

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

March 17, 2009

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, March 17, 2009 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, Cynthia Conners, Dominic Burrasca, John Paulus, Isabel Muennichow, Stanley Feldstein, Don Lippert, Kathryn Freshley, Carol Skydell

Directors Absent: Larry Souza

Others Present: Milt Johns, Patty Kurzet, Janet Price (10:27 A.M. - 12:20 P.M.) and Cris Trapp (10:35 A.M. - 12:39 P.M.)

CALL TO ORDER

Director Carol Moore, 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 Cynthia Conners led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

In the absence of Cheryl Walker from the Laguna Woods Globe, Ms. Janet Whitcomb, a freelance reporter was present, and the Channel 6 Camera Crew, by way of remote cameras, were also acknowledged as present.

APPROVAL OF AGENDA

Director Lippert made a motion to remove Agenda item 21(c) *Procedure for Filling Director Vacancy* from the agenda. Director Feldstein seconded the motion and discussion ensued. By a vote of 3-4-1 (Directors Feldstein, Burrasca, and Lippert voted in favor; Directors Paulus, Freshley, Conners and Muennichow opposed, and Director Skydell abstained), the motion failed.

Without objection, the Board agreed to remove Agenda item 11(c) *Approval of Informational Materials for Potential and New Purchasers* and returned it back to the Finance Committee.

By a vote of 5-3-0 (Directors Feldstein, Burrasca and Lippert opposed) the agenda was approved as amended.

CHAIR'S REPORT—Carol Moore

President Moore commented on the perceived lack of trust and commented on ways the Board can reduce contention in Board meetings and restore confidence, and encouraged the residents to attend committee meetings to address their issues.

APPROVAL OF THE MINUTES

The Board reviewed and revised the Minutes of the Regular Meeting of February 17, 2009, and without objection, the Board approved them as corrected.

The Board reviewed the Minutes of the Special Meeting of February 23, 2009 and approved them without objection.

THIRD MUTUAL MEMBER COMMENTS

- Shari Horne (2354-3C) announced the arrival of the Mutual's recycling bins
- Richard Moos (5345-A) commented on the need to shorten the board meetings and resolving issues
- Karel Brouwer (3189-C) commented on lowering association fees and on Board members getting along with other directors
- Bud Nesvig (2392-3H) commented on the General Manager's position as an ex officio vice president and requested copies of employee job descriptions so he can perform background checks on the employees
- Denny Welch (5517-1C) questioned why Directors abstain from voting "for" or "against" a motion and would like to know their reasoning for the abstention
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting
- Bill Friedler (2339-B) commented on the Board's polarization

RESPONSES TO MEMBER COMMENTS

- President Moore addressed comments made regarding parliamentary procedures
- Director Muennichow addressed Mr. Nesvig's comment regarding the General Manager's ex officio position
- Directors Freshley and Skydell addressed Mr. Moos' comments on having shorter meetings
- Director Feldstein commented on changing banks

GENERAL MANAGER'S REPORT

Mr. Milt Johns updated the membership on the recent car thefts in the Community and encouraged residents to not leave their keys in the car and to always lock their car; and commented on the El Toro Water District's ordinance on water conservation.

Ms. Janet Price entered the meeting at 10:27 A.M.

CONSENT CALENDAR

Without objection (Director Burrasca abstained due to his lack of knowledge of the Consent Calendar items), the Consent Calendar was approved and the following actions were taken:

Maintenance & Construction Committee Recommendations:

- | | |
|--------|--------------------------------------------------------------------------------------------------------------------|
| 2383-C | Denial of request to retain front patio surface |
| 3055-C | Approval of request to retain flagstone patio extension, with contingencies |
| 3152-C | Approval of request to perform rear patio and block wall extension, with contingencies |
| 3152-C | Denial of request to relocate HVAC condenser |
| 3306-O | Approval of request for Mutual to Install additional light fixture at trash bin area serving Building 3306 |
| 5300 | Approval of request to retain original bathroom windows, with contingencies |
| 5399-A | Approval of request to retain vines covering patio wall, with contingencies |
| 5402 | Approval of request to perform window modifications, with contingencies |
| 5596-B | Approval of request to remove existing concrete driveway and install interlocking brick pavers, with contingencies |

Landscape Committee Recommendations

- | | |
|--------|----------------------------------------------------------------------------------------|
| 2254-A | Approval of request for tree removal at the Mutual's expense |
| 3064-B | Denial of request for tree removal |
| 3107-O | Approval of request for plant replacements only |
| 3179-B | Approval of request for tree removal at the Mutual's expense |
| 3209-C | Denial of request for tree removal |
| 5394-B | Approval of request for two (2) tree removals at the split cost with the Mutual member |
| 5402 | Approval of request for tree removal at the Mutual's expense |
| 5412 | Approval of request for tree removal at the Mutual's expense |

Finance Committee Recommendations

RESOLUTION 03-09-19

WHEREAS, Member ID 931-370-08 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 17, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-370-08; 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 03-09-20

WHEREAS, Member ID 931-470-42 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 17, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-42; 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 03-09-21

WHEREAS, Member ID 931-710-84 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 17, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-84; 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 03-09-22

WHEREAS, Member ID 931-720-36 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

March 17, 2009

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 17, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-720-36; 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 03-09-23

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, March 17, 2009, 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 03-09-24

WHEREAS, Member ID 933-200-77 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, March 17, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-200-77; 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.

FINANCE REPORT

Director Kathryn Freshley gave the Treasurer's and the Finance Committee Reports, and commented on the Resale & Lease Activities.

Ms. Cris Trapp entered the meeting at 10:35 A.M.

Director Don Lippert reported from the Maintenance and Construction Committee.

Director Lippert reported from the Standards Sub Committee.

Director Lippert reported from the Plumbing Ad Hoc Committee.

The Board inadvertently skipped over Agenda item 11(b) *Approval of the Select Audit Committee Charter*, and proceeded with the agenda item.

The Secretary of the Corporation, Director Isabel Muennichow, read a proposed resolution approving the Select Audit Committee Charter. Director Muennichow moved to approve the resolution. Director Connors seconded the motion and discussion ensued.

Without objection, the Board revised the last paragraph to read as follows:

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

Without objection, the Board agreed that such language should be standard for future resolutions.

By a vote 8-0-0, the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 03-09-25

LAGUNA WOODS VILLAGE CORPORATIONS SELECT AUDIT COMMITTEE CHARTER

RESOLVED, March 17, 2009, that the Boards of Directors of this Corporation hereby assigns the duties and responsibilities of this Committee, as follows:

1. Direct the preparation of Requests for Proposal for the annual audits of the financial statements of the Laguna Woods Village Corporations, recommend a firm(s) to be engaged, and recommend the scope of work for the engagements.
2. Serve as liaison between the Finance Committees of the Laguna Woods Village Corporations and the independent auditors with respect to the annual audit of the financial statements of the corporations.

3. Review reports from the auditors and recommend to the Finance Committees any appropriate action in connection therewith.
4. The committee shall perform such other tasks as are assigned by the Presidents of Boards; and

RESOLVED FURTHER, that Resolution M3-99-04, adopted February 16, 1999 and Resolution M3-99-14, adopted April 20, 1999 are 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 this resolution as written.

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

Without objection, the Board established an Ad Hoc Garden Villa Recreation Room Policy Recommendations Committee and appointed Dr. John Paulus, as Chairman, Cynthia Conners, Mary Robertson, Eliot Nesvig, Carol Skydell, Isabel Muennichow, and Harry Curtis.

The Board inadvertently skipped over Agenda item 11(d) *Fannie Mae Guidelines*, and proceeded with the agenda item.

Ms. Trapp reported on the guidelines as proposed by Fannie Mae regarding its restrictions on approving loans to residents in the Community and recommended that the Board bring the matter to its attorney for review, due to staff's inability to communicate directly with the Board's attorney.

The Board discussed the delay in obtaining counsel's opinion and the need to quickly move forward with the matter.

Due to the current discussion, the Board simultaneously discussed Agenda item 20(e) *Discussion re Communications with Board Attorney (Resolution 03-09-08)*.

Director Freshley made a motion to make an exception to Resolution 03-09-08 and allow staff to interface with their counsel on matters relating to manor re-sales and loans. Director Conners seconded the motion and discussion ensued.

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

Director Feldstein stated that one of the reasons for not allowing staff to communicate with counsel is the lack of obtaining copies of legal opinions.

Mr. Johns pleaded that the Board direct staff to provide an exception to their policy (of not distributing legal opinions to directors) and allow staff to reduce all of Third's legal opinions to

a CD format and provide copies to the Board of Directors to prevent further accusations that Directors are not receiving legal opinions.

Without objection, the motion was withdrawn.

Member Denny Welch (5517-1C) pleaded that the Board should act in the best interest of the residents of Third Mutual.

Director Freshley made a motion to make an exception to Resolution 03-09-08 and allow the managing agent to work directly with the Board's law firm on matters affecting re-sales and financing of manors, all issues with respect to the recent opinion letter of Adams Kessler dated February 25, 2009, as well as those matters affecting claims. Director Paulus seconded the motion and discussion ensued.

Director Lippert made a motion to call for the question. Director Paulus seconded the motion and by a vote of 6-2-0 (Directors Muennichow and Conners opposed), the motion carried.

By a vote a vote of 8-0-0, the main motion carried.

Discussion continued on Resolution 03-09-08.

Director Muennichow made a motion to revise the resolution by removing the word "exclusive" in the last paragraph. Director Conners seconded the motion and discussion ensued.

Member Allen Cohen (2391-2A) addressed the board on rescinding the resolution.

By a vote of 1-4-3 (Director Feldstein voted in favor, and Directors Burrasca, Lippert, and Paulus abstained), the amendment failed.

Director Muennichow made a motion to rescind Resolution 03-09-08. Director Conners seconded the motion and discussion ensued.

By a vote of 6-2-0 (Directors Feldstein and Lippert opposed) the following resolution is hereby rescinded:

RESOLUTION 03-09-08

WHEREAS, Third Laguna Hills Mutual By-Laws, Article 6 defines the POWERS of Directors; and

WHEREAS, 6.1.2 sets forth procedure for Delegation concluding with the words "all corporate powers shall be exercised under the direction and ultimate responsibility of the Board; and

WHEREAS, communication with corporate counsel is a Board directed responsibility;

NOW THEREFORE BE IT RESOLVED, January 20, 2009, that this Board authorizes the establishment of an Executive Committee comprised of the President and two additional officers of the Corporation to be appointed by the President. The Executive Committee will act as *exclusive* liaison between the Board and our legal counsel, *Adams Kessler*, in all Board directed inquires.

Ms. Price left the meeting at 12:20 P.M.

Ms. Trapp left the meeting at 12:39 P.M.

Mr. Johns again reiterated his request to countermand their policy about the distribution of legal opinions to Directors and direct the managing agent to copy Director Feldstein on every legal opinion of the Corporation in a CD format. Director Feldstein indicated that he will check the last CD he received and will advise staff on the date of the last legal opinion he received so staff can give him an updated disk.

Member Pat Feeney (2399-1E) commented on Director Feldstein's request, and Bud Nesvig (2392-3H) commented on the length of the meeting.

COMMITTEE REPORTS (continued)

Director John Paulus reported from the Landscape Committee.

The Secretary of the Corporation read the following proposed resolution adopting a policy for the removal of holiday decorations:

RESOLUTION 03-09-

WHEREAS, a concern has been expressed with the length of time that holiday decorations are left on buildings and/or within the landscaping of common areas; and

WHEREAS, decorations left out for an extended period of time lends to a poor appearance and visual nuisance; and

WHEREAS, the Corporation recognizes the need to establish a policy limiting the length of time that holiday decorations are displayed;

NOW THEREFORE BE IT RESOLVED, April 21, 2009, that the Board of Directors of this Corporation hereby adopts the following policy for the removal of holiday decorations, effective April 21, 2009:

All holiday decorations affixed to structures and/or within the landscaping of common areas, must be removed no later than the last day of the month following the holiday.

RESOLVED FURTHER, that a permit would be required should the member wish to leave decorative lighting up on a more permanent basis; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

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

President Moore announced the numerous ways the membership can obtain copies of the proposed resolution during the 30-day notification period.

Director Skydell made a motion to postpone the motion to the Old Business portion of the April Board Meeting to satisfy the required statutory thirty-day notice requirement. Director Burrasca seconded the motion and the motion carried by a vote of 6-2-0 (Directors Muennichow and Conners opposed).

No discussion was held regarding the Landscape Operational Review

No discussion was held regarding recycling bins.

Director Carol Skydell reported from the Long Range Planning Committee.

Director John Paulus reported from Resident Problem Resolution Services.

Director Dominic Burrasca reported from the Traffic Committee.

OLD BUSINESS

The Secretary of the Corporation read the proposed changes to the Mutual committee appointments. Director Muennichow moved to approve the resolution. Director Conners seconded the motion.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-09-26

RESOLVED, March 17, 2009, 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:

Exterior Paint Colors Ad Hoc Committee

Cynthia Conners
Carol Skydell
Advisors: Allen Cohen, Ann Souza, Nina Brice

Finance (Committee of the Whole)

Kathryn Freshley, Chair (replaces John Paulus)
Stanley Feldstein, Vice Chair
Advisors: Allen Cohen, Jim Hart

Garden Villa Recreation Room Ad Hoc Committee

John Paulus
Larry Souza
~~Katherine McDaniel~~
Advisors: Bud Nesvig, Harry Curtis, Shari Horne, Marion Dailey

Laguna Canyon Foundation Representative

Carol Skydell

Landscape (Committee of the Whole)

John Paulus, Chair (replaces Stanley Feldstein)
Isabel Muennichow, Vice Chair
Advisors: Gerald Fugliuzzi, John Dudley

Law Firm Search Ad Hoc Committee

Stanley Feldstein
Carol Skydell
Don Lippert

Long Range Planning

Carol Skydell
Kathryn Freshley
Stanley Feldstein
~~Katherine McDaniel~~

Management Agreement Ad Hoc Committee

Committee of the Whole

Maintenance and Construction (Committee of the Whole)

Don Lippert, Chair
John Paulus, Vice Chair

New Resident Orientation

Per Rotation List

Plumbing Ad Hoc Committee

John Paulus

Dominic Burrasca
Don Lippert
Carol Moore
Larry Souza

Resident Problem Resolution Services

John Paulus
Dominic Burrasca
Carol Skydell

Rules & Admin Procedures Ad Hoc Committee (Committee of the Whole)

Cynthia Conners, Chair

Standards Sub-Committee

Don Lippert
Kathryn Freshley
Larry Souza

Select Audit

Stanley Feldstein
John Paulus (alternate)
Kathryn Freshley

Traffic

Dominic Burrasca
Don Lippert

RESOLVED FURTHER, Resolution 03-08-146, adopted December 16, 2008
is hereby superseded and canceled.

The Secretary of the Corporation read the proposed changes to the GRF committee appointments. Director Muennichow moved to approve the resolution. Director Conners seconded the motion and discussion ensued.

Without objection, the Board agreed to substitute Director Paulus with Director Feldstein on the Business Planning Committee.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 03-09-27

RESOLVED, March 17, 2009, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted May 2006, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Business Planning

~~John Paulus~~ **Stanley Feldstein**
Kathryn Freshley

Bus Services Committee

Dominic Burrasca
Cynthia Conners

Broadband Services Committee

Isabel Muennichow
Kathryn Freshley

Community Activities

Carol Moore
~~Katherine McDaniel~~

Finance

Kathryn Freshley (replaces John Paulus)
Stanley Feldstein

Gate Renovation Ad Hoc Committee

Carol Skydell
Larry Souza

Golf Starter Building Ad Hoc Committee

Kathryn Freshley
Stanley Feldstein

Government and Public Relations

Isabel Muennichow
Carol Skydell

Landscape Committee

John Paulus (replaces Stanley Feldstein)
Carol Moore

Maintenance and Construction

Don Lippert
John Paulus

Recreation Master Planning Sub-Committee

Carol Moore
~~Katherine McDaniel~~

Security and Community Access

Larry Souza

Dominic Burrasca

RESOLVED FURTHER, Resolution 03-09-07, adopted January 20, 2009 is hereby superseded and canceled.

Director Conners made a motion to refer the following items to the Ad Hoc Rules Committee:

- Election Procedure SOP
- Inspectors of Election
- Appeals Process
- New Director Guidelines
- Rules for Placement of Agenda Items

Director Paulus seconded the motion and the motion carried unanimously.

Director Muennichow made a motion and was seconded by Director Paulus to rescind the following motion, made at the December 16, 2008 Regular Board Meeting:

Director Conners made a motion to discontinue mutual-afforded lunches, cookies, coffee, and refreshments, and gifts for retiring Directors. Director Paulus seconded the motion and discussion ensued.

By a vote of 6-3-0 (Directors Conners, Freshley, and Muennichow opposed), the motion carried as amended.

Discussion ensued.

Mutual Member Barbara Marsh (3433-B) commented on the motion.

By a vote of 6-1-1 (Directors Burrasca opposed and Director Lippert abstained), the motion to rescind carried.

NEW BUSINESS

Director Conners made a motion and was seconded by Director Paulus to rescind the following resolution establishing an Executive Committee to hear disciplinary hearings:

RESOLUTION 03-08-148

WHEREAS, due to the length of the regularly scheduled board meetings and the number of disciplinary hearings to be heard each month, the Board established an Executive Committee on November 18, 2008 as a Committee of the Whole for the sole purpose of hearing disciplinary hearing matters; and

NOW THEREFORE BE IT RESOLVED, December 16, 2008, that the Board of Directors hereby fixes the time and date to hold the monthly Executive Committee meetings on the fourth Monday of every month at 9:00 A.M.; 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.

By a vote of 6-0-2 (Directors Burrasca and Lippert abstained), the motion carried and the resolution was rescinded.

The Secretary of the Corporation read a proposed resolution revising the thresholds for referrals of member disciplinary matters to the GRF Board. Director Muennichow moved to approve the resolution. Director Connors seconded the motion and discussion ensued.

Member Bud Nesvig (2392-3H) addressed the Board on the motion.

Without objection, the Board amended the resolution by striking out the words "closed session" and add the words "within the required time limit."

By a vote of 5-1-2 (Director Burrasca opposed and Directors Feldstein and Lippert abstained), the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 03-09-28

WHEREAS, Third Mutual holds monthly ~~closed session~~ hearings during which Member disciplinary matters are addressed; and pursuant to Third's Bylaws, the Board has the authority to impose monetary fines upon Members who have been found to violate the rules and regulations; and

WHEREAS, there are Members who do not pay the imposed fines **within the required time limit**, and the Mutual has limited options to collect such fines; and

WHEREAS, GRF, by way of Resolution 90-06-110, agreed to assist the Mutual in the enforcement of Member disciplinary decisions made by the Mutual Board by suspending Mutual Members' rights to use certain GRF facilities;

NOW THEREFORE BE IT RESOLVED, March 17, 2009, that in order to maintain a manageable number of referrals per month to GRF, the Board of Directors of this Corporation hereby establishes the following thresholds for referral of Member disciplinary matters to the GRF Board:

- Refer no more than two (2) Member disciplinary matters to GRF each month
- Refer only matters where the assessed fine is at least \$500 and / or has been unpaid for a period of ninety (90) days or longer

- If there are more than two matters that meet the above two criteria, the Board shall weigh the seriousness of the violation and prioritize them accordingly before referring the matters to the GRF Board;

RESOLVED FURTHER, that Resolution 03-07-04, adopted January 16, 2007 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 resolution as written.

Director Connors made a motion to schedule a Special Board meeting on March 30, 2009 to designate a director to replace Katherine McDaniel. Director Skydell seconded the motion and discussion ensued.

Member Denny Welch (5517-1C) commented on the motion.

A motion was made and seconded to set the deadline for candidates to submit applications and statements on March 27, 2009.

By a vote of 5-3-0 (Directors Feldstein, Burrasca, and Lippert opposed), the motion carried.

GRF COMMITTEE REPORTS HIGHLIGHTS

- No highlights were given

PUBLIC FORUM

No comments from non-Third members were made.

Director Comments

- Director Muennichow announced that the City will be hearing candidates to fill a vacancy on March 18, 2009
- President Moore announced that the email from Mr. Fischler will be responded to during the regular course of business.

The Board recessed at 1:58 P.M. and reconvened into Executive Session at 2:36 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its February 23, 2009 Regular Executive Committee Meeting, the Board heard five (5) disciplinary hearings; and discussed other member discipline and legal matters.

The Traffic Committee of the Board met in Executive Session on February 25, 2009 to discuss member disciplinary issues.

March 17, 2009

With no further business before the Board of Directors, the meeting was adjourned at 6:09 P.M.

Isabel Muennichow, Secretary