

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

September 16, 2008

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, September 16, 2008 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Cynthia Conners, Carol Moore (10:02 A.M.), Dominic Burrasca, John Paulus, Isabel Muennichow, Gunter Vogt, Jim Matson, Bob Hatch, Stanley Feldstein, Don Lippert

Directors Absent: Larry Souza

Others Present: Milt Johns, Patty Kurzet (Betty Parker 12:55 P.M. – 1:15 P.M.)
Executive Session: Milt Johns, Patty Kurzet, 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.

Due to the absence of the Secretary of the Corporation, and without objection, the Board agreed to appoint Director Isabel Muennichow as temporary acting Secretary

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 Paulus 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 removing Agenda Item 22(d) *Entertain Motion to Allow Staff to Facilitate Mailings for the Laguna Beach Animal Shelter.*

CHAIR'S REPORT—Cynthia Conners

President Conners encouraged the residents to turn in their election ballots by September 22, 2008; commented on rules of decorum during the Board meetings; and announced that the Annual Meeting of the Members will be held on October 2, 2008.

APPROVAL OF THE MINUTES

The Board reviewed the Minutes of the Special Business Plan Meeting of July 23, 2008 for Version 2, and without objection, the Board approved the minutes.

The Board reviewed the Minutes of the Special Business Planning Meeting of August 13, 2008 for Version 3, and without objection, the Board approved the minutes.

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

THIRD MUTUAL MEMBER COMMENTS

- Bud Nesvig (2392-3H) requested that his disciplinary hearing be heard today in open session
- Lucie Falk (3377-A) commented on receiving a flyer from candidates
- Anita Robertson (2243-F) commented on the Mutual's financial requirements
- Richard Moos (5345-A) inquired on safeguards on the Mutual's finances
- Shari Horne (2354-3C) thanked the Board for its work over the year
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting
- Karel Brouwer (3189-C) commented on the spelling of his name
- Bob Miller (579-A) commented on residents meeting with Cheryl Walker and Peggy Blizzard regarding their editorial policies and uneven publicity
- Harry Curtis (5371-2A) commented on the Globe reporting
- Carol Skydell (3070-B) clarified that her slate of candidates is not endorsed by the Residents' Voice

Director Carol Moore entered the meeting at 10:02 A.M.

RESPONSES TO MEMBER COMMENTS

- Director Feldstein commented on the Mutual's investment policies and the Globe's reporting, and his fiduciary duty to speak the truth
- President Conners responded to Ms. Falks' comments about the circulating candidate flyers
- Director Paulus responded to Ms. Robertson's comments regarding financial requirements
- Director Hatch addressed comments regarding the Mutual's investments
- Director Lippert commented on the Mutual's financing

GENERAL MANAGER'S REPORT

Mr. Johns updated the Board on the Moulton Widening Project and its affect on GRF land; and informed the residents of prototype signage at Gate14 and 7.

CONSENT CALENDAR

President Conners explained the items on the Consent Calendar for the television audience.

By a vote of 7-0-2 (Directors Moore and Feldstein abstained), the Consent Calendar was approved as written and the following actions were taken:

Maintenance & Construction Committee Recommendations:

- | | |
|-------|---|
| 967-Q | Denial of request that the Mutual, at its expense, replace or repair a storage cabinet on the balcony |
|-------|---|

- 2299-F Approval of request to install a stepping stone and decorative rock patio extension adjacent to front patio, with contingencies
- 3184-A Approval of request to extend rear patio, with contingencies
- 3190-C Approval of request to perform multiple interior and exterior alterations, to include kitchen addition, entry modification, and window and sliding glass door, with contingencies
- 3333-B Approval of request to extend rear patio, with contingencies
- 3333-B Approval of request to retain completed remodel work done without permits, and a satellite dish installation, with contingencies
- 3365-1B Approval of request to retain installed patio extension, with contingencies
- 5039 Approval of request to remove existing dining nook window and replace with glass block, with contingencies
- 5073 Approval of request to install two new patio slabs at rear of manor, with contingencies
- 5210 Approval of request to replace an existing solarium with a room addition on the rear patio, with contingencies
- 5396-A Approve of request to retain wood lattice in entry way of manor, with contingencies; denial of request to retain built-in fountain
- 5558-B Approval of request to retain wood frame and grid design of retrofit windows and a sliding glass door, with contingencies

Landscape Committee Recommendations

- 3380-A Approval of appeal request for tree removal on-schedule at the Mutual's expense
- 5508-C Approval of appeal request for tree removal at the Mutual member's expense
- 3230-A Denial of request for turf conversion and removal of ground cover
- 5347-N Approval of request for trimming of ground cover at the Mutual's expense
- 5486-B Denial of request for tree removal and plant replacements
- 5493-A Denial of request for tree removal and replacement
- 5568-A Denial of request for tree removal (3)

Finance Committee Recommendation

RESOLUTION 03-08-74

WHEREAS, Member ID 931-460-61 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 16, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-460-61; 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 03-08-75

WHEREAS, Member ID 931-680-15 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 16, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-680-15; 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 03-08-76

WHEREAS, Member ID 931-681-36 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 16, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 931-681-36; 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 03-08-77

WHEREAS, Member ID 932-670-73 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, September 16, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 932-670-73; 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.

Mr. Lawrence Strauss of 5396-A addressed the Board on its decision to approve his variance request to retain a wood lattice in the entry way of his manor, but deny his request to retain built-in fountain.

The Board advised Mr. Strauss to appeal the Board's decision at the next M&C Committee.

TREASURER'S REPORT

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

The Temporary Acting Secretary, Director Isabel Muennichow, read the following resolution on golf cart usage fees:

RESOLUTION 03-08

WHEREAS, as a convenience to the residents, Third Mutual allows rechargeable battery powered vehicles to be recharged in Mutual-owned carports as well as other common areas; and

WHEREAS, to recover the electricity expense incurred, residents recharging rechargeable battery powered vehicles pay an annual fee designed to reimburse the Mutual for the cost of the used electricity;

NOW THEREFORE BE IT RESOLVED, October 21, 2008 that due to escalating electricity rates, the Board of Directors of this Corporation hereby authorizes and directs its managing agent to increase the annual common area electricity usage fee from \$72 to \$80 per year; and

RESOLVED FURTHER, that the increase shall be effective January 1, 2009;
and

RESOLVED FURTHER, that Resolution M3-02-46 adopted September 17, 2002 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.

Director Bob Hatch moved to approve the resolution. Director Don Lippert seconded the motion and discussion ensued.

Director Lippert indicated that an ad hoc committee consisting of Mutual Members Howard Baumann, Hillel Pitlik and Bob Hatch interviewed 400 people on golf cart usage and provided an analysis of gathered information.

Mr. Johns commented on the Board's reliance on analysis performed by the members of the Mutual as opposed to their managing agent.

Mutual Members Bud Nesvig (2392-3H) commented on the resolution, Anita Robertson (2243-F) commented on investments, Harry Curtis (5371-2A) and Denny Welch (5517-1C) commented in favor of the resolution.

Director Hatch made a motion to table the motion to the October Meeting to satisfy the required statutory thirty-day notice requirements. Director Gunter Vogt seconded the motion and the motion carried unanimously.

A discussion was held relative to compliance of the fee increases, and Director Paulus indicated that the matter will be discussed at the September 25th GRF Security and Community Access Committee.

President Conners encouraged residents to send their comments and suggestions on the resolution to the Board during the 30-day notification period.

President Conners provided a brief summary on the need to limit leases in the Community.

The Acting Secretary read the following proposed resolution on limiting leases:

RESOLUTION 03-08

WHEREAS, many mortgage lenders and mortgage insurers will not make or insure mortgage loans on homes within common interest developments that have a large number of non-owner-occupied units; and

WHEREAS, a high percentage of non-owner-occupied manors may affect members' ability to obtain financing and negatively impact sales of manors and property values; and

WHEREAS, it is desirable to maintain a minimum level of owner-occupied manors in order to facilitate mortgage loans being made to prospective and existing members;

NOW THEREFORE BE IT RESOLVED, October 21, 2008, that a minimum of 70% of the manors in Third Laguna Hills Mutual will be owner-occupied at all times and a maximum of 30% of the manors may be leased, effective December 1, 2008; and

RESOLVED FURTHER, when the number of leases reaches 30% (1,830) no more leasing will be allowed until such time as the number of leases declines below 1,830, 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 Muennichow moved to approve the resolution. Director Vogt seconded the motion and discussion ensued.

Mutual Members Bud Nesvig (2392-3H) and Lucie Falk (3377-A) commented on the resolution.

Director Hatch made a motion to table the resolution to the October Meeting to satisfy the required statutory thirty-day notice requirements. Director Vogt seconded the motion and by a vote of 8-1-0 (Director Lippert opposed), the motion carried.

COMMITTEE REPORTS

On Director Jim Matson's behalf, Director Lippert reported from the Maintenance and Construction Committee.

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

Director Lippert reported from the Standards Sub Committee.

Director Lippert reported from the Plumbing Ad Hoc Committee.

President Cynthia Connors reported from the Board Operating Rules Ad Hoc Committee.

Director Gunter Vogt reported from the Landscape Committee.

The Acting Secretary read the following proposed resolution approving an appeals policy:

RESOLUTION 03-08

WHEREAS, Third Mutual's governing documents require a Member to seek approval from the Board of Directors on many matters of Corporate business by way of the committee structure for review of a question that will ultimately be determined by the Board; and

WHEREAS, such committees forward recommendations regarding Members' requests to the Third Board for consideration, and if the proposed request is disapproved, then such decision is subject to appeal to the Third Board by the Mutual Member;

NOW THEREFORE BE IT RESOLVED; October 21, 2008 the Board of Directors of this Corporation hereby establishes the following appeals policy for alterations and surrounding area improvement requests for this Corporation:

1. Within 30 days of the Board's decision, a requesting Member may appeal the Board's decision by requesting another review by the appropriate Third committee; and
2. **The Committee will accord the member an opportunity for a hearing at the next meeting and then make a recommendation to the Board of Directors.** Upon receipt and review of the recommendation from the committee, the Board of Directors will make a final decision; and
3. No further appeals will be granted for a twelve (12) month period from the date of the Board's final decision on the appeal. This twelve-month period shall apply to both the original requesting Mutual Member and the subsequent members(s) on the same issue, if any.

RESOLVED FURTHER, that the purpose of this resolution is to codify existing unwritten policy; and

RESOLVED FURTHER, that Resolution 03-03-48 adopted June 17, 2003 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.

Director Muennichow moved to approve the resolution. Director Dominic Burrasca seconded the motion and discussion ensued.

Director Feldstein amended the motion to insert the words "by contacting the Chair" in paragraph number one. Director Lippert seconded the motion and discussion ensued.

Director Moore left the meeting at 11:57 P.M.

By a vote of 4-4-0 (Directors Lippert, Feldstein, Burrasca, Paulus voted in favor, Director Moore was absent from the meeting, and President Connors did not vote), the amendment failed.

Director Moore returned to the meeting at 11:59 A.M.

Director Feldstein moved to amend the motion to add the words at the beginning of paragraph number two to read: "The Committee will accord the member an opportunity for a hearing at the next meeting and then make a recommendation to the Board of Directors." Director Lippert seconded the motion. By a vote of 8-0-1 (Director Vogt abstained), the amendment carried.

Director Moore made a motion to table the resolution to the October Meeting to satisfy the required statutory thirty-day notice requirements, and to include a copy of the mentioned rescinded resolution with the newly amended resolution. Director Lippert seconded the motion and the motion carried unanimously.

The Acting Secretary of the Corporation read the following proposed resolution regarding custom or individual irrigation scheduling policy:

RESOLUTION 03-08

WHEREAS, the Board of Directors ~~recognizes~~ **has been informed** that many policies have been implemented by way of practice over the years but not formally documented; and

WHEREAS, the Landscape Committee has recommended that the Board of Directors documents specific policies;

NOW THEREFORE BE IT RESOLVED, October 21, 2008, that the Board of Directors of this Corporation hereby approves a policy that upon resident request, sprinkler systems ~~are~~ **shall be** temporarily shut off in order to accommodate outdoor parties and/or gatherings at no charge. Custom irrigation scheduling to accommodate personal plantings, timing preferences, ~~etc. is not~~ **or similar considerations shall not be** provided; 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 Muennichow moved to approve the resolution. Director Vogt seconded the motion and discussion ensued.

Director Matson left the meeting at 12:12 P.M.

Director Feldstein moved to amend the motion to strike out the word "recognizes" and replace it with the words "has been informed" in the first WHEREAS paragraph and to apply that change to the remaining pertinent documented landscape policy resolutions. Director Lippert seconded the motion.

By a vote of 6-2-0 (Director Muennichow voted against, Director Vogt abstained, and Director Matson was absent from the meeting), the amendment carried.

Director Feldstein moved to amend the motion to delete the "s" in the word "documents" in the second WHEREAS paragraph and to apply that change to the remaining pertinent documented landscape policy resolutions. Director Vogt seconded the motion and the amendment carried unanimously.

Director Feldstein moved to amend the motion to strike out the word "are" and add the words "shall be" in the third paragraph and to apply that change to the remaining pertinent documented landscape policy resolutions. By a vote of 7-0-1 (Director Vogt abstained) the motion carried.

Director Matson returned to the meeting at 12:30 P.M.

Director Feldstein moved to amend the motion to remove the words "etc. is not" in the third paragraph and add the words "or similar considerations shall not be." Director Lippert seconded the motion. By a vote of 8-0-0 the motion carried.

Director Muennichow made a motion to table the resolution as amended to the October Meeting to satisfy the required statutory thirty-day notice requirements. Director Feldstein seconded the motion and the motion carried unanimously.

President Connors provided a summary of the remaining documented landscape policy resolutions.

The Acting Secretary read the remaining proposed landscape policies.

The Board considered a proposed resolution approving a Christmas Tree Pick-Up and Disposal Policy. Director Muennichow moved to approve the resolution. Director Feldstein seconded the motion.

By a vote of 9-0-0 the motion carried as amended and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-78

WHEREAS, the Board of Directors recognizes ~~recognizes~~ **has been informed** that many policies and services have been implemented by way of practice over the years but not formally documented; and

WHEREAS, the Landscape Committee has recommended that the Board of Directors documents specific policies;

NOW THEREFORE BE IT RESOLVED, September 16, 2008, that the Board of Directors of this Corporation hereby approves a policy that discarded Christmas trees that are left out safely in common areas ~~are~~ **shall be** picked up by the landscape crews and then processed for green waste at no charge to the member. Members are requested to call Property Services for such collection; 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 considered a proposed resolution approving a disposal of resident generated landscape clippings. Director Muennichow moved to approve the resolution. Director Feldstein seconded the motion.

By a vote of 9-0-0 the motion carried as amended and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-79

WHEREAS, the Board of Directors recognizes ~~recognizes~~ **has been informed** that many policies and services have been implemented by way of practice over the years but not formally documented; and

WHEREAS, the Landscape Committee has recommended that the Board of Directors documents specific policies;

NOW THEREFORE BE IT RESOLVED, September 16, 2008, that the Board of Directors of this Corporation hereby approves a policy that upon resident request, personal landscape clippings ~~are~~ **shall be** picked up by the landscape crews at no charge. (This does not pertain to landscape clippings generated by personal outside gardening services that are banned from using the community's trash receptacles and are required to haul away their own clippings.); 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 considered a proposed resolution approving a holiday greenery policy. Director Muennichow moved to approve the resolution. Director Hatch seconded the motion and the motion carried and discussion ensued.

Without objection, the Board agreed to keep the word "can" instead of changing it to "shall be" in the third paragraph.

By a vote of 9-0-0 the motion carried as amended and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-80

WHEREAS, the Board of Directors ~~recognizes~~ **has been informed** that many policies and services have been implemented by way of practice over the years but not formally documented; and

WHEREAS, the Landscape Committee has recommended that the Board of Directors documents specific policies;

NOW THEREFORE BE IT RESOLVED, September 16, 2008, that the Board of Directors of this Corporation hereby approves a policy that holiday greenery can be provided at no charge from landscape cuttings (holly, pine branches, palm fronds, etc.) for residents and neighboring churches and temples (during the month of December and for Palm Sunday), available for pick up at the Maintenance Center; 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 considered a proposed resolution approving a policy protecting residents' personal plantings during building fumigation. Director Muennichow moved to approve the resolution. Director Feldstein seconded the motion.

Mutual Member Carol Skydell (3070-B) commented on her personal plantings.

By a vote of 9-0-0 the motion carried as amended and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-81

WHEREAS, the Board of Directors ~~recognizes~~ **has been informed** that many policies and services have been implemented by way of practice over the years but not formally documented; and

WHEREAS, the Landscape Committee has recommended that the Board of Directors documents specific policies;

NOW THEREFORE BE IT RESOLVED, September 16, 2008, that the Board of Directors of this Corporation hereby approves a policy that, in conjunction with the Fumigation Program, the landscape crews can assist in removing, temporarily relocating, and returning personal potted plants from within residences at no charge to the member; 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 considered a proposed resolution approving a honeybee control policy. Director Muennichow moved to approve the resolution. The motion was seconded.

Director Burrasca amended the motion to revise the word "exterminates" to "removes." Director Feldstein seconded the motion and discussion ensued. By a vote of 9-0-0 the motion carried.

Director Feldstein amended the motion to revise the language "cabinets and furniture, etc." in the third paragraph to read "cabinets, furniture, and similar items." Director Moore seconded the motion. By a vote of 9-0-0 the motion carried.

By a vote of 9-0-0 the motion carried as amended and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-82

WHEREAS, the Board of Directors recognizes **has been informed** that many policies and services have been implemented by way of practice over the years but not formally documented; and

WHEREAS, the Landscape Committee has recommended that the Board of Directors documents specific policies;

NOW THEREFORE BE IT RESOLVED, September 16, 2008, that the Board of Directors of this Corporation hereby approves a policy that the Pest Control Crew ~~exterminates~~ **removes** honeybees that have colonized on residents' personal property outside the manor, such as outdoor **cabinets, furniture, and similar items**. This work is performed solely as a safety measure at no charge to the member; 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.

Due to time constraints, Director Muennichow made a motion to suspend consideration and approval of the remaining landscape policies, as well as the remaining agenda items to the October Meeting; and immediately consider the 2009 Business Plan and Replacement Reserves resolutions. Director Moore seconded the motion and the motion carried unanimously.

Ms. Betty Parker entered the meeting at 12:55 P.M.

NEW BUSINESS

The Acting Secretary of the Corporation read a proposed resolution approving the 2009 Business Plan. Director Muennichow moved to approve the resolution. Director Paulus seconded the motion and discussion ensued.

By a vote of 5-4-0 (Directors Lippert, Moore, Burrasca, and Feldstein opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-83

THIRD LAGUNA HILLS MUTUAL 2009 BUSINESS PLAN RESOLUTION

RESOLVED, September 16, 2008, that the Business Plan of this Corporation for the year 2009 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 \$25,624,001 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2009, from which will be deducted \$512,568 derived from prior years' surplus. In addition, the sum of \$15,828,038 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 2009. Therefore, a total of \$40,939,471 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 \$3,710,872 of which \$3,255,552 shall be expended from the Replacement Funds, \$275,000 from the Elevator Replacement Fund, \$115,881 from the Laundry Replacement Fund and \$64,439 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 2009 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 2009; 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 Acting Secretary of the Corporation read a proposed resolution approving the 2009 Replacement Reserves Plan. Director Muennichow moved to approve the resolution. Director Paulus seconded the motion and discussion ensued.

By a vote of 6-3-0 (Directors Lippert, Burrasca and Feldstein opposed) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-08-84

**THIRD LAGUNA HILLS MUTUAL
2009 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 16, 2008, 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 \$3,000,000 (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.

President Conners thanked staff for their hard work on the budget.

GRF COMMITTEE REPORTS HIGHLIGHTS

Due to time constraints, no GRF reports were made.

PUBLIC FORUM

Due to time constraints, no comments from non-Third members were made.

Director Comments

- Due to time constraints, no comments were made.

The Board recessed for lunch at 1:15 P.M. and reconvened into Executive Session at 1:49 P.M.

The Traffic Committee of the Board did not meet in Executive Session on August 27, 2008 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 5:45 P.M.

Isabel Muennichow,
Temporary Acting Secretary

**THIRD LAGUNA HILLS MUTUAL
 2009 RESERVES PLAN
 Replacement Reserve 30-Year Funding Plan**

Baseline (Threshold): \$ 3,000,000
 Indexed for inflation

Year	Assessment		Interest Earnings	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution*			
2008	\$ 46.50	\$ 3,454,916	\$ 134,142	\$ 2,621,419	\$ 6,938,620
2009	\$ 50.00	\$ 3,661,200	\$ 199,960	\$ 3,255,552	\$ 7,544,228
2010	\$ 50.00	\$ 3,661,200	\$ 192,700	\$ 4,985,354	\$ 6,412,774
2011	\$ 50.00	\$ 3,661,200	\$ 176,264	\$ 3,896,440	\$ 6,353,798
2012	\$ 50.00	\$ 3,661,200	\$ 168,320	\$ 4,345,958	\$ 5,837,360
2013	\$ 50.00	\$ 3,661,200	\$ 154,085	\$ 4,329,861	\$ 5,322,784
2014	\$ 50.00	\$ 3,661,200	\$ 141,131	\$ 4,225,957	\$ 4,899,158
2015	\$ 50.00	\$ 3,661,200	\$ 140,623	\$ 3,415,011	\$ 5,285,970
2016	\$ 50.00	\$ 3,661,200	\$ 154,252	\$ 3,215,167	\$ 5,886,255
2017	\$ 50.00	\$ 3,661,200	\$ 161,829	\$ 3,874,491	\$ 5,834,793
2018	\$ 53.00	\$ 3,880,872	\$ 172,793	\$ 3,208,136	\$ 6,680,322
2019	\$ 56.00	\$ 4,100,544	\$ 160,837	\$ 5,972,862	\$ 4,968,841
2020	\$ 59.00	\$ 4,320,216	\$ 136,814	\$ 4,485,464	\$ 4,940,407
2021	\$ 62.00	\$ 4,539,888	\$ 152,208	\$ 3,548,737	\$ 6,083,766
2022	\$ 65.00	\$ 4,759,560	\$ 170,609	\$ 4,740,762	\$ 6,273,174
2023	\$ 68.00	\$ 4,979,232	\$ 177,737	\$ 4,830,085	\$ 6,600,058
2024	\$ 71.00	\$ 5,198,904	\$ 177,106	\$ 5,748,611	\$ 6,227,457
2025	\$ 74.00	\$ 5,418,576	\$ 177,387	\$ 5,203,014	\$ 6,620,406
2026	\$ 77.00	\$ 5,638,248	\$ 184,831	\$ 5,676,857	\$ 6,766,627
2027	\$ 80.00	\$ 5,857,920	\$ 221,528	\$ 3,567,756	\$ 9,278,319
2028	\$ 83.00	\$ 6,077,592	\$ 302,102	\$ 3,055,539	\$ 12,602,474
2029	\$ 83.00	\$ 6,077,592	\$ 397,921	\$ 2,859,636	\$ 16,218,351
2030	\$ 83.00	\$ 6,077,592	\$ 469,760	\$ 4,959,977	\$ 17,805,725
2031	\$ 83.00	\$ 6,077,592	\$ 515,098	\$ 4,896,358	\$ 19,502,057
2032	\$ 83.00	\$ 6,077,592	\$ 546,748	\$ 6,028,297	\$ 20,098,101
2033	\$ 83.00	\$ 6,077,592	\$ 455,504	\$ 13,737,787	\$ 12,893,410
2034	\$ 83.00	\$ 6,077,592	\$ 324,184	\$ 8,708,436	\$ 10,586,750
2035	\$ 83.00	\$ 6,077,592	\$ 267,482	\$ 8,145,205	\$ 8,786,619
2036	\$ 83.00	\$ 6,077,592	\$ 268,654	\$ 4,461,291	\$ 10,671,574
2037	\$ 83.00	\$ 6,077,592	\$ 314,727	\$ 4,940,234	\$ 12,123,659
2038	\$ 83.00	\$ 6,077,592	\$ 351,057	\$ 5,249,398	\$ 13,302,910

* 2008 Total Contribution includes \$50,000 transfer from operating surplus, per Res. 03-08-37.

