

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

October 18, 2011

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, October 18, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Sy Wellikson, Mike Straziuso, Won Chang, Isabel Muennichow, Rae Tso, Carol Moore, John Paulus, Kathryn Freshley, Dick Palmer, Denny Welch, Lucy Shimon

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet

Executive Session: Jerry Storage, Patty Kurzet, Luis Rosas

CALL TO ORDER

Director Sy Wellikson, 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 Rae Tso led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

A freelance reporter was not present at the start of the meeting, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as submitted.

CHAIR'S REPORT—Sy Wellikson

President Wellikson introduced the new Board Officers and thanked those who have come forward to help the Community. President Wellikson commented on his immediate goals to work with Staff, the other Boards, and residents to operate with maximum transparency and to preserve the value and integrity of the Community.

APPROVAL OF THE MINUTES

Without objection the Board approved the minutes of the following meetings: Regular Meeting of September 20, 2011, Special Meeting of September 27, 2011, Special Meeting of October 5, 2011, and the Organizational Meeting of October 6, 2011.

CONSENT CALENDAR

Without objection, the Board approved the Consent Calendar as presented, and the Board took the following actions:

Maintenance & Construction Committee Recommendations:

- | | |
|---------|--|
| 2350-C | Approval of request to install atrium cover, with contingencies |
| 3003-A | Approval of request to retain vinyl pickets installed in patio wall; install a window in Master Bedroom; and retain concrete pad, with contingencies |
| 3155-C | Approval of request to perform bathroom relocation, with contingencies |
| 3421-3H | Approval of request to install additional Living Room window, with contingencies |
| 3423-B | Approval of request to perform Master Bedroom extension, with contingencies |
| 5342-A | Approval of request for kitchen extension and rear patio extension, with contingencies |

Landscape Committee Recommendations

None

Finance Committee Recommendations

RESOLUTION 03-11-163

Recording of Lien for Member ID 931-360-22

WHEREAS, Member ID 931-360-22 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, October 18, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-360-22; 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 03-11-164

Recording of Lien for Member ID 931-350-90

WHEREAS, Member ID 931-350-90 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, October 18, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-350-90; 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 03-11-165

Recording of Lien for Member ID 931-470-43

WHEREAS, Member ID 931-470-43 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, October 18, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-470-43; 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 03-11-166

Recording of Lien for Member ID 931-581-51

WHEREAS, Member ID 931-581-51 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, October 18, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-581-51; 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 03-11-167

Recording of Lien for Member ID 931-710-80

WHEREAS, Member ID 931-710-80 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, October 18, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-80; 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 03-11-168

Recording of Lien for Member ID 933-630-81

WHEREAS, Member ID 933-630-81 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, October 18, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-630-81; 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 03-11-169

Recording of Lien for Member ID 935-090-28

WHEREAS, Member ID 935-090-28 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, October 18, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 935-090-28; 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.

GENERAL MANAGER'S REPORT

Mr. Storage announced that in order to finalize construction of the Village Greens and to move golf operations, it is necessary to close Gate 12 on October 19, 2011 – October 21, 2011 and November 14, 2011 – November 15, 2011. Mr. Storage updated the membership on the ongoing GRF projects within the Community.

Mr. Storage also updated the Board on Third Mutual projects including the replacement of beams at various buildings; the elevator hydraulic replacement project; the three-story fire alarm system upgrades; the waterline epoxy piping program; the Water Conservation Pilot project; the flood mitigation in cul-de-sacs 371 and 378 and watershed in cul-de-sacs 203, 219, 221, 222; electrical upgrades for water heaters; and slope repairs.

President Wellikson described the Board decorum for Member Comments.

THIRD MUTUAL MEMBER COMMENTS and PUBLIC FORUM

- Bob Payne (3129-P) congratulated the new Board and thanked the Board for their services, commented on the elimination of maintenance chargeable services, and GRF's implementation of a Trust Facilities Fee.
- Susan Lackey (2321-D) addressed the issue of parking in her area and asked the Board to revisit its parking policy.
- Marty Rhodes (5369-2A) addressed the elimination of the maintenance chargeable services.

- Art Harris (3244-1G) commented on advisors on the committees.
- Bud Nesvig (2392-3H) commented on the waterline epoxy piping program.
- Shari Horne (2354-3C) commented on the recycling program and announced the next Garden Villa Association meeting.
- Karel Brouwer (3189-C) commented on the hot water heater circuit breakers and on GRF's implementation of a Trust Facilities Fee.
- Carol Skydell (3040-B) welcomed the new Board members and commented on the following outstanding issues: the revision of the new Bylaws, a Property Services Survey, and review of parking regulations.
- Harriet Arnest (4010-1A) welcomed the new Board members and wished them good luck.
- Richard Moren (2395-1G) requested a copy of the flood report in his cul-de-sac.
- Noel Hatch (5460-B) commented on the past issues that faced the Board and encouraged the new Board to focus on maintenance issues.

DIRECTORS' RESPONSES TO MEMBER COMMENTS

- Director Moore responded to comments on the GRF Trust Facilities Fee.
- Director Paulus commented on chargeable service disputes and the epoxy program.
- Director Welch commented on the elimination of chargeable services and asked that the matter be reconsidered at the next M&C Committee meeting.
- Director Muennichow commented on the parking policy.
- Director Shimon commented on chargeable services and recycling.
- Director Freshley commented on the removal of the previous Finance advisors.
- Director Palmer commented on chargeable services.
- Director Tso commented on communication and consistency.
- Director Chang commented on sending out a customer service satisfaction survey.
- Director Straziuso addressed comments made on chargeable services.

OLD BUSINESS

The Secretary of the Corporation, Director Isabel Muennichow, read a proposed resolution ratifying the officers of the Corporation. Director Welch moved to approve the resolution. Director Tso 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 03-11-170

RESOLVED, October 18, 2011, that the following Directors are hereby elected as officers of this corporation:

Sy Wellikson	President
Mike Straziuso	1st Vice President
Won Chang	2nd Vice President

Isabel Muennichow

Secretary

Rae Tso

Treasurer

RESOLVED FURTHER, that the following Staff persons are hereby appointed as officers of this corporation:

Jerry Storage

Vice President, ex officio

Betty Parker

Assistant Treasurer

Patty Kurzet

Assistant Secretary

Cris Robinson

Assistant Secretary

Wendy Panizza

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

Scott Dunham

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

RESOLVED FURTHER, that Resolution 03-10-148, adopted October 18, 2010 is hereby superseded and canceled, and Resolution 03-11-153 adopted September 20, 2011 is hereby superseded and canceled.

The Board considered the following proposed resolution requiring that prior to the date any record fee title to a Manor is transferred, a Manor Owner must replace all non-compliant toilets within their Manor, which was postponed from the previous month to conform to the 30-day notification requirement:

RESOLUTION 03-11-

WHEREAS, Third Mutual pays out of the Collected Assessments, also known as Carrying Charges, the cost of commonly metered water services for the Manors, which payment by Third Mutual includes the increasingly expensive cost of the water used to flush all toilets within each such Manor; and

WHEREAS, two consulting firms have become the clearinghouse for all toilet manufacturers by establishing the test procedures for 1900 toilets; and

WHEREAS, most manufacturers have sought the approval of these test procedures and have redesigned their toilets to meet the stated criteria; and

WHEREAS, that testing and that compliance has been accepted by the California Urban Water Conservation Council as well as cities throughout the country; and

WHEREAS, MaP (Maximum Toilet Performance) testing shows efficient toilets must not exceed 1.6 gallons and be able to flush 1000 grams (2.2 pounds) of solid waste as outlined in the MaP Standards, and have a 3-inch tank drain outlet:

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby requires that prior to the date any record fee title to a Manor is transferred, the Manor Owner must replace all non-compliant toilets within their Manor with toilets which meet or exceed the MaP Standard for 1.6 gallon toilets; 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, effective January 1, 2012.

Director Moore moved to postpone the resolution to the November meeting to satisfy the 30-day notification requirements. Director Tso seconded the motion and discussion ensued. The motion carried unanimously.

The Board considered the following proposed resolution approving the Mutual's Collection and Lien Enforcement Policy, which was postponed from the previous month to conform to the 30-day notification requirement:

RESOLUTION 03-11

WHEREAS, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties; and

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2012; and

RESOLVED FURTHER, that Resolution 03-10-141, adopted September 21, 2010 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 Moore moved to postpone the resolution to the November meeting to satisfy the 30-day notification requirements. Director Freshley seconded the motion and the motion carried unanimously.

The Board considered the following proposed resolution increasing the annual common area golf cart electric charge, which was postponed from the previous month to conform to the 30-day notification requirement:

RESOLUTION 03-11

WHEREAS, as a convenience to the residents, Third Mutual allows rechargeable battery powered vehicles to be recharged in Mutual-owned charging stations 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, November 15, 2011, 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 golf cart electric charge from \$80 to \$100 per year; and

RESOLVED FURTHER, that the increase shall be effective January 1, 2012; and

RESOLVED FURTHER, that Resolution 03-08-105 adopted October 21, 2008 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 Welch moved to postpone the resolution to the November meeting to satisfy the 30-day notification requirements. Director Shimon seconded the motion and the motion carried unanimously.

NEW BUSINESS

The Secretary of the Corporation read a proposed resolution establishing a Board Operating Rules Standing Committee. Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

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

RESOLUTION 03-11-171

THIRD BOARD OPERATING RULES COMMITTEE

WHEREAS, on January 15, 2008, the Board of Directors established a Board Operating Rules Ad Hoc Committee; and

WHEREAS, the Board wishes to designate a standing committee in lieu of an ad hoc committee that will meet from time to time to discuss rules that govern the operations of the Board of Directors;

NOW THEREFORE BE IT RESOLVED, October 18, 2011, that the Board of Directors hereby establishes the Board Operating Rules Committee as a standing committee pursuant to Article 7, Section 1 of the Bylaws of this Corporation; and

RESOLVED FURTHER, that the Committee shall meet as needed to discuss issues related to the rules that govern the operations of the Board and shall perform such other tasks as are assigned by the Third Laguna Hills Mutual Board of Directors; 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 Straziuso made a motion to dissolve the following Ad Hoc Committee Appointments:

- Architectural Improvements Ad Hoc Committee
- Cost Savings Ad Hoc Committee
- Discretionary Investment Policy Ad Hoc Committee
- Exterior Paint Colors Ad Hoc Committee
- Garden Villa Recreation Room Ad Hoc Committee
- Information Access Ad Hoc Committee (Committee of the Whole)
- Plumbing Ad Hoc Committee (Committee of the Whole)
- Problem Solutions Ad Hoc Committee (Committee of the Whole)
- Standards Sub-Committee (Committee of the Whole)
- Water Conservation Ad Hoc Committee (Committee of the Whole)
- Water Heater Electrical Requirements Ad Hoc Committee

Director Muennichow seconded the motion and discussion ensued. By a vote of 7-3-0 (Directors Moore, Freshley, and Palmer opposed), the motion carried.

The Secretary of the Corporation read a proposed resolution establishing the Mutual Committee Appointments. Director Muennichow moved to approve the resolution. Director Straziuso seconded the motion and discussion ensued.

Member Pat Feeney (2399-1E) commented on appointing advisors to the Rules Committee.

By a vote of 6-3-1 (Directors Moore, Freshley, and Palmer opposed, and Director Paulus abstained), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-172

Mutual Committee Appointments

RESOLVED, October 18, 2011, 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:

Board Operating Rules Committee (Committee of the Whole)

Isabel Muennichow, Chair
Kathryn Freshley, Vice Chair

Community Revitalization (Committee of the Whole)

Carol Moore, Chair
Lucy Shimon, Vice Chair
Non-Voting Advisors:

Finance (Committee of the Whole)

Rae Tso, Chair
Mike Straziuso, Vice Chair
Non-Voting Advisors: Jim Hart

Landscape (Committee of the Whole)

Mike Straziuso, Chair
Lucy Shimon, Vice Chair
Non-Voting Advisors:

Maintenance and Construction (Committee of the Whole)

Denise Welch, Chair
Won Chang, Vice Chair
Non-Voting Advisors:

Management Agreement Ad Hoc Committee (Committee of the Whole)

Meet and Confer

John Paulus
Kathryn Freshley
Mike Straziuso

New Resident Orientation

Per Rotation List

Resident Problem Resolution Services

John Paulus, Chair

Denise Welch, Vice-Chair

Smoking Nuisance Ad Hoc Committee

Carol Moore

Isabel Muennichow

Kathryn Freshley

Traffic

Dick Palmer, Chair

Carol Moore, Vice Chair

3rd Person Per Rotation List

Laguna Canyon Foundation

Carol Moore

RESOLVED FURTHER, Resolution 03-11-114, adopted July 19, 2011 is hereby superseded and canceled.

The Secretary of the Corporation read a proposed resolution establishing the GRF Committee Appointments. Director Muennichow moved to approve the resolution. Director Welch seconded the motion and discussion ensued.

By a vote of 7-2-1 (Directors Moore and Shimon opposed, and Director Freshley abstained), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-173

RESOLVED, October 18, 2011, 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:

Broadband Services Committee

Dick Palmer

Won Chang

Business Planning

Rae Tso

Sy Wellikson

Bus Services Committee

Lucy Shimon

Dick Palmer

Community Activities

Won Chang
Denny Welch

Finance

Rae Tso
Mike Straziuso

Government and Public Relations

Isabel Muennichow
Mike Straziuso

Landscape Committee

Mike Straziuso
Lucy Shimon

Maintenance and Construction

Denny Welch
John Paulus

Security and Community Access

Won Chang
Carol Moore

RESOLVED FURTHER, Resolution 03-10-170, adopted November 16, 2010 is hereby superseded and canceled.

Director Paulus left the meeting at 11:12 A.M.

The Secretary of the Corporation read a proposed resolution establishing a legal inquiry protocol. Director Welch moved to approve the resolution. Director Straziuso seconded the motion and discussion ensued.

By a vote of 9-0-0 (Director Paulus was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-174

WHEREAS, it is an inefficient use of legal counsel's time, billable hours, and ultimately the Mutual's Operating Funds to consult with any one of the 11 Directors on the Board at any given time;

NOW THEREFORE BE IT RESOLVED, October 18, 2011, that the Board of Directors of this Corporation hereby establishes the following legal inquiry protocol:

- All legal inquiries shall be filtered through the Board President who will first advise the Board Members as to the necessity before contacting legal counsel, unless the matter is an emergency;
- The President shall report back to the Board on the results of such contact;
- The President shall have the authority to designate staff or Board member to contact legal counsel on his/her behalf.

RESOLVED FURTHER, that Resolution 03-10-67 adopted May 18, 2010 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 this resolution as written.

Director Paulus returned to the meeting at 11:16 A.M.

Director Freshley made a motion to retain the Select Audit Committee and its Charter. Director Moore seconded the motion and discussion ensued.

Director Straziuso made a motion to refer the matter to the Finance Committee for discussion. Director Welch seconded the motion.

By vote of 6-5-0 (Directors Straziuso, Muennichow, Chang, Tso, and Welch voted in favor and President Wellikson voted in favor to break the tie), the motion carried to refer the matter to the Finance Committee.

The Board discussed smoking related issues and Director Moore recommended that the Board establish a policy to regulate the nuisance.

Director Moore made a motion to invite the United Board members to Third's Board lunches every month to continue open communications with the United Mutual. The motion was seconded and discussion ensued. The motion carried by a vote of 9-1-0 (Director Straziuso abstained).

FINANCE REPORT

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

COMMITTEE REPORTS

Director Lucy Shimon reported from the Landscape Committee.

Director Denny Welch reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution approving trellis removal work

at manor 5336-B. Director Welch moved to approve the resolution. Director Straziuso seconded the motion.

By a vote of 8-1-1 (Director Freshley opposed and the abstention was not recorded), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-175

Trellis Removal Work at 5336-B

WHEREAS, the Mutual previously removed an original trellis structure attached to the garage at Manor 5336-B to perform dry-rot repairs and, due to the member's request, did not replace the trellis structure, and the necessary repairs associated with the original dry-rot situation remain and need to be completed by the Mutual;

NOW THEREFORE BE IT RESOLVED, October 18, 2011, that the Board hereby approves to perform repairs to the exterior of manor 5336-B at the Mutual's expense at an estimated cost of \$1,600 to be charged to the Mutual's existing General Maintenance operating budget; and

RESOLVED FURTHER, that the Mutual shall remove two of the three original concrete trellis footings that remain on the property at 5336-B and, per the member's request, have the third footing located inside the enclosed patio become the responsibility of the member; and

RESOLVED FURTHER, that the Mutual will repair and seal the beam entry points at the garage wall and texture and paint the exterior wall to match existing wall surface; and the Mutual will take reasonable precautions to prevent damage to the member's plants and landscape; and

RESOLVED FURTHER, a no cost Mutual permit will be issued to the Member for the approved alteration defined as the removal of the original trellis structure, and retention of the footing that remains in the enclosed patio and the member will be responsible for all costs associated with reinstalling the trellis structure, if it is so requested in the future; 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.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation of \$15,400 to remove and cap-off the PVC pipe system from elevator sump pumps. Director Welch moved to approve the resolution. Director Straziuso seconded the motion.

Director Freshley left the meeting at 11:54 A.M.

By a vote of 9-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-176

Remove PVC Pipe System from Elevator Sump Pumps

WHEREAS, there are eighty-two elevators in the Garden Villa, Cantenta, and LH-21 style buildings and each elevator has an elevator pit; and

WHEREAS, 24 of said elevator pits used to contain a sump pump used to pump water out of the pit through a PVC pipe system connected to the buildings' rain gutter system; and

WHEREAS, during routine maintenance in 2011, the elevator sump pumps were removed to meet the current State code requirement and in order to further conform to the State code, the remaining PVC pipe systems also need to be removed;

NOW THEREFORE BE IT RESOLVED, October 18, 2011, that the Board hereby authorizes a supplemental appropriation in the amount of \$15,400 to be funded from the Elevator Replacement Fund to remove and cap off the PVC pipe system from elevator sump pumps; and

RESOLVED FURTHER, that the Mutual will perform the repairs first to any buildings that were flooded last year; 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.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation of \$7,500 for consultant services for paint material selection. Director Welch moved to approve the resolution. Director Straziuso seconded the motion and discussion ensued.

By a vote of 9-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-177

Consultant Services for Paint Material Selection

WHEREAS, the Mutual's 10-year Exterior Paint program is near completion, and review of the next paint cycle will begin prior to the 2013 business planning process making it a reasonable time to evaluate paint products offered by various manufacturers with the intent of identifying the most appropriate cycle and products for building exterior application; and

NOW THEREFORE BE IT RESOLVED, October 18, 2011, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$7,500 to be funded from the Unappropriated Expenditures Fund to engage the services of a paint consultant to evaluate paint product options currently available for application in the next cycle of the Mutual's exterior paint program beginning in 2013; 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.

The Secretary of the Corporation read a proposed resolution regarding General Maintenance Expenditures. Director Welch moved to approve the resolution. Director Straziuso seconded the motion.

By a vote of 9-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-178

General Maintenance Expenditures

WHEREAS, an unfavorable year-end variance of approximately \$303,000 is currently anticipated for the overall General Maintenance section of the 2011 Business Plan;

NOW THEREFORE BE IT RESOLVED, October 18, 2011, that the Board of Directors of this Corporation hereby authorizes the continuation of general maintenance programs despite the prediction of an unfavorable variance at year end; and

RESOLVED FURTHER, that the Board authorizes Staff to reclassify approximately \$100,000 of building structure improvements that have been performed this year to the Building Structures category in the Replacement Fund prior to the end of the year; 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 Freshley returned to the meeting at 11:59 A.M.

Director Paulus reported from Resident Problem Resolution Services.

Director Palmer reported from the Traffic Committee.

Director Shimon reported from the Community Revitalization Committee.

GRF Committee Reports

- None.

ADDITIONAL MEMBER COMMENTS

- Pat Feeney (2399-1E) commented on educating residents on member responsibility for manor maintenance.
- Susan Lackey (2321-D) commented on solutions to the parking problem.
- Linda Wilson (816-P) announced the annual Great Shake Out Earthquake Drill to be held on October 20, 2011.
- Bud Nesvig (2392-3H) commented on the epoxy program.

DIRECTORS' COMMENTS

- Director Freshley thanked those residents who re-elected her to the Board.
- Director Palmer commented on his Water Conservation Ad Hoc meeting report.
- Director Paulus commented on the Community's parking issue.
- Director Muennichow encouraged residents to attend committee meetings to voice their concerns and commented on recycling green waste.
- President Wellikson commented on the parking issues.

The Board recessed at 12:21 P.M. and reconvened into Executive Session at 1:14 P.M.

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

During its Regular Executive Session meeting of September 20, 2011 the Board reviewed and approved the minutes of August 16, 2011; heard no disciplinary hearings; approved filing two separate Small Claims Cases of \$2,500 (or less); discussed the legal matters of Elliot Nesvig v. Third Mutual; Gladys Yacoubian v. Third Mutual; and Lee Childress v. Third Mutual; and discussed other member disciplinary and legal matters.

During its Special Executive Session meeting of October 3, 2011 the Board discussed contractual and legal matters.

The Traffic Committee of the Board met in Executive Session on September 28, 2011 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 2:43 P.M.

Isabel Muennichow, Secretary