

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

April 15, 2008

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, April 15, 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 (via telephone (9:30 A.M. – 11:15 A.M.), in person (11:41 A.M. -12:02 P.M.)

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (10:08 A.M. – 11:57 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 Jim Matson 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 amended by moving Item 15 *Report of the Board Operating Rules Ad Hoc Committee* before Item 10 *Finance Committee and Treasurer's Report*, and returning Item 10(d) *Motion to require income tax returns with new member applications* back to the Finance Committee.

CHAIR'S REPORT—Cynthia Conners

President Conners commented on the Mutual's financial accounting system and on ways to keep costs down to improve the quality of life.

APPROVAL OF THE MINUTES

The Board reviewed the Minutes of the Regular Meeting of March 18, 2008, and without objection, the Minutes were approved.

THIRD MUTUAL MEMBER COMMENTS

- 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
- Neil Morrison (3020-O) commented on loss of sales due to squeaky buses driving by his manor and encouraged the Board to look into replacing the buses
- Lucie Falk (3377-A) commented on statements made regarding her lawsuit filed against the Mutual and another lawsuit against other corporations
- Barbara Marsh (3433-B) invited the Board Members to attend the Garden Club's Flower Show on April 23, 2008
- Bud Nesvig (2392-3H) asked the Board Members to provide their interpretation of Senate Bill 528 regarding Director responses to member comments
- Paula Page (4008-2E) welcomed residents to attend a disaster preparedness workshop
- Denise Welch (5517-1C) encouraged residents to support a legislation to give co-op members the option to get a reverse mortgage
- Carol Skydell (3070-B) suggested that the Board revise a word in resolution 03-08-19 in the minutes of March 18, 2008
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting

Ms. Janet Price entered the meeting at 10:08 A.M.

DIRECTOR RESPONSES TO MEMBER COMMENTS

- President Conners responded briefly to members' comments
- Director Moore commented on Ms. Trapp's memo to the Board regarding responding to member comments per SB 528
- Director Lippert commented on Ms. Trapp's memo to the Board
- Mr. Milt Johns addressed Ms. Falk's comments regarding the lawsuits and encouraged the residents to read the transcripts for accurate information; and addressed Director Lippert on his comments about Ms. Trapp's memorandum interpreting SB 528
- Director Muennichow clarified comments made by Ms. Falk
- Director Feldstein commented on setting the agenda

GENERAL MANAGER'S REPORT

Mr. Milt Johns announced that the audited financial statements presentation by KPMG will be held April 18, 2008 at 1:30 P.M.; announced the dates for the 2009 capital plan budget meetings, and encouraged the residents to attend to provide input on service levels; and updated the membership on the status of the Needs Assessment Study.

COMMITTEE REPORTS

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

President Conners, to avoid a full scale repeat of committee discussions during board meetings, made a motion that directors who wish to comment on committee

recommendations may speak once for a maximum of 3 minutes. Director Hatch seconded the motion and discussion ensued.

The motion carried by a vote of 5-4-1 (Directors Matson, Paulus, Souza, Hatch, Muennichow voted in favor, Directors Lippert, Feldstein, Burrasca and Moore opposed, and Director Vogt abstained).

President Conners made a motion to preserve the status quo and allow committee chairs to determine if advisors shall vote. Director Matson seconded the motion and discussion ensued.

Members Jerry Sheinblum (3488-C), Lucie Falk (3377-A), Bud Nesvig (2392-3H), Allen Cohen (2391-2A), Harry Curtis (5371-2A), Gene Ryan (3361-O), and Carol Skydell (3070-B) commented on the motion.

Director Lippert made a motion to withdraw the motion to preserve the status quo. Director Vogt seconded the motion and the motion carried by a vote of 8-2-0 (Directors Matson and Hatch opposed).

Director Muennichow made a motion that the official vote of the committees shall be a vote of directors only and the vote of the advisors will be recorded as advisory votes. Director Feldstein seconded the motion and the motion carried by a vote of 7-3-0 (Directors Matson, Vogt, and Hatch opposed).

Due to the passing of the previous motion, the "motion to bring matters to the board if the committee's vote against the matter includes advisors votes," as placed on the agenda was unnecessary.

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 a proposed resolution on approving procedures for reserve withdrawals. Director Souza moved to approve the resolution. Director Hatch seconded the motion.

Director Muennichow moved to amend the resolution to eliminate the second paragraph and restate the third paragraph as follows:

WHEREAS, and it is the desire of the Board to avoid the appearance of non-compliance with the law;

Director Feldstein seconded the amendment and discussion ensued.

Director Muennichow made a motion to withdraw the amendment. President Conners seconded the motion and the motion carried by a vote of 8-2-0 (Directors Lippert and Feldstein opposed).

April 15, 2008

Director Souza made a motion to call the question. The motion failed due to the lack of a second.

Director Muennichow moved to amend the resolution by revising the second paragraph to read as follows:

WHEREAS, the Laguna Woods Village corporations have previously authorized reserve withdrawals by resolution approved by a majority of the Board members present at a duly noticed Board meeting; and

Director Paulus seconded the amendment and discussion ensued.

By a vote of 7-2-0 (Directors Vogt and Souza opposed, and Director Feldstein was not present telephonically), the amendment carried.

The Secretary of the Corporation read the following resolution as amended.

By a vote of 9-0-0 (Director Feldstein was not present telephonically) the motion, as amended, carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-26

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 previously authorized 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 Paulus made a motion to establish separate bank accounts for reserve and operating funds. Director Burrasca seconded the motion and discussion ensued.

Ms. Price advised that there would be additional costs to the Mutual each year if separate bank accounts were approved, and indicated that the intent of the law is to have *separate accounting* and not *separate bank accounts*.

Director Feldstein entered the meeting at 11:41 A.M.

Members Allan Cohen (2391-2A) and Bud Nesvig (2392-3H) commented on the motion.

By a vote of 6-5-0 (Directors Lippert, Burrasca, Paulus, Moore and Feldstein voted in favor, and Directors Vogt, Matson, Souza, Muennichow, Hatch voted opposed, President Conners voted against to break the tie), the motion failed.

Ms. Price left the meeting at 11:57 A.M.

COMMITTEE REPORTS

Director Jim Matson reported from the Maintenance and Construction Committee.

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.

Director Gunter Vogt reported from the Landscape Committee.

Mr. Brian Gentry reported on the progress of the Gate 9 slope repair.

Director Feldstein left the meeting at 12:02 P.M. and did not return.

Member Lucie Falk (3377-A) commented on the condition of the slope near her manor.

No report was made on the recycling program.

Director Bob Hatch reported from the Long Range Planning Committee.

President Conners reported from the Management Agreement Ad Hoc Committee

Director John Paulus reported from the Resident Information Services.

Director Dominic Burrasca reported from the Traffic Committee.

CONSENT CALENDAR

President Conners explained the items on the Consent Calendar for the television audience. Absent objections, the Consent Calendar was approved as amended, by removing from the Landscape Consent Calendar *Approval of removal of 7 trees located on corner of Avenida Sosiega & San Amadeo*, returning it back to the Landscape Committee, and the following actions were taken:

Maintenance & Construction Committee Recommendations:

- 3045-B Approval of request to retain white painted window frame, with contingencies
- 3136-A Approval of request for room addition on front patio, with contingencies
- 3340-A Approval of request to enclose front entrance portico with roof extension, rear window extension, kitchen extension, and dining room extension, with contingencies
- 3426-A Approval of request to retain wood window frames, with contingencies
- 5018 Approval of request for shower and toilet addition in garage, with contingencies
- 5399-B Approval of request for front patio extension with wall, and planter wall, with contingencies

Landscape Committee Recommendations

- 3132-B Denial of request for tree removal
- 3243-1C Denial of request for tree topping, and approval of hedge replacement at the Mutual's expense
- 3376-B Approval of request for mortarless block garden wall at the Mutual Member's expense
- 3486-1B Denial of request for sod
- 5400-A Denial of request for tree removal

Finance Committee Recommendation

RESOLUTION 03-08-27

WHEREAS, Member ID 931-470-97 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, April 15, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-97; 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 03-08-28

WHEREAS, Member ID 931-720-11 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, April 15, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-720-11; 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.

RESOLUTION 03-08-29

WHEREAS, Member ID 932-440-01 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, April 15, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 932-440-01; 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 03-08-30

WHEREAS, Member ID 932-810-66 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;

April 15, 2008

NOW THEREFORE BE IT RESOLVED, April 15, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 932-810-66; 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.

The Board authorized an additional reimbursement to the Member at 3421-2F in the amount \$58.59.

OLD BUSINESS

President Connors provided a summary of the new Alteration Standard, Section 42 Ramps.

Director Muennichow made a motion to remove from the table the motion to approve new Mutual Alteration Standard, Section 42 Ramps. Director Moore seconded the motion, and the motion carried without objection.

Director Lippert made a motion to approve the new Alteration Standard. Director Matson seconded the motion.

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

RESOLUTION 03-08-31

WHEREAS, this Corporation recognizes the need to establish a policy to address the proper installation and maintenance of Ramps;

NOW THEREFORE BE IT RESOLVED, April 15, 2008, the Board of Directors of this Corporation hereby approves the new Mutual Alteration Standard, Section 42 Ramps, 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.

President Connors provided a summary of the resolution on the use of Electronic Personal Assistive Mobility Devices.

Director Matson made a motion to remove from the table the motion to approve the use of Electronic Personal Assistive Mobility Devices. Director Souza seconded the motion. Without objection, the motion carried.

By a vote of 8-1-1 (Director Vogt opposed, and Director Moore abstained) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-32

WHEREAS, Third Mutual desired an evaluation of Electronic Personal Assistive Mobility Devices (EPAMDs), as defined by the State of California, to ensure equal treatment of both existing and emerging technologies affecting safe personal transportation needs of its members and adult guests; and

WHEREAS, of particular interest is an EPAMD with the commercial name of "Segway," and

WHEREAS, the Segway meets the state of California's definition of an EPAMD; and

WHEREAS, The State of California encourages the use of EPAMDs in an effort to reduce the state's traffic and air pollution problems and declares that the EPAMD is part of the state's program to use no-emission vehicles;

NOW THEREFORE BE IT RESOLVED, April 15, 2008 that the Board of Directors of this Corporation hereby allows the use of Electronic Personal Assistive Mobility Devices (EPAMDs) within the Mutual, with the following contingencies to which each operator of such device shall agree to:

- 1) Operate the EPAMD at a speed that is reasonable and prudent but never faster than 4.5 MPH on sidewalks and crosswalks in the community;
- 2) Not operate an EPAMD at a speed that endangers the safety of persons or property, or with willful or wanton disregard for the safety of persons or property;
- 3) Operate an EPAMD in such a way as to yield the right-of-way to all pedestrians on foot, including persons with disabilities using assistive devices and service animals that are close enough to constitute a hazard;
- 4) Operate the EPAMD only on sidewalks and crosswalks in the Community,
- 5) Indemnify, defend and hold harmless GRF, the housing mutuals and their agent for loss arising out of the ownership, maintenance or use of the EPAMD, and
- 6) Abide by all state and local laws and community rules
- 7) The owner and/or operator shall be responsible for safe use of the device and will be responsible for complying with all safe use measures recommended by the manufacturer or any other regulating body

RESOLVED FURTHER, that in order to endeavor to ensure safe operation of the devices, an annual permit shall be required for operation of EPAMDs on sidewalks in the community, which shall include:

- 1) A written statement signed by the operator's physician that the operator has consulted with their physician and that they are in satisfactory health to operate the EPAMD. Medical consultation is at the member's cost
- 2) Proof of Homeowners' Liability Insurance, Personal Liability Insurance, or Personal Umbrella Liability Insurance, with limits per person or combined single limit of not less than \$500,000 per occurrence.

RESOLVED FURTHER, that a one time permit processing fee of \$10.00 shall be charged to the applicant at the time of original application; and

RESOLVED FURTHER, that the use of roller skates, in-line skates and any skateboard-based scooters within the Community shall be prohibited; and

RESOLVED FURTHER, that Resolution number 672, adopted January 7, 1977 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.

President Connors provided a summary of the Payment Plan Standards for Delinquent Assessment Payments.

Director Lippert made a motion to remove from the table the motion to approve the Mutual Payment Plan Standards for Delinquent Assessment Payments. Director Moore seconded the motion, and the motion carried without objection.

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

RESOLUTION 03-08-33

WHEREAS, §1367 of the California Civil Code provides an option for homeowners who are delinquent in their association dues to submit a payment plan to their Board of Directors;

NOW THEREFORE BE IT RESOLVED, April 15, 2008, the Board of Directors of this Corporation hereby adopts the attached Payment Plan Standards for Delinquent Assessment Payments; 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 03-05-35 adopted November 15, 2005 is hereby superseded and cancelled.

President Connors explained the changes to the revised Committee Appointments.

The Board waived the reading of the revised Committee Appointments resolution.

Without objection, the Board adopted the following resolution:

RESOLUTION 03-08-34

RESOLVED, April 15, 2008 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:

Finance

John Paulus, Chair
Bob Hatch, Vice Chair
Larry Souza
Carol Moore
Stanley Feldstein
Advisors: Allen Cohen, Ernestine Hewitt, Jim Hart

Laguna Canyon Foundation Representative

Gunter Vogt

Landscape

Gunter Vogt, Chair
Carol Moore, Vice Chair
Bob Hatch
Jim Matson
Isabel Muennichow
Larry Souza
Voting Advisor: John Dudley
Non-Voting Advisor: Linda Wilson

Long Range Planning

Bob Hatch, Chair
Isabel Muennichow, Vice Chair

Carol Moore
Voting Advisor: Dan Anglin

Maintenance and Construction (Committee of the Whole)

Jim Matson, Chair
Don Lippert, Vice Chair
Dominic Burrasca
Cynthia Conners
Stanley Feldstein
Bob Hatch
Isabel Muennichow
Carol Moore
John Paulus
Larry Souza
Gunter Vogt
Advisor: Rich Haskell

New Resident Orientation

Per Rotation List

Plumbing Ad Hoc Committee

Dominic Burrasca, Chair
Larry Souza, Vice Chair

Resident Information Services

John Paulus
Dominic Burrasca

Rules & Admin Procedures Ad Hoc Committee

Committee of the Whole

Management Agreement Ad Hoc Committee
Committee of the Whole

Standards Sub-Committee

Don Lippert, Chair
Jim Matson, Vice Chair

Select Audit

Stanley Feldstein
John Paulus

Traffic

Dominic Burrasca
Stanley Feldstein (replaces Larry Souza)
Don Lippert

RESOLVED FURTHER, Resolution 03-08-14, adopted February 19, 2008 is hereby superseded and canceled.

President Conners provided a summary of the Nominating Committee resolution.

The Board waived the reading of the revised Nominating Committee appointments.

Without objection, the Board of Directors adopted the following resolution:

RESOLUTION 03-08-35

RESOLVED, April 15, 2008 that the following persons are hereby appointed to serve on the Nominating Committee of this Corporation:

Virginia Templeton, Chair
Harold Woods
Al Fierer
Lavonne Cahill (replaces Sarah Hunter)
Katherine McDaniel
Faye Pearl
Roger Noble (replaces Henry Eilbert)
Ed Pollard (alternate)
Mark Stein (alternate)

RESOLVED, that Resolution 03-07-112, adopted December 18, 2007 is hereby superseded and cancelled.

NEW BUSINESS

Without objection, the Board agreed to hold a town hall meeting, open to Third Mutual Members, to entertain public comments concerning the management agreement open to third members on April 29 at 1:00 P.M. at CH 5.

Members Bud Nesvig (2392-3H), Lucie Falk (3377-A) and Carol Skydell (3070-B) addressed the Board on the meeting.

GRF COMMITTEE REPORTS HIGHLIGHTS

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

PUBLIC FORUM

No comments from non-Third members were made.

Director Comments

- Director Lippert encouraged the residents to take caution when walking around the community due to coyotes

- Director Matson encouraged residents to call Property Services for manor repairs and to keep their homeowners insurance up to date
- Director Paulus commented on changing the name of the resident information services, and commented on painting of the railings
- Director Moore announced the Earth Day events in the Redwood Room on April 22
- Director Souza encouraged the Board to do committee work at the committee level, and not at the board level
- Director Hatch commented on the coyotes roaming around in the community in the morning
- Director Muennichow commented on the curbside trash policy

The Board recessed for lunch at 12:40 P.M. and reconvened into Executive Session at 1:35 P.M.

During the March 18, 2008 Regular Executive Board Meeting, the Board reviewed and approved the Minutes of the Regular Executive Meeting of February 19. The Board heard one Regular Disciplinary Hearing; approved the recording of Notices of Default for Member ID 932-380-13, Member ID 933-620-67, Member ID 933-620-77, and Member ID 934-500-12; discussed other member disciplinary matters; and discussed litigation and contractual matters.

The Traffic Committee of the Board met in Executive Session on March 26, 2008 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 3:38 P.M.

Larry Souza, Secretary