection Directors Feldstein, Connors, Lippert, and Vogt were appointed to the Law Firm Search Ad Hoc Committee.

Ms. Price left the meeting at 11:30 A.M.

Ms. Leslie Keane, City Manager of the City of Laguna Woods, addressed the Board on the City of Laguna Woods' Blue Ribbon Committee and provided a brief background. Ms. Keane indicated that Director Carol Moore, who was previously appointed to the Committee is a member of EarthWorks, a group of residents similar to the City's Committee, and recommended that the Board appoint another Board Member to the Committee.

Director Connors made a motion to appoint Director Larry Souza to the Committee. Director Moore seconded the motion and the motion carried by a vote of 9-0-1 (Director Souza abstained).

### **NEW BUSINESS**

The Secretary of the Corporation read a proposed resolution on appointing members to the Nominating Committee. Director Connors moved to approve the resolution. Director Moore seconded the motion.

Mutual Member Bud Nesvig (2392-3H) addressed the Board on the proposed appointments.

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

### **RESOLUTION 03-07-102**

**RESOLVED**, November 20, 2007 that the following persons are hereby appointed to serve on the Nominating Committee of this Corporation:

Virginia Templeton, Chair  
Harold Woods  
Al Fierer  
Sarah Hunter  
Edward Sherwood  
Faye Pearl  
Henry Eilbert  
Katherine McDaniel (alternate)

**RESOLVED FURTHER**, that Resolution 03-07-61 adopted June 19, 2007 is hereby superseded and cancelled.

The Secretary of the Corporation read the following proposed resolution on adopting the Standard of Operating Procedures (SOPS) for the Annual Elections of the Board of Directors. Director Connors moved to approve the resolution. The motion was seconded and discussion ensued on changes to the Procedures:

**RESOLUTION 03-07**

**WHEREAS**, by way of Resolution 03-06-25, adopted May 16, 2006, this Corporation complied with California Civil Code § 1363.03, which required the adoption of rules regarding election procedures, appointment of inspectors of election, voting by secret ballot, proxy and ballot instructions, publication of election results, and retention of ballots; and

**WHEREAS**, California Civil Code § 1363.03 (e) required the mailing of ballots not less than 30 days prior to the deadline for voting, which language impacts and supersedes timing requirements contained in Articles 5 and 8 of the Third Laguna Hills Mutual By-Laws; and

**WHEREAS**, the current Inspectors of Election of this Corporation evaluated California Civil Code § 1363.03 and (a) identified changes that are required to the existing procedure and (b) developed a proposed election policy to assist in streamlining the election procedures;

**NOW THEREFORE BE IT RESOLVED**, November 20, 2007 that the Board of Directors of this Corporation hereby adopts the Third Mutual Elections Standard Operating Procedure as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-06-25, adopted May 16, 2006 is hereby superseded and cancelled; and M3-82-38 adopted March 16, 1982 is hereby amended.

Director Moore made a motion to refer the SOP to an Ad Hoc Committee to meet with the Managing Agent and the Inspectors of Election. Director Connors seconded the motion.

Without objection, the Board approved the Ad Hoc Committee and appointed Director Conners and President Feldstein to the Committee.

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

The President determined that the time was not appropriate for member comments.

Director Muennichow made a motion recommending that the Mutual donate \$1000 to the Community Civic Association to be used toward its annual mailing, to be made from the appropriate fund. The motion was seconded and discussion ensued.

Mutual Member Bud Nesvig (2392-3H) and Jerry Sheinblum (3488-C) addressed the Board on the motion.

The Board agreed to have counsel review any legal opinion(s) with respect to the legality of the contributions.

By a vote of 8-1-1 (Director Lippert opposed and Director Burrasca abstained) the motion carried.

A discussion was held relative to the Board room acoustics, improvements to the same, and correct usage of the microphones.

Director Hatch made a motion to refer the matter to the Maintenance and Construction Committee. Director Souza seconded the motion and discussion ensued.

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

### **CONSENT CALENDAR**

Absent objections, the Consent Calendar was approved as written and the following actions were taken:

#### Maintenance & Construction Committee Recommendations:

- |        |  |
|--------|--|
| 2206-B | Approval to retain black painted front entry doors, with contingencies   |
| 2292-D | Denial of disputed service charge  |
| 2339-D | Approval to extend front patio slab and install enclosure, with contingencies  |
| 3045-B | Approval to convert existing 6'-0" x 4'-0" Bedroom One window into sliding glass door with grids, with contingencies |
| 3102-A | Approval to extend front patio slab and install enclosure, with contingencies  |
| 3157-B | Approval to extend rear patio slab and install short block wall, with contingencies                                  |
| 3229-A | Approval of appeal request to retain alteration patio block wall, with gate and opening, with contingencies          |

- 3230-A Approval to extend rear patio slab, with contingencies  
Bldg 3243 Approval of request of residents at Building 3243 to extend Garden Villa shared patio, and install walkway and two electric outlets, at the Mutual Member's expense
- 3335-3G Approval to install central HVAC unit, with contingencies  
3417-C Denial of disputed service charge  
3487-A Approval to extend rear patio slab, and construct room addition and insulated patio cover, with contingencies
- 4005-1C Approval to extend rear patio slab  
5161 Approval to retain retrofit wood frame windows and sliding glass doors, with contingencies
- 5225 Approval to install photovoltaic Solar Panels on roof of manor, with contingencies
- 5236 Denial of request for bench installation  
5402 Approval to install additional 4'-0" x 3'-0" window in Living Room, with contingencies
- 5538-A Denial of request for lodging reimbursement for four night stay, and approval of reimbursement of standard two night stay
- 5594-A Approval to install white vinyl fence and gate at side patio, with contingencies

Landscape Committee Recommendations

- 2273-C Denial of appeal request for two (2) tree removals and replacements  
5167 Denial of appeal request for tree removals and replacements  
5567-A Denial of appeal request for larger plants  
2243-F Denial of request for additional trash bin  
2346-B Approval of request for tree removal at the Mutual's expense  
2347-C Denial of request for tree removal  
3111-D Denial of request for two (2) tree removals  
3176-B Approval of request for relandscaping at the Mutual Member's request
- 4010-1A Denial of request for tree removal  
5388-B Approval of request for relandscaping at the Mutual Member's expense

Finance Committee Recommendation

**RESOLUTION 03-07-103**

**WHEREAS**, Member ID 931-681-73 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**, November 20, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-681-73; 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 03-07-104**

**WHEREAS**, Member ID 933-190-66 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**, November 20, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 933-190-66; 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 03-07-105**

**WHEREAS**, Member ID 933-620-77 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**, November 20, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 933-620-77; 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 03-07-106**

**WHEREAS**, Member ID 933-800-29 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**, November 20, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 933-800-29; 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 03-07-107**

**WHEREAS**, Member ID 934-901-54 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**, November 20, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 934-901-54; 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.

The Secretary of the Corporation read the following proposed resolution approving Revised Mutual Alteration Standard Section 22 Patio, Balcony and Eyebrow Covers, Aluminum and Vinyl:

**RESOLUTION 03-08**

**WHEREAS**, the Board of Directors of this corporation adopted Resolution M3-96-28 on May 21, 1996, which approved the Third Laguna Hills Mutual Alteration Standards, (revised April, 1996); and

**WHEREAS**, the Maintenance & Construction Committee of this Corporation recognizes the need to further amend a portion of the alteration standards with regard to Section 22 – Patio, Balcony and Eyebrow Covers, Aluminum and Vinyl;

**NOW THEREFORE BE IT RESOLVED**, January 15, 2008, that Section 22 – Patio, Balcony and Eyebrow Covers, Aluminum and Vinyl of the Mutual Alteration Standards is hereby amended as attached to the official minutes of this meeting; 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; and

**RESOLVED FURTHER**, that Resolution M3-96-28, adopted May 21, 1996 is hereby amended, and Resolution 03-03-08 adopted January 21, 2003 is hereby superseded and cancelled.

Director Connors moved to approve the resolution. Director Souza seconded the motion and discussion ensued.

Director Lippert left the meeting at 12:22 PM

Director Moore made a motion to table the resolution to the January Meeting to satisfy the required statutory thirty-day notice requirements. Director Connors seconded the motion. By a vote of 9-0-0 (Director Lippert was absent from the meeting) the motion carried.

The Secretary of the Corporation read the following proposed resolution on adopting a new Mutual Alteration Standard Section 41 Solar Panels, 1 Story Buildings:

**RESOLUTION 03-08-**

**WHEREAS**, this Corporation recognizes the need to establish a policy to address the proper installation and maintenance of Solar Panels, 1 Story Buildings;

**NOW THEREFORE BE IT RESOLVED**, January 15, 2008, the Board of Directors of this Corporation hereby approves the new Mutual Alteration Standard, Section 41 Solar Panels, 1 Story Buildings, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution M3-96-28, adopted May 21, 1996 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 Connors moved to approve the resolution. Director Vogt seconded the motion and discussion ensued.

Director Lippert re-entered the meeting at 12:26 P.M.

Director Moore made a motion to table the resolution to the January Meeting to satisfy the required statutory thirty-day notice requirements. Director Connors seconded the motion and the motion carried unanimously.

Director Matson made a motion to approve the Maintenance and Construction Committee's recommendation to uphold Third Mutual's Architectural Control Standards regarding the non-compliant patio enclosure window at 3265-A. Director Souza seconded the motion.

By a vote of 9-0-1 (Director Moore abstained) the motion carried.

The Secretary of the Corporation read a proposed resolution on installing dual supply connections for hot and cold water pipes in kitchen sink areas. Director Connors moved to approve the resolution. Director Moore seconded the motion and discussion ensued.

Director Connors made a motion to revise the word "Fund" to "Plan" in the seventh paragraph. Director Moore seconded the motion and the amendment carried unanimously.

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

**RESOLUTION 03-07-108**

**WHEREAS**, any connections to epoxy coating plumbing require special techniques and materials to maintain the integrity of the coated piping; and

**WHEREAS**, the installation of dual supply connections to hot and cold water pipe in the kitchen area provides the needed attachment point for common kitchen plumbing alterations ; and

**WHEREAS**, it is beneficial for the Mutual to provide for future supply connections for member plumbing alterations to protect the integrity of the epoxy coated plumbing system;

**NOW THEREFORE BE IT RESOLVED**, November 20, 2007 that the Board of Directors of this Corporation hereby directs that during execution of the epoxy coating program that dual supply connections be installed to both hot and cold water pipes in the kitchen sink area; and

**RESOLVED FURTHER**, that the estimated cost to install dual supply connections on these lines is \$75 per manor; and

**RESOLVED FURTHER**, that should the epoxy coating form of plumbing remediation be applied to every manor in Third Mutual, the total cost is estimated to be \$460,000 over the life of the program, that is currently estimated to be 20 years; and

**RESOLVED FURTHER**, that these dual supply connections shall be funded from the existing annual Reserve Expenditures ~~Fund~~ *Plan* for the Plumbing Remediation Program; 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 Burrasca left the meeting at 12:36 P.M.

Director Muennichow made a motion to adjourn and to carry over the balance of the Board's business to next month. Director Souza seconded the motion. By a vote of 9-0-0, the motion carried.

The meeting recessed at 12:40 P.M. and reconvened into Executive Session at 1:12 P.M.

The Traffic Committee of the Board met in Executive Session on October 24, 2007 to discuss member disciplinary issues.

During the Special Board Meeting of November 5, 2007, the Board discussed member disciplinary matters.

With no further business before the Board of Directors, the meeting was adjourned at 3:45 P.M.

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Cynthia S. Conners, Secretary