

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

AUGUST 13, 2008

A Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Wednesday, August 13, 2003 at 1:30 P.M. at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: Larry Souza

Others Present: Milt Johns (2:13 P.M.), Janet Price, Betty Parker, Patty Kurzet

CALL TO ORDER

Cynthia Conners, President of the Corporation, called the meeting to order at 1:30 P.M., indicated that it was duly noticed, and that a quorum was present.

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 as present.

REVIEW 2009 BUSINESS PLAN – VERSION 3

President Conners stated that the purpose of the special meeting was to review Version 3 of the proposed 2009 Business Plan, and turned the meeting over to Janet Price, Director of Finance and Administration, who presented Version 3 of the proposed 2009 Business Plan.

The Board Members were given an opportunity to ask questions and comment on Version 3 of the proposed 2009 Business Plan.

Without objection, due to the absence of Secretary Larry Souza, Director Isabel Muennichow agreed to act as Temporary Acting Secretary.

Director Paulus made a motion to reduce the estimated electricity consumption calculation from 25% to 10%. Director Hatch seconded the motion and discussion ensued. By a vote of 8-0-1 (Director Vogt abstained) the motion carried.

Mr. Johns entered the meeting at 2:13 P.M.

Director Moore made a motion to reduce the inflation percentage factor from 5.4% to 4.4%. Director Lippert seconded the motion and discussion ensued.

Members Mary Robertson (5184) commented CPI and Bob McDaniel (3379-N) commented on assessment increases.

By a vote of 8-0-1(Director Muennichow abstained) the motion carried.

Director Matson made a motion to reduce the Replacement Fund by \$3.00 from \$52.50 per manor per month to \$49.50 per manor per month. Director Feldstein seconded the motion and discussion ensued.

Members Allen Cohen (2391-2A) and Mary Robertson (5184) commented on the motion.

Without objection, the motion was withdrawn.

Director Matson amended the motion to reduce the Replacement Fund by \$2.50 from \$52.50 per manor per month to \$50.00 per manor per month. Director Feldstein seconded the motion and discussion ensued.

Members Allen Cohen (2391-2A) commented on the motion.

By a vote of 7-2-0 (Director Lippert and Muennichow opposed) the motion carried.

Director Feldstein made a motion to reduce the Unappropriated Expenditures Fund by \$2.00 from \$3.00 per manor per month to \$1.00 per manor per month. Director Matson seconded the motion and discussion ensued.

Member Jim Hart (5510-3A) commented on the motion.

By a vote of 3-6-0 (Directors Burassca, Feldstein and Matson voted in favor) the motion failed.

Members Allen Cohen (2391-2A) commented on the current projection and Mary Robertson (5184) commented on increasing the surplus recovery.

Director Vogt made a motion to increase surplus recovery by \$2.00 from \$5.00 to \$7.00. The motion failed due to the lack of a second.

Director Moore made a motion to eliminate \$109,000 from the slope maintenance pruning/weeding cycle at a reduction in landscape service level. Director Lippert seconded the motion and discussion ensued.

Members Mary Robertson (5184); Bud Nesvig (2392-3H); Ernestine Hewitt (2289-B), and Allen Cohen (2391-2A) commented on the motion.

Without objection, the motion was withdrawn.

Director Moore made a motion to reduce the surplus recovery by \$1.50 (reduce funds from slope maintenance pruning/weeding). Director Paulus seconded the motion and discussion ensued.

Without objection, the motion was withdrawn.

Director Moore made a motion to eliminate \$109,000 from the slope maintenance pruning/weeding cycle at a reduction in landscape service level. Director Lippert seconded the motion and discussion ensued.

By a vote of 5-5-0 (Directors Moore, Feldstein, Lippert, Paulus and Burrasca voted in favor and Directors Matson, Hatch, Vogt, Muennichow and Connors opposed) the motion failed.

Members Jim Hart (5510-3A) commented on making changes to service levels at the appropriate times during Versions 1 and 2; Hillel Pitlik (3181-A) commented on moving on with a vote; Mary Robertson (5184) commented on service level changes; Ernestine Hewitt (2289-B) commented on service levels.

Director Moore made a motion to increase the deficit recovery by \$2.00 per manor per month, with an asterisk to indicate that a savings of this amount should be achieved in landscape operations; \$1.50 from slope maintenance and \$0.50 from relandscaping. After discussion, the chairman restated the motion to reflect that the Board should look at landscape services at a later date to find potential areas of reduction. Director Lippert seconded the motion and discussion ensued.

By a vote of 5-4-0 (Directors Matson, Hatch, Vogt and Muennichow opposed) the motion carried.

A motion was made and seconded to accept Version 3 of the proposed 2009 Business Plan as amended. By a vote of 7-0-2 (Directors Feldstein and Moore abstained) the motion carried.

MEMBER COMMENTS

- Bud Nesvig (2392-3H) commented on manor sales
- Jim Hart (5510-3A) thanked the Board for working hard on the budget
- Marilyn Sortino (4008-1G) thanked the Board for working hard to keeping costs down
- Allen Cohen (2391-2A) commented on reserve increases

DIRECTORS COMMENTS

- Director Hatch commented on ability to change service levels in 2009
- Director Paulus thanked staff for the efforts of putting the budget together
- Director Connors thanked staff for working hard in putting together the budget and thanked the Board for its efforts in keeping costs down

During the July 15, 2008 Regular Executive Session Meeting, the Board reviewed, revised and approved the minutes of the Regular Executive Session of May 20, 2008, the Minutes of the Regular Executive Session Meeting of June 17, 2008, and Minutes of the Special Executive Session Meeting of July 10, 2008. The Board approved the recording of Notices of Default for Member ID 931-370-16 and Member ID 933-050-06, and authorized a delinquency write-off; heard seven (7) Disciplinary Hearings; discussed other member disciplinary and legal matters.

ADJOURNMENT

There being no further business to come before the board of directors the special meeting was adjourned at 4:31 P.M.

Isabel Muennichow,
Temporary Acting Secretary