

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

January 19, 2010

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, January 19, 2010 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Carol Moore, John Paulus, Kathryn Freshley, Mary Robertson, Carol Skydell, Dominic Burrasca, Noel Hatch, Lucy Shimon, Mike Straziuso, Don Lippert, Stanley Feldstein

Directors Absent: None

Others Present: Milt Johns, Patty Kurzet, and Janet Price (11:06 AM – 11:21 AM)

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 Kathryn Freshley led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Claire Webb from the Laguna Woods Globe was present, and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as amended by removing *5556-A Approval of request to perform Master Bath window modifications and a privacy wall revision, with contingencies* from the Maintenance and Construction Consent Calendar returning it back to the Committee.

CHAIR'S REPORT—Carol Moore

President Moore encouraged residents to get involved in their Mutual's governance by attending committee meetings or running for the Board; commented on the recent fire at Building 3486 and commended everyone involved on their quick response to the scene to assist residents; and encouraged residents to obtain adequate homeowner's insurance to cover the interior of their manor.

APPROVAL OF THE MINUTES

The Board reviewed the minutes of the Regular Meeting of December 15, 2009.

Director Freshley moved to approve the minutes. Director Shimon seconded the motion and the motion carried unanimously.

THIRD MUTUAL MEMBER COMMENTS

- Corkie Eley (2401-2E) commented on the governing documents and on the contents of the budget package she received in the mail
- Dorothy Newhouse (4004-3F) commented on not being notified of the fire at Building 3486
- Arthur Harris (3244-1G) commented on his high electricity bills and requested that the Board write a letter to the Utilities Commission
- Paula Page (4008-2E) commented on the Disaster Task Forces' efforts to assist the residents during the fire at Building 3486 and encouraged residents to be informed during an emergency
- Bud Nesvig (2392-3H) commented on GRF's Capital Plan projects for 2011 and inquired on the need for the Golf Building
- Pat Feeney (2399-1E) thanked the Board for providing its contact information
- Jerry Sheinblum (3488-C) announced the topic to be discussed at the next CCA Town Hall Meeting
- Richard Palmer (3031-O) commented on water conservation issues
- Isabel Muennichow (5285) commented on the Nominating Committee process and encouraged residents to attend the Board and committee meetings

RESPONSES TO MEMBER COMMENTS

- President Moore encouraged Mr. Palmer to bring his issues to the Maintenance and Construction Committee and/or Landscape meetings
- Director Freshley responded to Ms. Eley's comments on the budget package and the expense of mailing the entire operating budget to the residents, and responded to Mr. Nesvig's comments on the Golf Building
- Director Hatch commented on the budget package annual mailing
- Director Lippert commented on shared cost electricity and posting the budget on the website
- Director Robertson commented on the legal requirements for the managing agent to provide a pro forma operating budget to the residents

GENERAL MANAGER'S REPORT

Mr. Milt Johns commented on PCM's emergency response team, their efforts to assist residents affected by the fire at Building 3486, and the resources available during any emergency.

Mr. Johns introduced Scott Dunham, Risk Manager, who reported on the fire at Building 3486 and spoke to the necessity for residents to obtain unit homeowner's insurance since manor owners are legally responsible for damage to manor interior, alterations, and personal property during a disaster. Mr. Dunham also spoke to the restoration process to the building which will take time to complete.

Mr. Dunham left the meeting at 11:03 A.M.

CONSENT CALENDAR

Director Skydell made a motion to approve the Consent Calendar as amended. Director Shimon seconded the motion and the motion carried unanimously, and the Board took the following actions:

Maintenance & Construction Committee Recommendations:

- 2234-D Denial of request for Mutual to reverse charge for unoccupied manor inspection fee and reaffirm Unoccupied Manor Inspection Fee Policy
- 3036-O Approval of request to retain a Living Room retrofit picture window installed in conflict with the scope of the applicable Mutual permit issued for retrofit windows, with contingencies
- 3083-A Denial of request to retain entry walkway and garden wall modifications
- 3135-A Approval of request to remove patio wall, extend patio fence, and install a gate creating a patio extension, with contingencies
- 3208-B Approval of request to construct a room addition and entry extension with cover and trellis, with contingencies
- 3410 Denial of request to reverse billing and reaffirm Mutual's Damage Restoration Policy
- 3439-B Approval of request to construct a patio addition, stucco wall, wrought iron fence and gate, with contingencies
- 3528-B Approval of request to install window in Master Bedroom, with contingencies
- 3528-B Approval of request to retain unauthorized satellite dish mounted on rear wall, with contingencies
- 4009-2G Denial of request for Mutual to pay all charges related to water heater failure and reaffirm Mutual's Damage Restoration Policy
- 4009-3B Denial of request to level existing balcony surface prior to installing tile
- 5335-C Approval of request to install walkway of interlocking pavers, with contingencies

Landscape Committee Recommendations

- 2328-T Uphold previous decision and deny appeal request for tree removal
- 3162-C Uphold previous decision and deny appeal request for tree removal
- 5331-Q Rescind previous decision and approve appeal request for tree removal at Mutual Member's expense including the cost of two replacement trees
- 5568-A Rescind previous decision and approve of appeal request for the removal of one (1) tree only at Mutual Member's expense
- 3248-P Denial of request for two (2) tree removals
- 3290-C Approval of request for tree removal at the Mutual's expense
- 3291-B Approval of request for landscaping modifications at the Mutual Member's expense

Finance Committee Recommendations

RESOLUTION 03-10-02

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, January 19, 2010, 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 this resolution as written.

RESOLUTION 03-10-03

WHEREAS, Member ID 931-510-06 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, January 19, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-510-06; 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.

RESOLUTION 03-10-04

WHEREAS, Member ID 934-900-95 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, January 19, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-900-95; 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.

RESOLUTION 03-10-05

WHEREAS, Member ID 935-100-68 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, January 19, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 935-100-68; 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.

Ms. Janet Price entered the meeting at 11:06 A.M.

FINANCE REPORT

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

Director Freshley provided a break down for the Mutual's legal fees up-to-date and reasons for such expenses.

Ms. Price left the meeting at 11:21 A.M.

Director John Paulus reported from the Maintenance and Construction Committee.

The Secretary of the Corporation, Director Skydell, read the following proposed resolution adopting procedures with regard to the scheduling and implementation of the fumigation process as part of the Mutual's Pest Control for Termites Program:

RESOLUTION 03-10

WHEREAS, during the course of the Mutual's Pest Control for Termites Program, a limited number of residents have historically requested postponement or cancellation of the Mutual's use of fumigation as a method of whole structure termite treatment due to medical conditions; and

WHEREAS, in order to protect the structural integrity of a termite infested building, and based on advise from legal counsel, the fumigation process should not be delayed indefinitely and should be implemented within a specified and reasonable period of time;

NOW THEREFORE BE IT RESOLVED, March 16, 2010, the Board hereby adopts the following procedure with regard to the scheduling and implementation of the fumigation process as part of the Mutual's Pest Control for Termites Program:

1. Mutual provides members and tenants of buildings scheduled for treatment with four (4) weeks advance written notice specifying:
 - (a) Mutual's intent to perform fumigation in accordance with the Mutual's authorized standard practice.
 - (b) Each member or tenant has the option of arranging for accommodations, in addition to any accommodations which may be provided by the Mutual during the fumigation process, and taking any additional steps that they believe are necessary and appropriate at their own expense.
2. If the Mutual receives a written request to delay fumigation from a member or tenant due to a documented medical reason that prohibits the resident from vacating the unit:
 - (a) The Mutual allows for a one-time rescheduling of the fumigation on behalf of the requesting resident.
 - (b) Staff works with the resident and reschedules fumigation. Considerations affecting the rescheduling include the nature of the medical issue and the timing of request within the program year. Requests made late in a program year may preclude fumigation until the following program year.
 - (c) Staff will refer residents that request a second rescheduling of fumigation to the Board for action.
 - (d) Staff issues a letter to members and tenants of an affected building advising that the fumigation of the building has been

postponed and will be rescheduled by the Mutual at the earliest date possible and that they will be advised of that date in accordance with the notification procedure.

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 Skydell moved to approve the resolution. Director Feldstein seconded the motion and discussion ensued.

Director Freshley made a motion to postpone the resolution to the February Meeting to conform to the 30-day notification requirements. Director Skydell seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the proposed changes to the "Care & Maintenance of Patios, Balconies, Breezeways & Walkways Policy," and read the following resolution:

RESOLUTION 03-10-

WHEREAS, by way of Resolution M3-94-32, the Board of Directors of this Corporation adopted the "Landscape Maintenance Manual;" and

WHEREAS, the Third Laguna Hills Mutual Landscape Committee has recommended revising "Care & Maintenance of Patios, Balconies, Breezeways & Walkways", a section of said Manual:

NOW THEREFORE BE IT RESOLVED, March 16, 2010, that the Board of Directors of this Corporation hereby amends the "Care & Maintenance of Patios, Balconies, Breezeways & Walkways Policy," as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution M3-94-32 adopted March 15, 1994 is hereby amended, and Resolution M3-02-06 adopted January 15, 2002 is hereby superseded and canceled.

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 Skydell moved to approve the resolution. Director Paulus seconded the motion and discussion ensued.

Director Feldstein made a motion to return the policy back to the Committee for further consideration. Director Skydell seconded the motion and the motion carried by a vote of 7-3-0 (Directors Freshley, Lippert and Paulus opposed), the motion carried.

Member Richard Palmer (3031-O) commented on water meter reading.

Director Feldstein reported from the Board Operating Rules Ad Hoc Committee and its desire to revise the Mutual's Bylaws.

Member Isabel Muennichow (5285) requested that the Committee informs residents when the Board Operating Rules Ad Hoc Committee is held.

Director Mary Robertson reported from the Landscape Committee.

Director Carol Skydell reported from the Ad Hoc Information Access Committee.

Director John Paulus reported from Resident Problem Resolution Services.

Director Dominic Burrasca reported from the Traffic Committee.

OLD BUSINESS

No old business came before the Board.

NEW BUSINESS

The Secretary of the Corporation read a proposed resolution approving the revised Nominating Committee appointments. Director Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-06

RESOLVED, January 19, 2010, that the following persons are hereby appointed to serve on the Nominating Committee of this Corporation:

Isabel Muennichow
Wendy Burry
Sarah Hunter (replacing Gunter Vogt)
Margaret Klein
Jerry Sheinblum
Denise Welch
JoAnn Zelko

RESOLVED, that Resolution 03-09-166, adopted December 15, 2009 is hereby superseded and cancelled.

The Secretary of the Corporation read a proposed resolution approving the Inspectors of Election. Director Skydell moved to approve the resolution. Director Burrasca seconded the motion.

Member Pat Feeney (2399-1E) commented on the resolution.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-07

RESOLVED, January 19, 2010, that the Board of Directors of this Corporation hereby appoints the following persons as Inspectors of Election:

Hillel Pitlik
Charline Brant
Gene Brant
Jim Hart, Alternate

RESOLVED FURTHER, that such appointees shall serve for the counting of the ballots for the 2010 Election of Directors of this Corporation and any other elections that may arise; and

RESOLVED FURTHER, that such appointments shall remain in effect until successors are appointed by the Board; and

RESOLVED FURTHER, that Resolution 03-09-47 adopted April 21, 2009 is hereby superseded and cancelled.

The Secretary of the Corporation read the following proposed resolution approving revised Traffic Rules and Regulations:

RESOLUTION-03-10-

WHEREAS, by way of Resolution M3-02-32, and 03-07-60 the Board of Directors of this Corporation have adopted standards for traffic enforcement and parking enforcement, and in an effort to provide comprehensive traffic rules and regulations enforceable to the residents of Third Mutual, both standards have been consolidated to improve consistency within the community; and

WHEREAS, the Traffic Rules and Regulations are intended to adhere to and not contradict the California Vehicle Code and/or Davis-Stirling Act:

NOW THEREFORE BE IT RESOLVED, March 16, 2010, that the Board of Directors of this Corporation hereby adopts the Third Laguna Hills Mutual Traffic Rules and Regulations, as attached to the minutes of this meeting; and

RESOLVED FURTHER, that Resolutions 03-07-60 adopted June 19, 2007, 03-03-31 adopted April 15, 2003, and M3-02-32 adopted June 18, 2002 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 Skydell moved to approve the resolution. Director Robertson seconded the motion and discussion ensued.

Without objection, the Board revised sections 1.7 and 1.8 by striking out the words “no more than 2 persons” and adding the word “passengers.”

Director Skydell made a motion to postpone the resolution as amended to the February Meeting to conform to the 30-day notification requirements. Director Hatch seconded the motion and the motion carried unanimously.

Director Skydell made a motion to appoint two (2) Board members to the GRF Entitlement Ad Hoc Committee. Director Hatch seconded the motion and discussion ensued. By a vote of 7-3-0 (Directors Skydell, Lippert and Feldstein opposed), the Board appointed Directors Freshley and Robertson to the Committee.

Without objection the Board re-established a Long Range Planning Committee, and appointed Directors Hatch, Skydell, and Shimon to the Committee.

Director Straziuso made a motion to establish a Legal Review Ad Hoc Committee for the purpose of controlling legal costs. Director Robertson seconded the motion and discussion ensued. By a vote of 2-8-0 (Directors Robertson and Straziuso voted in favor), the motion failed.

A discussion was held relative to the Board’s consultant, Curtis Sproul, Esq., approving the Board’s matrix on the Board/managing agent duties.

GRF COMMITTEE REPORTS HIGHLIGHTS

Director Skydell reported from the Government and Public Relations Committee.

PUBLIC FORUM

No comments were made.

DIRECTOR COMMENTS

- Director Robertson congratulated the Broadband Department on the Connexion management agreement
- Director Feldstein commented on Broadband revenue losses
- Director Hatch addressed Director Feldstein’s comments on Broadband
- Director Straziuso expressed his disappointment in the Board’s decision to not establish a legal review ad hoc committee, and commented on board members’ decorum

The Board recessed at 1:36 P.M. and reconvened into Executive Session at 2:18 P.M.

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

During its December 15, 2009 Regular Executive Session, the Board reviewed and approved the minutes of the Regular Executive Session meeting of November 17, 2009; approved the recording of Notices of Default for Member ID 930-764-44, Member ID 931-360-93, Member ID 931-460-29, Member ID 931-511-87, Member ID 931-530-19, Member ID 931-581-10, Member ID 932-201-32, Member ID 932-810-29, Member ID 932-810-59, Member ID 935-050-06; heard two disciplinary hearings; discussed litigation, contractual, and other disciplinary matters.

The Traffic Committee of the Board met in Executive Session on December 23, 2009 to discuss member disciplinary issues.

During its January 15, 2010 Emergency Special Board Meeting, the Board discussed contractual issues.

With no further business before the Board of Directors, the meeting was adjourned at 4:40 P.M.

Carol Skydell, Secretary