

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

June 15, 2010

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, June 15, 2010 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: Stanley Feldstein

Others Present: Jerry Storage, Patty Kurzet
Executive Session: Jerry Storage, Patty Kurzet, Cris Robinson, Luis Rosas

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 Mike Straziuso led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

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

President Moore asked, due to the number of residents occupying the seats, that any non-Third Members allow seating for Third Members.

APPROVAL OF AGENDA

The Board removed agenda item 8(a) 3231-A *Approval of request to widen driveway* from the Maintenance and Construction Committee Consent Calendar and returned it back to the Committee.

CHAIR'S REPORT—Carol Moore

President Moore commented on the Board's financial achievements in increasing the reserves, on the Board's duty to investigate wrongdoings, change in management, and taking actions to improve the Community. President Moore encouraged residents to pick up an application and run for the Board of Directors.

Ms. Claire Webb of the Laguna Woods Globe entered the meeting at 9:35 P.M.

APPOINTMENTS TO BOARD VACANCY

Denny Welch, Chair of the Nominating Committee, commented on the Board's decline to fund the Nominating Committee's Wine and Cheese event to solicit candidates; and commented on how the candidates will be affected by Third's lawsuit against PCM, Inc.

Denny Welch announced the candidates running for the vacancy on the Board as Rae Tso, Richard Palmer, Pat Feeney, and Rosemarie Di Lorenzo Dickens.

The candidates spoke to their qualifications and reasons for running.

The Directors commented on the qualifications of the candidates.

Director Freshley made a motion to commence balloting. Director Skydell seconded the motion and the motion carried unanimously.

Director Shimon made a motion to cease balloting. Director Freshley seconded the motion and the motion carried unanimously.

The Secretary of the Corporation, Director Carol Skydell, tallied the votes.

President Moore announced that Pat Feeney has been appointed to the Board in place and stead of Mary Robertson, term ending in 2010, and invited her to sit with the Board.

Director Lippert requested that the vote count be announced and Director Skydell announced that the vote count went as follows:

Pat Feeney – 5 votes
Rae Tso - 3 votes
Dick Palmer – 1 vote

APPROVAL OF THE MINUTES

The Board reviewed and approved without objection, the minutes of the Regular Meeting of May 18, 2010.

CONSENT CALENDAR

Absent objection, the Board approved the Consent Calendar as amended, and took the following actions:

Maintenance & Construction Committee Recommendations:

- | | |
|--------|---|
| 3325-B | Approval of request to perform front and rear patio extensions with wrought iron fences and gates, with contingencies |
| 3416-C | Approval of request to convert Living Room window into a sliding glass door, with contingencies |
| 3493-O | Denial of request to install the HVAC unit |

- 5110 Denial of appeal request to repair/replace damaged alteration patio slab at the Mutual's expense
- 5341-A Approval of request to widen driveway, with contingencies

Landscape Committee Recommendations

- 2258-F Approval of request for two (2) tree removal and replacements; 1 at the Mutual's expense and 1 at the Mutual member's expense
- 2400-2G Denial of request for relandscaping
- 3134-D Approval of request for turf conversion at the Mutual's expense
- 5216 Approval of request for turf repair at the Mutual's expense
- 5351-Q Approval of request for tree removal at the Mutual's expense
- 5462-A Denial of request for tree removal

Finance Committee Recommendations

RESOLUTION 03-10-70

WHEREAS, Member ID 930-764-36 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 930-764-36; 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 03-10-71

WHEREAS, Member ID 931-460-86 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-460-86; 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 03-10-72

WHEREAS, Member ID 931-481-06 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-481-06; 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 03-10-73

WHEREAS, Member ID 931-510-01 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-510-01; 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 03-10-74

WHEREAS, Member ID 931-630-71 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-630-71; 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 03-10-75

WHEREAS, Member ID 931-710-39 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-39; 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 03-10-76

WHEREAS, Member ID 932-200-16 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-200-16; 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 03-10-77

WHEREAS, Member ID 932-311-18 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-311-18; 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 03-10-78

WHEREAS, Member ID 932-600-19 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-600-19; 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 03-10-79

WHEREAS, Member ID 933-200-06 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-200-06; 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 03-10-80

WHEREAS, Member ID 934-902-53 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, June 15, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-902-53; 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.

President Moore described the Board decorum for Member Comments.

THIRD MUTUAL MEMBER COMMENTS

- Barbara Marsh (3433-B) commented on the Board's lawsuit against PCM, Inc. and inquired on the Board's action, cost, and how it will affect the residents and employees.
- Richard Moos (5345-A) commented on the Board's lawsuit against the managing agent and the costs that would be incurred.
- Bud Nesvig (2392-3H) congratulated the Board on its lawsuit.
- Lucie Falk (3377-A) applauded the Board on its lawsuit and its potential to bring in new buyers, and commented that now is the time for all Boards to bring in a new management company or outsource to just one General Manager.
- Jamshed Morenas (3493-A) commented on Mutual Alteration Standard Section 4 – *Air Conditioning/Heat Pump Units*.
- Charlene Sydow (646-A) thanked the Board for its courage to file the lawsuit and encouraged the other Boards to follow suit.
- Corkey Eley (2401-2E) thanked the Board for its lawsuit and stated that it's time for a change.
- Delsie Zuzak (674-A) thanked the Board for its courage to file the lawsuit and encouraged the other Boards to follow suit.

- Rachel Dill (3231-B) commended the Board on its service to the Community and its courage to get things done.
- Frankie Henry (679-C) thanked the Board for its courage to file the lawsuit and encouraged the other Boards to follow suit.
- Sandra Feigelman (254-A) commented on moving forward and not dwelling in the past.
- Mary Stone (356-C) commented on the lawsuit and thanked the Board for its oversight.
- Shari Horne (23543-C) commented on trusting the Board for taking action for the best of the Community.
- Art Harris (3244-G) thanked the Board for filing the lawsuit against PCM and commended the Board for action according to its fiduciary duty.
- Nancy Robinson (3080-A) commented on the lawsuit and indicated that the Voice is not behind the lawsuit.
- Kay Margason (510-C) thanked the Board for its courage to file the lawsuit and asked that the Board stand firm to carry out the lawsuit.

RESPONSES TO MEMBER COMMENTS

- Director Paulus commented on his service on the Board and indicated that the Board had a fiduciary duty to investigate the incentive plan.
- Director Freshley stated that when she came on Board, it was apparent that there were legal issues that needed investigating and resolving. She stated that the Board has a fiduciary duty to inquire and investigate issues and stated that the Board has made the right decision to move forward with the lawsuit.
- Director Straziuso expressed his sentiments with the members who spoke in favor of the lawsuit which accuses PCM of criminal acts and that it has potential of costing the Community a lot of money.
- Director Hatch commented on the Board's fiduciary duty to investigate circumstances that are extant, and that the Board did investigate the allegations involving the incentive plan and the Board made a decision to file a lawsuit based on its investigation. The Board has a fiduciary responsibility to answer the questions addressed by the residents and maintain confidentiality.
- Director Burrasca commented on PCM's usage of credit cards.
- Director Skydell addressed comments regarding legal fees.
- Director Lippert commented on the need to file the lawsuit and investigate PCM's operations.
- Director Straziuso announced his resignation on the Board and left the meeting. The Board accepted the resignation with regret.

GENERAL MANAGER'S REPORT

Mr. Storage announced the acquisition of PCM of California by Associa and reported on the increase in resources that will be available to the Community. He commented on the El Toro Water District's new tiered billing system to be implemented in July, and spoke to the ongoing work regarding the new golf building. He updated the membership on the Moulton Widening project and the Storm Drain Installation project on El Toro Road, announced the upcoming

budget meetings to discuss maintenance service levels and reserve components, and encouraged residents to attend the budget meetings to voice their opinions.

OLD BUSINESS

The Secretary of the Corporation read the following proposed resolution, postponed from last month, establishing a policy for painting alterations during the Exterior Paint Program. Director Skydell made a motion to approve the resolution. Director Hatch seconded the motion and discussion ensued.

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

RESOLUTION 03-10-81

WHEREAS, the painting of manor alterations is the responsibility of the individual members; and

WHEREAS, the Mutual has historically painted some manor alterations on a case-by-case basis during execution of the Mutual's yearly Exterior Paint Program when it is cost effective and in the Mutual's best interest to paint them; and

WHEREAS, field Staff are faced with manor-by-manor decisions on what alterations to paint and what alterations not to paint, and some field decisions are challenged by individual manor members, which can result in costly resolution processing;

NOW THEREFORE BE IT RESOLVED, June 15, 2010, that the Board of Directors of this Corporation hereby establishes a policy that allows Staff on behalf of the Mutual, to effectively determine which alterations to paint or not paint during execution of the Exterior Paint Program by painting alterations that would not disrupt the paint program's work flow; and

WHEREAS, such policy would optimize work flow for the paint crew, provide a reliable standard for the Mutual's role in painting alterations, reduce the number of member disputes that would rise to Board level concerning what is or is not painted, and would maintain continuity of appearance of Mutual property through its uniform application; and

WHEREAS, the following alterations (not limited only to this list) shall not be painted by the Mutual as part of the Exterior Paint Program and would remain each member's responsibility to repair, maintain, and paint:

- Any vinyl feature
- Awning Covers
- Enclosures (vinyl or black anodized)
- Covered atriums

- Windows
- Sliding doors
- Custom entry doors
- Non-standard air conditioning units
- Wrought iron features differing from original-type construction
- Fences
- Any alteration that is too delicate to withstand preparation without damage
- Any alteration in disrepair

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.

The Secretary of the Corporation read the following proposed resolution, postponed from last month, approving Third Laguna Hills Mutual Alteration Standard Section 11A – Interior Hard-Surface Flooring:

RESOLUTION 03- 10 -

WHEREAS, flooring is an integral sound attenuation element of the building where a floor is above another manor; and

WHEREAS, the installation of hard-surface flooring, which shall include, but not be limited to, wood, tile, slate, linoleum, bamboo, laminates, and stone, within a manor can result in unreasonable noise being transmitted into the manor immediately below, which noise can adversely affect said resident's quality of life; and

WHEREAS, the Mutual has received complaints that the installation and/or utilization of hard-surface flooring within certain manors has resulted in an obstruction or interference with the rights of persons in the manors located immediately below, has annoyed said persons by unreasonable noise, thereby creating or constituting a nuisance; and

WHEREAS, Article III, Section 6 of Third's Amended and Restated Declaration of Covenants, Conditions and Restrictions states that "no Owner or Resident shall permit or suffer anything to be done or kept within the Project which will obstruct or interfere with the rights of other persons in the Project or annoy them by unreasonable noises or otherwise, nor shall any Owner or Resident commit or permit any nuisance"; and

WHEREAS, Article IV, Section 1 of Third's Amended and Restated Declaration of Covenants, Conditions and Restrictions grants the Mutual the right and power to do all things which may be necessary, convenient or desirable for the management, operation and maintenance of the Project; and

WHEREAS, after conducting an investigation of certain of these complaints, which included consultation with an acoustical engineer and counsel, the Mutual has determined that Section 11A – Interior Hard-Surface Flooring should be added to the Third Laguna Hills Mutual Alteration Standards and should be adopted;

NOW THEREFORE BE IT RESOLVED, July 20, 2010, that Section 11A – Interior Hard-Surface Flooring is hereby added to the Third Laguna Hills Mutual Alteration Standards, as attached hereto and 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 as written.

Director Skydell made a motion to approve the resolution. Director Hatch seconded the motion and discussion ensued.

Member Mary Robertson (5184) addressed the Board on the resolution.

Director Hatch made a motion to postpone the resolution to the July meeting to satisfy the thirty-day notification requirements. Director Freshley seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution, postponed from last month, approving Third Laguna Hills Mutual Interior Hard-Surface Flooring Complaint Rules:

RESOLUTION 03- 10 -

WHEREAS, flooring is an integral sound attenuation element of the building where a floor is above another manor; and

WHEREAS, the installation of hard-surface flooring, which shall include wood, but not be limited to, tile, slate, linoleum, bamboo, laminates, and stone, within a manor can result in unreasonable noise being transmitted into the manor immediately below, which noise can adversely affect said resident's quality of life; and

WHEREAS, the Mutual has received complaints that the installation and/or utilization of hard-surface flooring within certain manors has resulted in an obstruction or interference with the rights of persons in the manors located immediately below, has annoyed said persons by unreasonable noise, thereby creating or constituting a nuisance; and

WHEREAS, Article III, Section 6 of Third's Amended and Restated Declaration of Covenants, Conditions and Restrictions (CC&Rs) states that "no Owner or Resident shall permit or suffer anything to be done or kept within the Project which will obstruct or interfere with the rights of other persons in the Project or annoy them by unreasonable noises or otherwise, nor shall any Owner or Resident commit or permit any nuisance"; and

WHEREAS, after conducting an investigation of certain of these complaints, the Mutual has determined that Interior Hard-Surface Flooring Complaint Rules should be adopted;

NOW THEREFORE BE IT RESOLVED, July 20, 2010, that the Board of Directors hereby approves the Third Laguna Hills Mutual Interior Hard-Surface Flooring Complaint Rules, as attached hereto and to the official minutes of this meeting; and

RESOLVED FURTHER, that these Interior Hard-Surface Flooring Complaint Rules shall govern complaints by any Owner or resident of a first or second floor condominium that the interior hard-surface flooring in the condominium immediately above is in violation of Article III, Section 6 of the Mutual's CC&Rs and/or Third Laguna Hills Mutual Alteration Standard Section 11A – Interior Hard-Surface Flooring; 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 as written.

Director Skydell made a motion to approve the resolution. Director Hatch seconded the motion.

Director Freshley made a motion to postpone the resolution to the July meeting to satisfy the thirty-day notification requirements. Director Burrasca seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution, postponed from last month, amending the Care & Maintenance of Patios, Balconies, Breezeways & Walkways Policy:

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 Maintenance and Construction Committee has recommended revising *Care & Maintenance of Patios, Balconies, Breezeways & Walkways*, a section of said Manual, to include the option of allowing residents to hang artificial plants for decoration;

June 15, 2010

NOW THEREFORE BE IT RESOLVED, July 20, 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; 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 made a motion to approve the resolution. Director Hatch seconded the motion.

Director Hatch made a motion to postpone the resolution to the July meeting to satisfy the thirty-day notification requirements. The motion was seconded and the motion carried by a vote of 7-1-0 (Director Lippert opposed).

NEW BUSINESS

The Secretary of the Corporation read a proposed resolution approving staff as Officers of the Corporation. Director Skydell moved to approve the resolution. Director Hatch seconded the motion.

Member Bud Nesvig (2392-3H) commented on the resolution due to the lawsuit.

By a vote of 6-1-1 (Director Lippert opposed and Director Feeney abstained) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-82

RESOLVED, June 15, 2010, that the following Staff persons are hereby elected as officers of this corporation:

Jerry Storage	Vice President
Janet Price	Assistant Treasurer
Patty Kurzet	Assistant Secretary
Cris Robinson	Assistant Secretary
Wendy Panizza	Assistant Secretary, for the purpose of representing Third

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Mutual in Small Claims
Court

Scott Dunham

Assistant Secretary, for
the purpose of
representing Third
Mutual in Small Claims
Court

RESOLVED FURTHER, that Resolution 03-07-57 adopted May 15, 2007 is hereby superseded and canceled.

FINANCE REPORT

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

The Secretary of the Corporation read a proposed resolution authorizing the transfer of \$5,000,000 from the non-discretionary fund administered by in-house Staff to the discretionary account managed by Black Rock/Merrill Lynch. Director Skydell moved to approve the resolution. Director Freshley seconded the motion.

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

RESOLUTION 03-10-83

RESOLVED, June 15, 2010, that the Board of Directors of this Corporation hereby authorizes on behalf of this Corporation to transfer \$5,000,000 from the non-discretionary fund administered by in-house Staff to the discretionary account managed by Black Rock/Merrill Lynch; 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.

The Secretary of the Corporation read a proposed resolution authorizing the transfer of surplus of \$800,000 to the Replacement Fund. Director Skydell moved to approve the resolution. Director Shimon seconded the motion.

Member Bud Nesvig (2392-3H) commented on the resolution and requested that the Board returns the money to the residents.

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

RESOLUTION 03-10-84

WHEREAS, according to the Davis-Stirling Act, a Common Interest Development shall not retain significant operating surplus (funds that are not needed to defray current operating costs); and

WHEREAS, at December 31, 2009, Third Laguna Hills Mutual had an operating surplus of \$314,850. Accumulated operating surplus from prior years was just over \$513,246 for a total available surplus of \$828,099;

NOW THEREFORE BE IT RESOLVED, June 15, 2010 that the Board of Directors of this Corporation hereby authorizes the transfer of surplus of \$800,000 to the Replacement Fund; 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.

Claire Webb of the Laguna Woods Globe left the meeting at 12:07 P.M.

COMMITTEE REPORTS

Director Lucy Shimon reported from the Landscape Committee.

Director John Paulus reported from the Maintenance and Construction Committee.

Director Paulus made a motion to postpone the fumigation at Building 3338 due to the number of requests from non-ambulatory residents. Director Skydell seconded the motion. Discussion ensued and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$30,300 to replace two distressed beams at Building 4006. Director Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

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

RESOLUTION 03-10-85

WHEREAS, Building 4006 has two dry-rot damaged glue-laminated beams in the center atrium of the building that need replacement;

NOW THEREFORE BE IT RESOLVED, June 15, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$30,300 to be funded from the Replacement Fund to replace the two distressed beams at Building 4006; 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 Freshley left the meeting at 12:26 P.M.

The Secretary of the Corporation read a proposed resolution authorizing the replacement of the existing galvanized steel gutters at 5 Garden Villa style buildings (Buildings 2396, 2397, 2398, 2399, 2401) with seamless gutters at a total cost of \$47,400. Director Skydell moved to approve the resolution. Director Shimon seconded the motion and discussion ensued.

By a vote of 6-0-1 (Director Feeney abstained and Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-10-86

WHEREAS, in April 2010, the Maintenance and Construction Committee directed Staff to remove and replace the original rain gutter systems with new seamless rain gutter systems at five Garden Villa style buildings included on the Mutual's 2010 paint program scope of work; and

WHEREAS, at the Committee's direction, Staff removed the galvanized steel gutters resulting in an unbudgeted operating expenditure in General Maintenance in the amount of \$10,600; and based on the lowest qualified bid for the installation of the seamless gutters at the five buildings by an outside contractor the replacement cost will be \$36,800, resulting in an estimated total cost of \$47,400 for Staff removal and contractor installation of seamless gutters at Buildings 2396, 2397, 2398, 2399, 2401;

NOW THEREFORE BE IT RESOLVED, June 15, 2010, that the Board of Directors of this Corporation hereby authorizes the replacement of the existing galvanized steel gutters at the first 5 Garden Villa style buildings started in April 2010 (Buildings 2396, 2397, 2398, 2399, 2401) with seamless gutters at a total cost of \$47,400; and

RESOLVED FURTHER, that the authorization would be for \$10,600 as an unbudgeted operating expenditure in General Maintenance for the in-house removal of the galvanized steel gutters and an appropriation of \$36,800 from the Replacement Fund for contractor installation of seamless gutters; 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 Freshley returned to the meeting at 12:29 P.M.

The Secretary of the Corporation read a proposed resolution authorizing the replacement of the existing galvanized steel gutters at 15 Garden Villa style buildings (Buildings 2353, 2354, 2355, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395) with seamless gutters at a total cost of \$151,800. Director Skydell moved to approve the resolution. Director Shimon seconded the motion.

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

RESOLUTION 03-10-87

WHEREAS, there are 15 Garden Villa style buildings remaining on the Mutual's 2010 paint program and Staff estimates that the cost to remove the galvanized steel gutters would be \$50,000 resulting in an unbudgeted operating expenditure in General Maintenance; and based on the lowest qualified bid for the installation of the seamless gutters at the previous five buildings by an outside contractor, Staff estimates the replacement cost will be \$101,800, resulting in an estimated total cost of \$151,800 for Staff removal and contractor installation of seamless gutters;

NOW THEREFORE BE IT RESOLVED, June 15, 2010, that the Board of Directors of this Corporation hereby authorizes the replacement of the existing galvanized steel gutters at the remaining 15 Garden Villa style buildings on the Mutual's 2010 paint program (Buildings 2353, 2354, 2355, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395) with seamless gutters at a total cost of \$151,800; and

RESOLVED FURTHER, that the authorization would be for \$50,000 as an unbudgeted operating expenditure in General Maintenance for the in-house removal of the galvanized steel gutters and an appropriation of \$101,800 from the Replacement Fund for contractor installation of seamless gutters; 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.

The Secretary of the Corporation read the following resolution approving the revised Third Laguna Hills Mutual Alteration Standard Section 4 – *Air Conditioning/Heat Pump Units*:

RESOLUTION 03-10

WHEREAS, the Board of Directors of this corporation adopted Resolution M3-96-28 on May 21, 1996, which approved the Third Laguna Hills Mutual Standards; and

WHEREAS, the Maintenance & Construction Committee of this Corporation recognizes the need to further amend a portion of the standards with regard to Section 4 – *Air Conditioning/Heat Pump Units*;

NOW THEREFORE BE IT RESOLVED, July 20, 2010, that Section 4 – *Air Conditioning/Heat Pump Units* is hereby amended as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution 03-05-20 adopted September 20, 2005 is hereby superseded and cancelled and 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 resolution as written.

Director Skydell moved to approve the resolution. Director Freshley seconded the motion.

Members Jamshed Morenas (3493-A), Mary Robertson (5184), and Natalie Taksar (3493-C) addressed the Board on the proposed standard.

Without objection, the Board postponed the resolution to the July meeting to satisfy the thirty-day notification requirements.

Due to time constraints, the Board agreed to waive the remaining committee reports.

GRF COMMITTEE REPORTS HIGHLIGHTS

No reports were made.

PUBLIC FORUM

No comments were made.

DIRECTOR COMMENTS

No comments were made.

The Board recessed at 12:50 P.M. and reconvened into Executive Session at 1:43 P.M.

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

During its May 18, 2010 Regular Executive Session Board meeting, the Board reviewed, revised, and approved the Minutes of the Regular Executive Session meeting of April 20, 2010 and the Minutes of the Special Executive Session meeting of April 27, 2010; heard four (4) disciplinary hearings; established a foreclosure sale date; discussed other member disciplinary matters; discussed two new lawsuits: Ellen Moss v. Third Mutual and Victoria Pullman v. Third Mutual; and discussed contractual and litigation matters in the absence of Staff.

June 15, 2010

The Traffic Committee of the Board met in Executive Session on May 26, 2010 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 5:22 P.M.

Carol Skydell, Secretary