

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

May 16, 2006

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, May 16, 2006 at 9:00 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Richard Moos, Mark Schneider, Gunter Vogt, James Matson, Robert Hatch, Raymond Gros, Larry Souza, Phyllis Fish, Dominic Burrasca

Directors Absent: George Arnold, Jim Keysor

Others Present: Milt Johns, Patty Fox, Janet Price (9:28 A.M. – 9:56 A.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp

CALL TO ORDER

Director Richard Moos, 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 9:00 A.M.

A moment of silence was held to honor the US Troops serving our country and those in harm's way.

PLEDGE OF ALLEGIANCE

Director Jim Matson led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Cheryl Walker from the Laguna Woods Globe was acknowledged as present, and the LWV Channel 6 Camera Crew were acknowledged as present by way of remote cameras.

APPROVAL OF AGENDA

The Agenda was approved as submitted.

APPROVAL OF THE MINUTES

The Minutes of the Regular Meeting of April 18, 2006 were approved as submitted.

CHAIRMAN'S REPORT – Richard Moos

President Moos commented on the renewal of the Management Agreement, reported on the recently held Special All Boards/All Directors Board Meeting, and commented on letters published in the newspaper.

GENERAL MANAGER'S REPORT

Mr. Johns provided an update on the local developments under review by the Cities of Irvine and Lake Forest both of which require General Plan and Zoning Code amendments.

Mutual Member Jerry Sheinblum (3488-C) addressed Mr. Johns on his report on the Environmental Impact Reports (EIR).

Mr. Johns also updated the Membership on the new corporate records disclosure law, Civil Code §1365.2, statutorily effective July 1, 2006, which provides definition and clarification of members' right to access certain corporate documents. Mr. Johns informed that an early release of documents will take place May 22, 2006 to anticipate and accommodate a large volume of requests.

Ms. Janet Price entered the meeting at 9:28 A.M.

Mutual Members Corkie Eley (2401-2E) commented on the cost to produce the documents and Connie Grundke (2399-3C) inquired on digital electronic files.

TREASURER'S REPORT

Director Bob Hatch reported on the Treasurer's Report and from the Third Finance Committee.

Director Hatch reported on the Mutual's Resale & Lease Activity.

Mutual Members Corkie Eley (2401-2E) commented on the audited Financial Statements, Lucie Falk (3377-A) commented on Third's lease activities, and Jerry Sheinblum (3488-A) commented on the number of rentals.

The Board revisited its Investment Policy by way of Resolution 03-05-33. No action was taken.

Ms. Price left the meeting at 9:56 A.M.

Ms. Wendy Bucknum entered the meeting at 9:56 A.M.

OLD BUSINESS

By way of consensus the Board agreed to add to the agenda 9(b) Update on AB 2851 – Condominium Plan Change.

A motion was made and seconded to remove from the table the motion to approve the new Election Procedures, and the motion carried unanimously. Discussion ensued.

Mutual Member Isabel Muennichow (5285) commented on the resolution.

By way of consensus, the Board agreed to add the words "Alternative One" in the resolution to clarify the procedures, and agreed that the change was not substantial enough to go through the thirty-day notification process again.

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

RESOLUTION 03-06-25

WHEREAS, California Civil Code §1363.03, effective July 1, 2006 regulates the manner in which Common Interest Developments conduct their election process; and

WHEREAS, it is necessary for each corporation to adopt the rules regarding elections;

NOW THEREFORE BE IT RESOLVED, May 16, 2006 that the Board of Directors of this Corporation hereby authorizes staff to administer the election process per *Alternative One* in the subject report titled "Election Procedure" which is attached to the official record of this meeting in the files of this Corporation, and which is in compliance with Civil Code §1363.03, and

RESOLVED FURTHER, that Resolution M3-79-103 adopted November 20, 1979 is hereby superseded and cancelled, and Resolution M3-82-38 adopted March 16, 1982 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.

Ms. Wendy Bucknum provided an update on the amendments to AB 2851 – Condominium Plan Change.

Ms. Bucknum left the meeting at 10:12 A.M.

NEW BUSINESS

No action was taken.

CONSENT CALENDAR

The Consent Calendar was approved and the following actions were taken:

Maintenance & Construction Committee Recommendations:

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|---------|---|
| 2355-3A | Denial of request to retain two satellite dish installations |
| 3391-A | Approval of request to extend patio wall and slab of the back patio, with contingencies |
| 5114 | Approval of request to replace sliding glass door in master bedroom with solid wall and window, with contingencies |
| 5311 | Approval of request to revise approved alterations: enclose common area, install window, and retain double door configuration, with contingencies |

Landscape Committee Recommendations

3270-C	Approval of appeal request for tree removal, with replacement at the Mutual Member's expense
5131	Approval of appeal request for ground cover removal at the Mutual's expense
2227-C	Approval of request for tree removal at the Mutual's expense
2274-B	Approval of request for slope plantings at the Mutual's expense
3179-C	Approval of request for tree removal at the Mutual's expense
5382-B	Approval of request for off-schedule tree removal at the Mutual's expense
5556-B	Approval of request for tree removal at the Mutual Member's expense

Finance Committee Recommendations

No recommendations were made.

COMMITTEE REPORTS

Director Jim Matson reported from the Maintenance and Construction Committee.

A discussion was held relative satellite dish installation requirements on multi-story buildings. Director Matson directed staff to contact DirecTV to investigate such an installation.

Mr. Johns recommended that the discussion be remanded to Closed Session to discuss the formation of third party contracts. The Board agreed.

Mutual Members Mr. and Mrs. Guerra (4005-3B), Connie Grundke (2399-3C), and Bud Nesvig (2392-3H) addressed the board on the installation.

Director Jim Matson reported from the Standards Sub Committee.

Director Ray Gros reported from the Plumbing Ad-Hoc Committee.

Director Phyllis Fish reported from the Landscape Committee.

Director Mark Schneider reported from the Third Long Range Planning Committee.

Director Phyllis Fish reported from Resident Information Services.

Director Ray Gros reported from the Traffic Committee.

Mutual Member Lucie Falk (3377-A) commented on security procedures.

Director Jim Matson reported from the Joint GRF Bylaw Review Ad Hoc Committee and stated that a Corporate Members Meeting has been scheduled to consider the changes on May 31, 2006 at 9:30 A.M.

Mutual Member Corkie Eley (2401-2E) commented on the bylaw voting requirements.

GRF COMMITTEE REPORTS

Director Robert Hatch reported from the GRF Finance Committee.

Director Jim Matson reported from the Maintenance & Construction Committee.

Director Mark Schneider reported from the Community Activities Committee.

Director Mark Schneider reported from the Government and Public Relations Committee.

Director Ray Gros reported from the GRF Security and Community Access Committee.

Mutual Member Corkie Eley (2401-2E) addressed Director Gros on his report.

In Director Jim Keysor's absence, Director Mark Schneider reported from the Broadband Services Committee.

Director Phyllis Fish reported from the Bus Services Committee.

GOOD OF THE ORDER AUDIENCE

- Jerry Sheinblum (3488-C) announced the next CCA Townhall meeting in Clubhouse 5 at 10:00 A.M. regarding managing the community and encouraged the residents to attend and announced the Senior Fraud Fest in June
- Corkie Eley (2401-2E) commented on the yearly budget packets mailed to the members
- Connie Grundke (2214-B) commented on M&C capital appropriations
- Bud Nesvig (2392-3H) commented on long range planning
- Pamela Grundke (2399-3C) announced that the Voice are gathering a memorial basket for the passing of Director Burrasca's wife, announced the next Resident's Voice meeting and its One Year Anniversary Celebration, and indicated that the Directors are invited by invitation only

DIRECTORS

- Director Schneider commented on a standard for satellite dish installation on multi-story buildings
- Director Souza commented on number of rentals in the community
- Director Hatch commented on rental and resale activities and directed staff to analyze a trend
- Director Gros commented on improving the surveillance system around the perimeter of the Community Center
- Director Burrasca commented on a criteria of pricing manors for sale, and thanked everyone for their support and sympathy for the loss of his wife

The meeting recessed at 11:42 A.M. and reconvened into Executive Session at 12:31 P.M.

During its April Regular Executive Session Meeting, the Board approved the minutes of the Regular Executive Session of March 21, 2006; discussed member disciplinary and contractual issues; and reviewed the Litigation Status Report.

The Traffic Committee of the Board met in Executive Session in April to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 3:31 P.M.

Gunter Vogt, Secretary