

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

March 18, 2008

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, 2008 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Cynthia Conners, Carol Moore, Dominic Burrasca, John Paulus, Jim Matson, Don Lippert, Isabel Muennichow, Gunter Vogt, Larry Souza, Bob Hatch, Stanley Feldstein

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (10:18 A.M. – 11:14 A.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp

CALL TO ORDER

Director Cynthia Conners, 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 Don Lippert 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 were acknowledged.

APPROVAL OF AGENDA

Without objection, the Agenda was approved as written.

CHAIR'S REPORT—Cynthia Conners

President Conners commented on the successful attempt on avoiding a costly recall of Directors and thanked the Community for the support.

APPROVAL OF THE MINUTES

The Board reviewed the Minutes of the Regular Meeting of February 19, 2008, and without objection, the Minutes were approved.

The Board reviewed the Minutes of the Special Meeting of February 29, 2008, and without objection, the Minutes were approved.

THIRD MUTUAL MEMBER COMMENTS

- Gabriel Newhouse (4004-3F) commented on adding agenda items to the agenda
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting
- Bud Nesvig (2392-3H) commented on the GRF M&C Committee recommendation to GRF to appropriate monies to improve the sound system at Clubhouse Three
- Corky Eley (2401-2E) commented on HKC's service to the Community regarding the El Toro Airport lawsuit and the Community's right to vote
- Carol Skydell (3070-B) commented on the minutes of the Special Meeting of February 29, 2008
- Denise Welch (5517-1C) encouraged the residents to attend the CAC Town Hall Meeting
- Virginia Templeton (3243-1E) as Chair of the Nominating Committee, announced that the Committee is looking for qualified candidates to fill four vacancies on the Board and encouraged residents to pick up an application in the Administration Building.

DIRECTOR RESPONSES TO MEMBER COMMENTS

- Director Lippert announced that residents may self-nominate themselves to the ballot
- Director Burrasca commented on bus shelters
- Director Paulus apologized on his comments made at the February 29, 2008 meeting regarding not obtaining additional financial information and indicated that staff has been very helpful with providing him information
- Director Moore commented on following the law pertaining to reserve withdrawals and accounts, and commented on the recycling
- Director Feldstein commented on a request for copies of invoices made to GRF on over-budgeted amounts
- Director Hatch commented on the reserve withdrawal procedures and encouraged residents to attend the budget meetings to get a clear understanding of where the money goes
- Mr. Johns addressed Ms. Eley's comments regarding the airport lawsuit and commented on the reserve withdrawal procedures

GENERAL MANAGER'S REPORT

Mr. Milt Johns reported on GRF's Communications Plan to push the positive and address the negative by way of weekly articles and press releases on the website, updated the Board on the San Sebastian Project and the resurfacing of the parking lot near the Library; and provided an update on the electrical issue at 3421-2F and indicated that staff has made extensive attempts to assist the member in solving the issue.

Ms. Janet Price entered the meeting at 10:18 A.M.

Director Paulus commented that the Member at 3421-2F was over-reimbursed by \$58.59 and offered to return the difference back to the Mutual.

Director Lippert asked Mr. Johns about the financial viability of Standard Pacific and the San Sebastian Project.

Member Bud Nesvig (2392-3H) addressed the Board on high electricity bills.

TREASURER'S REPORT

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

The Secretary of the Corporation, Director Larry Souza, read the following proposed resolution on approving procedures for reserve withdrawals:

RESOLUTION 03-08-

WHEREAS, California Civil Code Section 1365.5 specifies that the signatures of two directors, or one director and one officer who is not a director, be required for the withdrawal of moneys from the association's reserve accounts; and

WHEREAS, the Laguna Woods Village corporations have relied on the compensating and more stringent control of authorizing reserve withdrawals by resolution approved by a majority of the Board members present at a duly noticed Board meeting; and

WHEREAS, it is the desire of the Board to conform to the specific wording of the law while maintaining the existing control of authorization by resolution;

NOW THEREFORE BE IT RESOLVED, March 18, 2008 that the Board of Directors hereby adopts the attached procedure for reserve withdrawals; 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 Souza moved to approve the resolution. Director Moore seconded the motion and discussion ensued.

Director Lippert made a motion to amend the resolution by removing the second paragraph and striking the sentence "while maintaining the existing control of authorization by resolution" in the third paragraph. Director Feldstein seconded the motion and discussion ensued.

Director Hatch made a motion to refer the resolution back to the Finance Committee. Director Vogt seconded the motion. By a vote of 6-4-0 (Directors Lippert, Paulus, Moore and Feldstein opposed), the motion carried.

COMMITTEE REPORTS

Director Jim Matson reported from the Maintenance and Construction Committee.

Ms. Price left the meeting at 11:14 A.M.

The Secretary of the Corporation read the following proposed resolution approving revised Mutual Alteration Standard Section 17–Gates:

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 17 – Gates;

NOW THEREFORE BE IT RESOLVED, May 20, 2008, that Section 17 – Gates 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.

Director Souza moved to approve the resolution. Director Moore seconded the motion.

Without objection, the resolution was tabled to the May Meeting to satisfy the required statutory thirty-day notice requirements.

Director John Paulus reported from the Garden Villa Recreation Room Ad-Hoc Committee.

Director Don Lippert reported from the Standards Sub Committee.

Director Jim Matson reported from the Plumbing Ad Hoc Committee.

President Conners reported from the Board Operating Rules Ad Hoc Committee.

Director Gunter Vogt reported from the Landscape Committee.

The Secretary of the Corporation read a proposed resolution approving the revised Landscape Committee Charter. Director Vogt moved to approve the resolution. Director Hatch seconded the motion.

Without objection, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-19

WHEREAS, the Landscape Committee has been established pursuant to Article VII, Section 1 of the bylaws of this Corporation;

NOW THEREFORE BE IT RESOLVED, March 18, 2008 that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of this Committee as follows:

1. Insure that the level of service provided by the Landscaping Division, and the funds needed to accomplish this, are adequate to maintain Third Mutual landscaping in an aesthetically pleasing, environmentally appropriate and cost-effective manner.
2. Determine service levels and capital and operating budget requirements for the Community and to review annual landscape budgets prepared by the managing agent and make recommendations to the board of directors.
3. Insure that the rules and regulations as listed in the Landscape Maintenance Manual are enforced uniformly throughout Third Laguna Hills Mutual.
4. Work with the Golden Rain Foundation (GRF) Landscape Committee to:
 - a. Help them determine (as accurately as possible) the water needed for varying types of landscape developments that would maintain the beauty of the grounds throughout the Community and to help them set up some long range plans for future landscape developments and practices that would work best with the anticipated future water supplies available for irrigation uses in the Community.
 - b. Promote the optimum and most efficient use of water in the Third Laguna Hills Mutual.
5. Work with the United Laguna Hills Mutual Landscape Committee, the Golden Rain Foundation Landscape Committee and our managing agent to:
 - a. Update the rules and regulations in the Community's Landscape Manual.

- b. Develop policies with regard to control of pests such as ants, rodents, etc.
6. Review each petition for a change in landscape and visit those sites (1) for which clarification is deemed necessary and (2) for which a denial is being considered. Based upon information supplied by a qualified staff member, a petition may be granted without an on-site visit.
7. Perform such tasks as may be assigned or referred to this committee by the Third Laguna Hills Mutual Board of Directors.

RESOLVED FURTHER, that Resolution 03-08-03 adopted January 15, 2008 is hereby superseded and cancelled.

Director Vogt made a motion to approve the Landscape Committee recommendation to deny the chargeable services dispute of 3211-B. The motion was seconded.

Member Lilly Lachter (3211-B) addressed the board on her dispute and requested a breakdown of the work hours.

By a vote of 7-4-0 (Directors Feldstein, Moore, Burrasca and Lippert opposed, and President Conners voted in favor), the motion carried.

Without objection, the Board directed staff to provide Ms. Lachter a narrative of work performed.

Director Bob Hatch reported from the Long Range Planning Committee.

Director John Paulus reported from the Resident Information Services.

Director Dominic Burrasca reported from the Traffic Committee.

Director Gunter Vogt reported from the Laguna Canyon Foundation.

CONSENT CALENDAR

Director Paulus made a motion to remove the approval of recording of a Lien for Member ID 931-470-97 from the Finance Consent Calendar, returning it to the Finance Committee. Without objection, the item was removed.

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

Maintenance & Construction Committee Recommendations:

- | | |
|--------|--|
| 2268-Q | Approval of request to retain the original paint and three carved angels affixed to front door |
|--------|--|

- 2302-C Approval of request to retain stepping stones near front entry, with contingencies
- 3046-B Approval of request to perform patio extension and convert existing 6'-0"x4'-0" Master Bedroom window into French doors, with contingencies
- 3132-B Approval of request to replace indoor outdoor alteration carpet in entryway at the Mutual's expense; and Deny request to adjust alteration screen door
- Bldg 3243 Approval of request for modifications to previously approved extension by adding another concrete patio slab extension adjacent to eastern end of existing Recreation Room patio slab, with contingencies
- 3365-1B Approval of request to perform patio extension at rear of manor, with contingencies
- 5513-A Approval of request to retain satellite dish installation, with contingency
- 5559-B Approval of request to remove tree, extend back patio slab and install block wall, with contingencies

Landscape Committee Recommendations

- 3360-C Denial of request for tree removal
- 5290 Approval of request for tree removal at the Mutual's expense
- 5571-B Approval of request for tree removal at the Mutual's expense

Finance Committee Recommendation

RESOLUTION 03-08-20

WHEREAS, Member ID 931-710-73 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, March 18, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-73; 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 03-08-21

WHEREAS, Member ID 932-201-47 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, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 932-201-47; 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.

OLD BUSINESS

Director Souza made a motion to establish an Ad Hoc Committee to Consider Changes to the Management Agreement and appoint Directors Paulus, Lippert, Hatch, Muennichow, and Conners–Chair. Director Matson seconded the motion and discussion ensued.

Member Carol Skydell (3070-B) commented on the motion.

Director Lippert amended the motion to establish the Ad Hoc Committee as a Committee of the Whole. Director Vogt seconded the motion. By a vote of 10-0-0 the amendment carried and without objection, the Ad Hoc Committee was established.

Member Bud Nesvig (2392-3H) requested that the meeting be open to residents.

Mr. Johns advised that to discuss the formation of the Management Agreement during open session would erode the Board's right to discuss other contract formations in closed session.

President Conners provided a definition of a third-party contract and welcomed Director Feldstein to provide any a citation or authority that supports his definition of a third party contract.

NEW BUSINESS

A discussion was held relative to lease restrictions. Director Paulus stated that matter is still in its research phase.

A discussion was held relative to filing liens during payment plans.

A discussion was held relative to recording Executive Session Meetings. The Board expressed their sentiments on recording executive sessions.

The Board agreed to add the discussion item at the next Operating Rules Committee Meeting.

The Board considered the voting powers for committee advisors. Without objection, the Board agreed to add the discussion item at the next Operating Rules Committee Meeting.

GRF COMMITTEE REPORTS

Director Jim Matson reported from the Maintenance & Construction Committee.

Director Dominic Burrasca reported from the Bus Services Committee.

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

Director John Paulus reported from the Finance Committee.

Director Gunter Vogt reported from the Landscape Committee.

Director Comments

- Director Muennichow commented on the increase of the average age and income of new members
- Director Paulus commented on ways to meet the financial requirements

The Board recessed for lunch at 12:32 P.M. and reconvened into Executive Session at 1:29 P.M.

During the February 19, 2008 Regular Executive Board Meeting, the Board reviewed and approved the Minutes of the Regular Executive Meeting of November 20, 2007, the Report of the Executive Workshop Meeting of December 13, 2007, the Regular Executive Meeting of December 18, 2007, and the Regular Meeting of January 15, 2008. The Board heard two (2) Regular Disciplinary Hearings; approved to record Notices of Default for Member ID 932-201-54 and Member ID 932-810-25; discussed other member disciplinary matters; and discussed litigation and contractual matters.

The Traffic Committee of the Board met in Executive Session on February 27, 2008 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 3:29 P.M.

Larry Souza, Secretary