



## **OPEN MEETING**

### **REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL RESIDENT POLICY AND COMPLIANCE COMMITTEE**

**Tuesday, August 27, 2024 – 9:30 A.M.  
24351 El Toro Road, Laguna Woods, CA 92637  
Board Room and Virtual with Zoom**

Laguna Woods Village owner/residents are welcome to participate in committee meetings in-person and virtually. To submit comments or questions virtually for committee meetings, please using one of following options:

1. Join the Committee meeting via Zoom at: <https://us06web.zoom.us/j/84903327041> or by dialing 669-900-6833 Access Code: 849 0332 7041
2. Via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and manor number must be included.

### **NOTICE AND AGENDA**

*This Meeting May Be Recorded*

1. Call Meeting to Order
2. Approval of the Agenda
3. Approval of the Meeting Report for July 23, 2024
4. Remarks of the Chair
5. Member Comments (Items Not in the Agenda)
6. Response to Member Comments
7. Department Head Update
8. Items for Discussion and Consideration:
  - a. Lease Limit Waitlist Policy
  - b. Rules for Board Meetings
9. Future Agenda Items: *All matters listed under Future Agenda Items are items for a future committee meeting. No action will be taken by the committee on these agenda items at this meeting.*
  - a. Caregiver Policy
  - b. Impacts of Implementing a New Lease Limit in Third Mutual to 25%
10. Committee Member Comments
11. Date of Next Meeting: Wednesday- September 25, 2024

\*A quorum of the Third Board or more may also be present at the meeting.

Mark Laws, Chair  
Blessilda Wright, Staff Officer  
Telephone: 949-597-4254





**REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
RESIDENT POLICY AND COMPLIANCE COMMITTEE**

Tuesday, July 23, 2024 at 9:30 A.M.  
Board Room/Virtual Meeting  
Laguna Woods Village Community Center  
24351 El Toro Road, Laguna Woods, CA 92637

**MEMBERS PRESENT:** Mark Laws – Chair, Cris Prince, Moon Yun, and Reza Karimi (who arrived at 9:31am)

**MEMBERS ABSENT:** Nathaniel “Ira” Lewis

**ADVISORS PRESENT:** Stuart Hack and Theresa Keegan

**ADVISORS ABSENT:** None.

**STAFF PRESENT:** Blessilda Wright, Ruby Rojas, Jeff Spies and Patty Kurzet

**OTHERS PRESENT:** None.

**1. Call to Order**

Mark Laws, Chair, called the meeting to order at 9:30 a.m.

**2. Approval of Agenda**

Chair Laws advised to remove agenda item 8C: Third Mutual Traffic Rules and Regulations, as there was nothing to discuss regarding these rules that have been placed on 28-day notice for member comment by the full Third Board.

Director Prince made a motion to approve the Agenda as amended. Chair Laws seconded the motion.

By unanimous consent, the motion passed.

**3. Approval of Meeting Report**

Director Prince made a motion to approve the June 25, 2024 Meeting Report. Director Yun seconded the motion.

By unanimous consent, the motion passed.

**4. Remarks of the Chair**

None.

**5. Members Comments (Items Not on Agenda)**

A member made a comment regarding the GRF traffic hearing process. Another member commented on a neighbor dispute/noise issue.

**6. Response to Members Comments**

The member with GRF traffic issues was advised to relay his comments at the appropriate GRF meetings. Compliance explained the process for the handling of noise-related issues.

**7. Department Head Update**

None.

**8. Items for Discussion and Consideration (Items were taken out of order)**

**a. Lease Limit Waitlist Policy**

Mr. Jeff Spies, Community Services Manager, presented the Lease Limit Waitlist Policy for discussion. The Committee discussed the matter and asked questions.

By consensus the Committee tabled the matter and requested Chair Laws to meet with staff to address his questions and refine the process before bring it forward to the committee for additional consideration.

**b. Impacts of Implementing New Lease Limit in Third Mutual to 25% (Oral Discussion)**

Mr. Spies presented the New Lease Limit for discussion. The Committee discussed the matter and asked questions.

By consensus the Committee elected to table the matter for further review.

Mr. Spies and Ms. Patty Kurzet, Membership Services Coordinator, left the meeting at 10:32 a.m.

**c. Third Laguna Hills Mutual Traffic Rules and Regulations**

The Committee elected to remove the item from the agenda.

**9. Items for Future Agendas**

**a. Caregiver Policy**

**10. Committee Member Comments**

None.

**11. Date of Next Meeting**

Tuesday, August 27, 2024 at 9:30 a.m.

**12. Adjournment**

With no further business before the Committee, the meeting was adjourned at 10:33 a.m.

Mark W. Laws

Mark W. Laws (Jul 31, 2024 12:38 PM)

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Mark W. Laws, Chair  
Resident Policy and Compliance  
Committee of the Third Laguna Hills  
Mutual Board of Directors





## STAFF REPORT

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**DATE:** August 27, 2024  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Lease Eligibility Request Application

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### **RECOMMENDATION**

Staff recommends approval of the Lease Eligibility Request Application for member/owners to fill out to be placed on a waiting list should Third's leasing cap exceed 30%.

### **BACKGROUND**

On April 21, 2020, the Board of Directors adopted its Leasing Cap and Lease Waiting List Policy which established a 30% leasing cap (1,831 units) (Attachment 1). The cap of active leases enables members and prospective members to obtain more favorable loans, maintain a positive member-tenant ratio within the community, and stabilizes the pool of resident members who are eligible to assist with governance of the Community. For the past four years, the lease rate has fluctuated between 27.6% to 29.3%. The average lease percentage for the past year is 28.88%.

On April 23, 2024, the Resident Policy and Compliance Committee directed staff to draft procedures on how to manage the waiting list and provide associated costs to administer the process if/when the leasing cap reaches 30%.

### **DISCUSSION**

In the event the leasing cap is reached, a member/owner will be required to submit a Lease Eligibility Request Application (Attachment 2) in order to be placed on a waiting list. At such time the number of leases falls below the 30% cap and the member's name is first on the waiting list, the member will have 90 days from staff's written notice that the member is eligible to lease to submit a complete Lease/Rental Authorization Application. After 90 days from the notice of eligibility to lease, the member's eligibility to lease will expire, and the member must submit a new request for eligibility and be placed at the bottom of the waiting list.

It should be noted that the proposed Lease Eligibility Request Application does not reflect a new policy that requires a 28-day comment period.

### **FINANCIAL ANALYSIS**

Staff estimates that the cost of labor to administer the waiting list would increase by approximately \$20 per application.

**Prepared By:** Patty Kurzet, Membership Services Coordinator

**Reviewed By:** Jeff Spies, Community Services Manager

### **ATTACHMENT(S):**

Attachment 1: Current Leasing Cap and Lease Waiting List Policy  
Attachment 2: Proposed Lease Eligibility Request Application  
Attachment 3: Resolution 03-24-XX



**Leasing Cap and Lease Waiting List Policy  
Resolution 03-20-26; Adopted April 21, 2020**

**I. Purpose**

Third Laguna Hills Mutual (“Third”) authorizes Members, as defined in the CC&Rs, to lease their manors, subject to the restrictions and procedures in Third’s Governing Documents, including without limitation, the Operating Rules and any policy duly adopted by the Board. The current procedures relating to Lease Authorization are contained in Third’s Lease Policy, as may be amended from time to time. Notwithstanding the right of Members to lease their manors, Third has in place a limit on the total number of manors that may be leased at any given time, which is thirty percent (30%) of the total number of manors in Third (the “Leasing Cap”).

The purpose of this document is to set for the Leasing Cap and Waiting List Policy (the “Policy”), which supplements the Lease Policy by providing additional procedures relating to eligibility of Members to lease their manors once the Leasing Cap is reached.

**II. Restriction on Number of Units Leased; Leasing Eligibility**

Pursuant to the Leasing Cap, no more than thirty percent (30%) of the manors in Third shall be leased at any given time.

A Member desiring to lease his or her manor must submit to Third a written lease eligibility request for approval of eligibility of the Member to lease his or her manor based on the total number of manors currently leased in Third. No Member will be eligible to lease his or her manor or to submit a Lease Authorization Application prior to receiving written notice of eligibility to lease from Third through an authorized VMS staff member.

Third will respond to any Member’s written request for eligibility to lease the Member’s manor within ten (10) business days of the written submittal of such request to Third.

Third will deny a Member’s request for eligibility to lease the Member’s manor if the number of currently leased manors, plus the number of manors for which other Members have received approval to lease but which are not yet leased, plus the Member’s manor (the “Leased Unit Calculation”) exceeds thirty percent (30%) of the manors in Third. In such event, the Member will be notified in writing of such denial and placed on the lease waiting list, as further described below.

If the Leased Unit Calculation does not exceed thirty percent (30%) of the manors in Third, Third will notify the Member that his or her manor is eligible to lease, and that the Member has ninety (90) days to submit a complete Lease Authorization Application in accordance with the Lease Policy. After ninety (90) days from the notice of eligibility to lease, the Member’s eligibility to lease will expire, and the Member must submit a new written request for eligibility.

### **III. Waiting List**

In the event a Member's request for approval to lease is denied because the Leased Unit Calculation exceeds thirty percent (30%), the Member shall be placed on a waiting list maintained by Third, and the Member shall be given an opportunity to submit a Lease Authorization Application to lease his or her manor when such Member's name is first on the waiting list and the Leased Unit Calculation no longer exceeds thirty percent (30%) of the manors in Third. The Member will be contacted by Third in writing when such Member is eligible to lease his or her manor.

If a Member has received notice that such Member is eligible to lease his or her manor, that Member must submit a complete Lease Authorization Application in accordance with the Lease Policy within ninety (90) days of the notice of eligibility to lease. If the Member fails to submit a complete Application within ninety (90) days of the date of notice of lease eligibility, the Member's eligibility to lease shall expire. In such event, the Member shall be required to submit a new written request for eligibility to lease his or her manor in accordance with the foregoing provisions; and, if there is a waiting list, the Member will be placed at the end of such waiting list.

Members who are currently leasing their manors will continue to be eligible to lease their manor for ninety (90) days after the expiration or termination of the current Lease Authorization. If a Lease Authorization for an approved lease of a Member's manor expires or terminates and the Member does not submit a new, complete Lease Authorization Application (in accordance with the requirements of the Lease Policy) for a new lease for the Member's manor within ninety (90) days of the expiration or termination of the prior Lease Authorization, the Member's eligibility to lease his or her manor shall expire. In such event, the Member shall be required to submit a new written request for eligibility to lease his or her manor in accordance with the foregoing provisions of this Policy.

### **IV. Exemptions; Enforcement**

Upon written request by a Member for eligibility to lease his or her Unit, the Board shall be authorized and empowered, in its sole and reasonable discretion, to grant a hardship exemption for the Member with respect to the Leasing Cap. For purposes of this Policy, a "hardship" shall be defined as the need of a Member to lease his or her manor as a result of an unforeseeable event and/or because enforcement of the Leasing Cap against the Member could reasonably subject the Member to suffer a severe financial difficulty.

If a Member submits a Lease Authorization Application in accordance with the Lease Policy without first requesting and receiving written approval for eligibility to lease, the Application will be rejected and the fee returned, with instructions for the Member to first obtain written approval of eligibility to lease.

If a Member leases his or her manor without approval from the Board, or is otherwise in violation of the provisions of this Policy or the Lease Policy, the Member shall be subject to disciplinary measures, including, but not limited to: (A) a monetary penalty in an amount to be determined by the Board; (B) other disciplinary measures; and/or (C) a reimbursement assessment in an amount equal to the costs incurred by Third related to addressing such violation, including, without limitation, attorneys' fees and costs, irrespective of whether Third is able to obtain a court order to evict the tenant or otherwise effectuate the legal eviction of the non-compliant tenant from the Member's manor.



### Lease Eligibility Request Application

On April 21, 2020, by way of Resolution 03-20-26, Third Laguna Hills Mutual (Third) adopted its leasing cap and lease waiting list policy which established a 30% leasing cap (1,831 units). Should the leasing cap reach 30%, member/owners who purchased a unit on or after April 21, 2020, will be placed on a waiting list to lease their unit.

Please complete the application below to be placed on a lease waiting list. Waitlist requests are processed on a first-come, first-served basis, established by the date and time the application is accepted by the Leasing Office. Once a member/owner reaches the top of the waiting list and the leasing cap no longer exceeds 30%, the member/owner (or authorized agent for the member/owner) will be notified in writing of eligibility to proceed with the process.

The member/owner will have 90 days from the written lease eligibility notification to submit a complete and accurate Lease/Rental Authorization Application. If the eligible member/owner fails to submit a complete application within the specified time period, the member/owner's eligibility to lease will expire; the member/owner will lose eligibility and must submit a new request for eligibility and shall be placed at the bottom of the waiting list.

**The Leasing Cap and Lease Waiting List Policy is located at**  
[www.lagunawoodsvillage.com/documents/Leasing-Cap-and-Lease-Waiting-List-Policy](http://www.lagunawoodsvillage.com/documents/Leasing-Cap-and-Lease-Waiting-List-Policy)

**Member Name 1** (print) \_\_\_\_\_

**Member Name 2** (print) \_\_\_\_\_

**Unit Address** \_\_\_\_\_

**Email Address** \_\_\_\_\_

**Phone Number** \_\_\_\_\_

#### Eligibility Criteria

Please initial the appropriate items below to confirm the following eligibility criteria are met:

1. \_\_\_\_\_ I am a member/owner of Third Laguna Hills Mutual.
2. \_\_\_\_\_ I understand that placement on the waiting list does not guarantee me the opportunity to lease my unit.

3. \_\_\_\_\_ I understand that if I am placed on the waiting list, I will not be able to lease my unit until my name reaches the top of the list and the leasing cap no longer exceeds 30%.
4. \_\_\_\_\_ I understand that being in violation of any Third rules or regulations within the past 12 months may affect my eligibility to lease.
5. \_\_\_\_\_ I understand that staff will notify me in writing, via email and/or other means when I am eligible to submit a complete and accurate Lease/Rental Authorization Application.
6. \_\_\_\_\_ I understand that if I fail to submit a complete and accurate Lease/Rental Authorization Application within 90 days of staff's written notice of my/my authorized agent's eligibility, I must submit a new lease eligibility application; if there is a waiting list, my name will be placed at the bottom of such waiting list.
7. \_\_\_\_\_ I understand that any Lease/Rental Authorization Application (new, renewal or extension) is subject to approval by Third or its authorized agent.

### **Acknowledgment**

By signing below, I acknowledge that the information provided in this application is true and accurate to the best of my knowledge. I understand that any false or misleading information may result in the rejection of my eligibility request.

\_\_\_\_\_  
Member / Owner/ Authorized Agent

\_\_\_\_\_  
Member / Owner / Authorized Agent

Date Signed \_\_\_\_\_

Date Signed \_\_\_\_\_

Return completed Lease/Rental Authorization Application to the Leasing Office at the Laguna Woods Village Community Center, 24351 El Toro Road, Laguna Woods, CA 92637; leasing@vmsinc.org; 949-597-4323; mailing address P.O. Box 2220, Laguna Hills, CA 92654-2220.

#### **OFFICE USE ONLY**

RECEIVED DATE: \_\_\_\_\_

TIME RECEIVED: \_\_\_\_\_



**RESOLUTION 03-24-XX**

**Lease Eligibility Request Application**

**WHEREAS**, on April 21, 2020, the Board adopted Resolution 03-20-26 which established that a maximum of thirty percent (30%) of the units may be leased at any given time (the “Leasing Cap”) in addition to adopting waiting list procedures once the leasing cap is reached; and

**WHEREAS**, the number of units leased has remained below the Leasing Cap, however the number of leased units has steadily risen and may soon reach the Leasing Cap; and

**WHEREAS**, given the approach of the number of leased units to the Leasing Cap, the Board has determined that it would be in the best interests of Third to adopt an application for members to fill out and submit to be placed on a waiting list once the Leasing Cap has been met;

**NOW, THEREFORE BE IT RESOLVED**, September 17, 2024, that the Board of Directors hereby adopts the attached Lease Eligibility Request Application for members/owners to be placed on a waiting list if/when the Leasing Cap reaches 30%; and

**RESOLVED FURTHER**, that the waiting list shall only apply to those who purchased their unit on or after April 21, 2020 and wish to start leasing out their unit; 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.



## STAFF REPORT

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**DATE:** August 27, 2024  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Rules for Board Meetings

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### **RECOMMENDATION**

Staff recommends amending the Rules for Board Meetings.

### **BACKGROUND**

On January 15, 2013, the Board established Rules for Board Meetings to ensure the management of the community's affairs are carried out professionally and in adherence with the provision of the Davis-Stirling Act (Resolution 03-13-04). Since the adoption, the Rules for Board Meetings has been revised four times (Resolution 03-14-04, January 21, 2014, Resolution 03-20-80, November 17, 2020, Resolution 03-22-134, December 20, 2022 and Resolution 03-24-76, July 16, 2024).

The Rules for Board Meetings Policy is to provide Directors and Members the rules and expectation for a successful, efficient and orderly Board meeting.

### **DISCUSSION**

Staff requested clarification regarding the Sample Agenda and Executive Session agenda packet. It is recommended no changes be made to the Sample Agenda list as it provides a templet for boards for items to keep or remove from the agenda.

The current Rules for Board Meeting Policy states: Executive Session agenda packets will not be distributed via electronic form. However, since 2020 the Executive Session packet has been distributed via electronic form with a notice in the email body stating the packet is Confidential and should not be distributed.

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Francis Gomez, Operations Manager

### **ATTACHMENT(S)**

Attachment 1: Rules for Board Meetings – Redline

Attachment 2: Rules for Board Meetings - Clean

Attachment 3: Resolution 03-24-XX, Rules for Board Meetings



**RULES FOR BOARD MEETINGS**  
**Resolution 03-24-76; Amended July 16, 2024**

**I. INTRODUCTION**

Successful, efficient and orderly Board meetings benefit everyone in the community. Manor owners (“Members”) have the right to observe the open board meetings and are encouraged to attend, but meetings which are disorderly or too long can be discouraging.

These Rules inform both Director and non-Director as to what is expected of all attending Board meetings, and how meetings are conducted. The goal is orderly and efficient meetings, protection of Owners’ right to observe productive deliberations, and enhancement of the governance and the membership experience in Third Laguna Hills Mutual (“Third”).

**II. BOARD MEETINGS**

**A. Regular Board Meetings**

Notice of the date, time and location of regular Board meetings will be provided by posting in the Clubhouse kiosks and the community center bulletin board and on the web site a minimum of four days before the meeting is to take place. Board meetings are open to all Mutual Members to attend and observe. Non-Members may attend only at the discretion of the Board of Directors.

Normally, regular Board meetings are held in the morning on the third Tuesday of each month. However, four days posted advance notice is always given of all open Board meetings except in case of emergency. Regular Board meetings are normally held in the Board Room on the ground floor of the Community Center at 9:30 a.m., in accordance with Civil Code § 4920. Notice of Board Meetings.

**B. Special Meeting or Altering Location, Date or Time**

If a special Board meeting is called or if the location, date or time of a Board meeting is to be changed, all Members will be notified at least four days prior to the meeting by posting in the Clubhouse kiosks and the community center bulletin board and on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice, in accordance with Civil Code § 4923. Emergency Board Meetings

**C. Attendance**

Members may attend Board meetings, but Executive Session meetings are

closed. **A “Member” is not a tenant, guest, family, or legal counsel of the Member.**

**D. Agendas**

1. **Preparation.** Agendas are prepared by the President<sup>1</sup>, in cooperation with management staff. At least one week prior to a Board meeting, the President will inquire if any Director requests inclusion of an agenda item. The Chair may also call a Board meeting for the purpose of setting the regular Board meeting agenda.
2. **Request for inclusion.** A Director may request an item be included in an agenda, by submitting the action requested and an explanation of the reason for the request. A Director requesting an agenda item is responsible to present that item to the Board with supporting information if the item is included in the agenda.
3. **Rejected agenda items.** The Chair with the assistance of Management Staff shall include a requested item in the agenda unless the item:
  1. Has no suggested action;
  2. Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
  3. Must be discussed in Executive Session;
  4. Would make the agenda unduly lengthy (and so will be on the next agenda);
  5. Is sent first to a committee for recommendation; or
  6. Is, based on the advice of legal counsel, proposing action barred by law.
4. **Board request for agenda item.** Notwithstanding the foregoing, if an agenda item is requested in writing or by electronic mail by at least six Directors, the Chair shall include it in the Agenda for the open meeting or the Executive Session meeting, depending upon the item.
5. **Member Request for Agenda Item.**
  - a) A Member may request the President in advance that a topic be added to the agenda, but the President with the assistance of Staff will determine whether a requested topic will be included in the agenda.
  - b) A topic will also be added to the agenda if at least one week prior to the scheduled Board meeting, the Chief Executive Officer (CEO) or Staff receives a petition signed by at least twenty five different Members entitled to vote.
  - c) The requested agenda topic must still meet the standards of Rule IID.3 above.

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<sup>1</sup> Any action to be taken by the President may be taken by the First Vice President or the next officer in order as stated in the By-laws if the President is unable to attend or participate.

- d) A Member who has requested an agenda item which is placed on the agenda ("Requesting Member"), may speak to the item during Open Forum, or at the election of the Chair, may present the topic to the Board immediately before the Board begins its deliberation of the item (assuming there is a Motion from the Board after the Requesting Member speaks). The Requesting Member may speak on the matter for up to five minutes. Only one person may be considered the "Requesting Member" for the purpose of addressing the Board. The Board may by motion give the Requesting Member more time to speak.
6. **Publication, agenda packets.** Agendas will be published at least four days prior to any non-emergency Board meeting. The Board will receive a board packet (also referred to as "agenda package"), prepared by management staff, at least four days prior to the meeting, and may be transmitted electronically upon request. To make the meeting more efficient, Directors should read the board packet prior to arriving at the meeting.
7. **No discussion of matters not disclosed on agenda.** The Board may not discuss subjects which are not on the agenda unless the matter is determined by a majority of the Board to involve an emergency, or unless the matter arose prior to the meeting but after the agenda was published and at least eight Directors concur that the matter requires immediate action.

**Sample agenda.** The following is a typical Agenda:

1. Call Meeting to Order
2. Pledge of Allegiance
3. Approval of the Agenda
4. Approval of the Minutes
5. Report of the Chair
6. Update of VMS Board
7. Open Forum (Three Minutes per Speaker)
8. Responses to Open Forum Speakers
9. CEO Report
10. Consent Calendar
11. Unfinished business
12. New Business
13. Third Mutual Committee Reports
14. GRF Committee Highlights
15. Future Agenda Items
16. Director's Comments
17. Recess
18. Adjournment

**E. Committees: Reports, Meetings**

1. If the Bylaws provide for standing committees or if the Board from time to time establishes committees, committee reports may be submitted to the Board prior to the meeting for review. If the committee recommends any Board action, the report should also indicate the reasons it is recommended. If possible, the committee Chair or a Member of the committee should present the report.
2. A committee consisting of six or more Directors, or including at least six Directors in its roster, shall conduct its meetings in the same manner as a Board meeting, with agendas, minutes, Open Forum, and in compliance with all other requirements applicable to Board meetings.
3. A committee consisting of both Directors and non-Directors but which has less than six Directors may, but is not required to, conduct its meetings in the same manner as a Board meeting, but shall prepare and submit a report to the Board prior to the agenda publication, including any recommended action.
4. Any committee reports will be included in the board packets if they are timely submitted. Committee reports which do not contain a request for action will be noted in the minutes as “received.”
5. A committee request for action shall be placed by the Chair or staff on the agenda, so long as it complies with Rule D.3.
6. Directors, upon presentation of a committee report, may ask questions about the report, but may not deliberate about the report unless that subject was timely placed on the agenda for deliberation and possible action in that meeting.

**F. Open Forum**

The Open Meeting Act, Civil Code §§4900-4950, provides that Board meetings are open to Members. A “meeting” under the law is “a congregation of a majority of the Members of the board at the same time and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.” The Board thus may not exclude Members from attending, absent discipline imposed as provided herein. The only exception is for Executive Session as discussed further below.

1. **Time for Open Forum.** Open Forum will normally occur at the beginning of the Board meeting. The agenda may also provide for a second Open Forum time at the end of the agenda. The Board may by motion re-open Open Forum on a specific agenda item, or reschedule Open Forum within the agenda.

2. **Member's Right to Speak.** Open Forum is a valuable and legally required portion of every open Board meeting. Open Forum is the opportunity for the Member to inform the Board of matters which may not be known.
- a) During Open Forum, a Member may speak to the Board on any topic not on the agenda. The purpose of Open Forum is to inform the Board of viewpoints or information of which the Board may not be aware regarding Third. Therefore, although a Member may use their time to speak upon any topic of interest to the Member, Members are advised that the Board may not be as attentive to comments on matters outside the Board's jurisdiction.
  - b) At the time designated on the agenda for Open Forum, the Chair shall ask the Members present to raise their hand if they wish to speak in Open Forum or fill out a speaker card. In order to give all Members an opportunity to speak at meetings, and to control meeting length, each Member may speak for a maximum of three minutes. In the event more than ten Members indicate a desire to speak, the time limit per speaker shall be shortened to two minutes per speaker.
  - c) Open Forum is the time for Members to speak and provide additional opinions and viewpoints to the Board, and is not a time for the Board to speak. Directors will listen and not respond or otherwise interrupt a speaker at Open Forum, so long as the speaker is within these Rules and time limits. A response, if any, by a Director or staff to an Open Forum remark or question shall be after the close of Open Forum. The Chair may appoint a Director or Staff-person as timekeeper.
  - d) So long as the Open Forum comments comply with these Rules, neither staff, the Chair, nor other Director shall interrupt the speaker.
  - e) The statements made by Members in Open Forum are not the position of Third, and Third takes no responsibility as to the content of Open Forum comments. At the beginning of Open Forum, the Chair shall remind all attending as to these Rules regarding Open Forum.
3. **Open Forum During Agenda Item Discussions.**
- a) During the Board deliberations of a matter, and when the Chair at the Chair's sole discretion determines there has been sufficient discussion to inform the attendees in the audience of the issue, the Chair will inquire if any Members in the audience wish to speak to the motion at hand.
  - b) If the Chair sees any hands raised indicating a desire to speak or fill out a speaker card, Open Forum will be reopened on the issue, and the Members indicating a desire to speak to the topic may speak for up to three (3) minutes on the specific agenda item.
  - c) Off-topic commentary will not be permitted, but so long as the speaker complies with the Rules, neither the Chair nor any Director will

interject or otherwise interrupt during the speaker's remarks.

- d) The Chair in its sole discretion may reduce the time per speaker to two (2) minutes on an issue, if the Chair deems it necessary to insure that all who wish to speak have the opportunity to do so.
  - e) A Member (or co-Owner of a Member) shall only speak once on a given agenda item.
  - f) Once the Chair determines that all have spoken who wished to speak, or that no one has indicated a desire to speak, the Chair shall announce Open Forum is again closed, and the Board shall resume and conclude its deliberations on the item.
4. **Re-opening of Open Forum.** If an issue on the Agenda is deemed by the Board to require further Membership input, the Board may by majority vote re-open Open Forum, to allow Members to speak to the pending subject. If Open Forum is reopened, Members may speak for up to two minutes each. Upon completion of such Membership input, in compliance with Open Forum Rules, the Board will then close Open Forum and resume deliberating the subject.
5. **Member Observation of Deliberations.** Except for Open Forum, Members may not speak to the Board, and shall quietly observe Board deliberations except for those in Executive Session. Members do not vote or make motions at Board meetings, as only Directors vote at Board meetings. Applause, boos, or other audible response to Board deliberations or decisions is out of order.
6. **Addressing the Board During Open Forum.** When speaking, the Member will identify Member's name and Manor, and will stand at the speaker's podium if physically able to stand, and will address the Board, not the audience.

**G. Meeting Conduct**

Directors, Members and anyone else permitted to attend the meeting will conduct themselves in a reasonable manner. The following conduct is strictly prohibited:

- 1. Profane or obscene language;
- 2. Slurs involving race, religion, ethnicity, gender, sexual orientation, gender identity, or age;
- 3. Shouting or yelling;
- 4. Physical threats, including non-verbal communications such as gestures or using body language in such a way as to intimidate;
- 5. Pounding on table or throwing items; and
- 6. All other unreasonable and disruptive behavior which does not allow Members to peacefully observe the proceedings, or which otherwise impedes the ability

of the Board to peacefully conduct its deliberations and the Members to peacefully observe those deliberations.

Directors will also refrain from making comments which:

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#### **H. Violation of Rules**

Anyone (Member or Director) violating these Rules during a meeting may be:

1. First warned by the Chair,
2. Then warned by majority vote of the Board, and
3. Then by majority vote of the Board asked to leave the meeting.

In the event a person refuses to leave after the Board votes to eject the individual, the meeting shall be recessed until such time as security and/or law enforcement can be summoned to assist or until the person voluntarily leaves.

The Board may schedule a disciplinary hearing to determine whether a Member will as a result of violation of these Rules be suspended from attending one or more future Board meetings as well as any other appropriate disciplinary measures.

A non-Member who is permitted to attend but disrupts a Board meeting may be ejected by the Chair or upon majority Board vote without warning.

#### **I. Parliamentary Procedure**

Meetings will generally follow "Robert's Rules of Order." In brief, there should be no discussion on an item unless and until motion is made and there is a second to the motion. A motion is a proposal that the Board takes a stand or takes action on some issue. Only Directors can make motions.

The Resolution or motion recommended by a Committee report shall be considered as a motion and need not have a second for discussion to commence, so long as the recommendation has been stated on the agenda at

least four days in advance of the meeting, absent emergency.

The Chair, normally the President, may call for a motion or, if temporarily passing the gavel, may make a motion. If there is no second to a motion, the issue is dropped. If a motion receives a second, then the Chair will ask for debate and discussion. Fair play, courtesy and cooperative behavior is preferred over strict compliance with Robert's Rules.

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The proceedings of Board meetings shall not be electronically recorded, except by "Village TV". Any other recording devices (audio, video or photographic) at Board or committee meetings are forbidden. The proceedings of such meetings shall be recorded in the minutes of the meeting. Minutes of Board meetings are prepared by the Secretary or, if the Board directs, by a Recording Secretary who need not be a Director. Minutes shall record actions taken, but shall not record general commentary or statements by Directors, or comments during Open Forum.

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1. Directors will deliberate topics only when on an agenda, except for emergency matters<sup>2</sup>, and when a motion has been made and seconded by a Director, Unless a Director is only asking a question, Directors will indicate at the beginning of their remarks if they speak for or against the pending motion.
2. Generally, the motion initiating discussion should be made by the Director requesting the item to be placed on the agenda.
3. Directors shall:
  - a) Cooperate to keep their remarks on the topic of a motion,
  - b) Speak to each other,
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1. The Chair shall be the President of Third, if present at the meeting, unless the Chair passes the gavel temporarily to the First Vice President. If the First Vice President is unavailable, then the Second Vice President may serve as Chair. If neither the President, First or Second Vice President are in attendance, then the Secretary or Treasurer may serve as Chair.
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6. Any Director also may move the previous question, which is not debatable, and requires a two-thirds vote to conclude deliberations so that the matter being deliberated may be voted upon.

**III. EXECUTIVE SESSION**

**A. Purpose of Executive Session**

Executive Session meetings allow the Board of Directors to address issues of sensitive nature, which may involve attorney client privilege or other privacy rights. It is important that all information discussed and disclosed at these

sessions remain private.

The Board may meet in Executive Session only on the following subjects:

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The notice should state that the only item of business to come before the Board will be held in Executive Session and that no issues will be discussed in open session.

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Due to the sensitive nature of the subjects discussed in closed session, Directors will return their Executive Session agenda packets to management staff immediately upon adjournment of the meeting, or when they depart from the meeting, whichever occurs first. The Secretary, Treasurer and Committee Chair and Co-chair may retain the agenda packet. ~~Executive session agenda packets will not be distributed to Directors in electronic form.~~

## **IV. CLOSED SESSION HEARINGS**

The Mutual conducts its disciplinary hearings, reimbursement claim hearings,

Member Requested Hearing and Meet and Confer/Internal Dispute Resolutions in closed session. The following rules are to inform both Member(s) and Directors regarding how these hearings are conducted.

A. Notification

If the Mutual is considering discipline or pursuing a reimbursement claim against a Member, it will first provide written notification to the Member, of a hearing to be held by the Board to consider the matter, at least ten days after the date the notification is sent to the Member. The notification will inform the Member the nature of the alleged violation or reimbursement claim.

If the member submits a written request for Member Requested Hearing with the Mutual. The purpose of a Member Requested Hearing is to allow the member to request an exemption to the governing documents or has a request that may not specifically be covered by the governing documents. The Mutual will send written notification to the Member, of a hearing to be held by the Board to consider the matter.

B. Attendance

A Member being considered for discipline or a reimbursement claim may attend the hearing to address the Board regarding whether the Board should impose discipline or pursue reimbursement. The Member may bring written witness(es) statements. The Member may not bring legal counsel to Executive Hearings Committee meeting only the regular closed session Board meeting. At the discretion of the Chair the alleged party may attend the hearing. The Member being considered for discipline or reimbursement claim may not observe the Board's deliberation of the matter. A Member may provide a written statement as a substitute for personally appearing at the hearing.

A complaining Member may provide a written statement to the Board. The complaining Member will not be permitted to hear the Board's deliberation or the presentation by the Member being considered for discipline.

C. Addressing the Board

A Member being considered for discipline or reimbursement claim may speak to the Board for a maximum of five minutes of uninterrupted time. Then the Board will have five minutes to ask questions for a total of 10 minutes. If a Member brings supporting documentation, it is suggested the Member bring one copy for staff, one copy for Mutual legal counsel, and 11 copies for the Board. If a Member brings supporting witnesses and/or alleged party, an additional five minutes can be added to the Member's time.

Members addressing the Board should be prepared and organized for the hearing, to maximize their allotted time.

The Member Requested Hearing may speak to the Board for a maximum of 10 minutes of uninterrupted time. The Board will have 10 minutes to ask questions. Then the Member and Board will have a 10 minutes discussion on the Member's request for a total time of 30 minutes. If a Member brings supporting documentation, it is suggested the Member bring two copy for staff, and 4 copies for the Board.

D. The Board's Decision

The Board will notify the Member being considered for discipline or reimbursement claim or Member Requested Hearing within fifteen (15) days of the hearing. The Board will not notify other Members of the Board's decision, which shall remain confidential.



**RULES FOR BOARD MEETINGS**  
**Resolution 03-24-76; Amended July 16, 2024**

**I. INTRODUCTION**

Successful, efficient and orderly Board meetings benefit everyone in the community. Manor owners (“Members”) have the right to observe the open board meetings and are encouraged to attend, but meetings which are disorderly or too long can be discouraging.

These Rules inform both Director and non-Director as to what is expected of all attending Board meetings, and how meetings are conducted. The goal is orderly and efficient meetings, protection of Owners’ right to observe productive deliberations, and enhancement of the governance and the membership experience in Third Laguna Hills Mutual (“Third”).

**II. BOARD MEETINGS**

**A. Regular Board Meetings**

Notice of the date, time and location of regular Board meetings will be provided by posting in the Clubhouse kiosks and the community center bulletin board and on the web site a minimum of four days before the meeting is to take place. Board meetings are open to all Mutual Members to attend and observe. Non-Members may attend only at the discretion of the Board of Directors.

Normally, regular Board meetings are held in the morning on the third Tuesday of each month. However, four days posted advance notice is always given of all open Board meetings except in case of emergency. Regular Board meetings are normally held in the Board Room on the ground floor of the Community Center at 9:30 a.m., in accordance with Civil Code § 4920. Notice of Board Meetings.

**B. Special Meeting or Altering Location, Date or Time**

If a special Board meeting is called or if the location, date or time of a Board meeting is to be changed, all Members will be notified at least four days prior to the meeting by posting in the Clubhouse kiosks and the community center bulletin board and on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice, in accordance with Civil Code § 4923. Emergency Board Meetings

**C. Attendance**

Members may attend Board meetings, but Executive Session meetings are

closed. **A “Member” is not a tenant, guest, family, or legal counsel of the Member.**

**D. Agendas**

1. **Preparation.** Agendas are prepared by the President<sup>1</sup>, in cooperation with management staff. At least one week prior to a Board meeting, the President will inquire if any Director requests inclusion of an agenda item. The Chair may also call a Board meeting for the purpose of setting the regular Board meeting agenda.
2. **Request for inclusion.** A Director may request an item be included in an agenda, by submitting the action requested and an explanation of the reason for the request. A Director requesting an agenda item is responsible to present that item to the Board with supporting information if the item is included in the agenda.
3. **Rejected agenda items.** The Chair with the assistance of Management Staff shall include a requested item in the agenda unless the item:
  1. Has no suggested action;
  2. Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
  3. Must be discussed in Executive Session;
  4. Would make the agenda unduly lengthy (and so will be on the next agenda);
  5. Is sent first to a committee for recommendation; or
  6. Is, based on the advice of legal counsel, proposing action barred by law.
4. **Board request for agenda item.** Notwithstanding the foregoing, if an agenda item is requested in writing or by electronic mail by at least six Directors, the Chair shall include it in the Agenda for the open meeting or the Executive Session meeting, depending upon the item.
5. **Member Request for Agenda Item.**
  - a) A Member may request the President in advance that a topic be added to the agenda, but the President with the assistance of Staff will determine whether a requested topic will be included in the agenda.
  - b) A topic will also be added to the agenda if at least one week prior to the scheduled Board meeting, the Chief Executive Officer (CEO) or Staff receives a petition signed by at least twenty five different Members entitled to vote.
  - c) The requested agenda topic must still meet the standards of Rule IID.3 above.

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<sup>1</sup> Any action to be taken by the President may be taken by the First Vice President or the next officer in order as stated in the By-laws if the President is unable to attend or participate.

- d) A Member who has requested an agenda item which is placed on the agenda ("Requesting Member"), may speak to the item during Open Forum, or at the election of the Chair, may present the topic to the Board immediately before the Board begins its deliberation of the item (assuming there is a Motion from the Board after the Requesting Member speaks). The Requesting Member may speak on the matter for up to five minutes. Only one person may be considered the "Requesting Member" for the purpose of addressing the Board. The Board may by motion give the Requesting Member more time to speak.
6. **Publication, agenda packets.** Agendas will be published at least four days prior to any non-emergency Board meeting. The Board will receive a board packet (also referred to as "agenda package"), prepared by management staff, at least four days prior to the meeting, and may be transmitted electronically upon request. To make the meeting more efficient, Directors should read the board packet prior to arriving at the meeting.
7. **No discussion of matters not disclosed on agenda.** The Board may not discuss subjects which are not on the agenda unless the matter is determined by a majority of the Board to involve an emergency, or unless the matter arose prior to the meeting but after the agenda was published and at least eight Directors concur that the matter requires immediate action.

**Sample agenda.** The following is a typical Agenda:

1. Call Meeting to Order
2. Pledge of Allegiance
3. Approval of the Agenda
4. Approval of the Minutes
5. Report of the Chair
6. Update of VMS Board
7. Open Forum (Three Minutes per Speaker)
8. Responses to Open Forum Speakers
9. CEO Report
10. Consent Calendar
11. Unfinished business
12. New Business
13. Third Mutual Committee Reports
14. GRF Committee Highlights
15. Future Agenda Items
16. Director's Comments
17. Recess
18. Adjournment

**E. Committees: Reports, Meetings**

1. If the Bylaws provide for standing committees or if the Board from time to time establishes committees, committee reports may be submitted to the Board prior to the meeting for review. If the committee recommends any Board action, the report should also indicate the reasons it is recommended. If possible, the committee Chair or a Member of the committee should present the report.
2. A committee consisting of six or more Directors, or including at least six Directors in its roster, shall conduct its meetings in the same manner as a Board meeting, with agendas, minutes, Open Forum, and in compliance with all other requirements applicable to Board meetings.
3. A committee consisting of both Directors and non-Directors but which has less than six Directors may, but is not required to, conduct its meetings in the same manner as a Board meeting, but shall prepare and submit a report to the Board prior to the agenda publication, including any recommended action.
4. Any committee reports will be included in the board packets if they are timely submitted. Committee reports which do not contain a request for action will be noted in the minutes as “received.”
5. A committee request for action shall be placed by the Chair or staff on the agenda, so long as it complies with Rule D.3.
6. Directors, upon presentation of a committee report, may ask questions about the report, but may not deliberate about the report unless that subject was timely placed on the agenda for deliberation and possible action in that meeting.

**F. Open Forum**

The Open Meeting Act, Civil Code §§4900-4950, provides that Board meetings are open to Members. A “meeting” under the law is “a congregation of a majority of the Members of the board at the same time and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.” The Board thus may not exclude Members from attending, absent discipline imposed as provided herein. The only exception is for Executive Session as discussed further below.

1. **Time for Open Forum.** Open Forum will normally occur at the beginning of the Board meeting. The agenda may also provide for a second Open Forum time at the end of the agenda. The Board may by motion re-open Open Forum on a specific agenda item, or reschedule Open Forum within the agenda.

2. **Member's Right to Speak.** Open Forum is a valuable and legally required portion of every open Board meeting. Open Forum is the opportunity for the Member to inform the Board of matters which may not be known.
- a) During Open Forum, a Member may speak to the Board on any topic not on the agenda. The purpose of Open Forum is to inform the Board of viewpoints or information of which the Board may not be aware regarding Third. Therefore, although a Member may use their time to speak upon any topic of interest to the Member, Members are advised that the Board may not be as attentive to comments on matters outside the Board's jurisdiction.
  - b) At the time designated on the agenda for Open Forum, the Chair shall ask the Members present to raise their hand if they wish to speak in Open Forum or fill out a speaker card. In order to give all Members an opportunity to speak at meetings, and to control meeting length, each Member may speak for a maximum of three minutes. In the event more than ten Members indicate a desire to speak, the time limit per speaker shall be shortened to two minutes per speaker.
  - c) Open Forum is the time for Members to speak and provide additional opinions and viewpoints to the Board, and is not a time for the Board to speak. Directors will listen and not respond or otherwise interrupt a speaker at Open Forum, so long as the speaker is within these Rules and time limits. A response, if any, by a Director or staff to an Open Forum remark or question shall be after the close of Open Forum. The Chair may appoint a Director or Staff-person as timekeeper.
  - d) So long as the Open Forum comments comply with these Rules, neither staff, the Chair, nor other Director shall interrupt the speaker.
  - e) The statements made by Members in Open Forum are not the position of Third, and Third takes no responsibility as to the content of Open Forum comments. At the beginning of Open Forum, the Chair shall remind all attending as to these Rules regarding Open Forum.
3. **Open Forum During Agenda Item Discussions.**
- a) During the Board deliberations of a matter, and when the Chair at the Chair's sole discretion determines there has been sufficient discussion to inform the attendees in the audience of the issue, the Chair will inquire if any Members in the audience wish to speak to the motion at hand.
  - b) If the Chair sees any hands raised indicating a desire to speak or fill out a speaker card, Open Forum will be reopened on the issue, and the Members indicating a desire to speak to the topic may speak for up to three (3) minutes on the specific agenda item.
  - c) Off-topic commentary will not be permitted, but so long as the speaker complies with the Rules, neither the Chair nor any Director will

- interject or otherwise interrupt during the speaker's remarks.
- d) The Chair in its sole discretion may reduce the time per speaker to two (2) minutes on an issue, if the Chair deems it necessary to insure that all who wish to speak have the opportunity to do so.
  - e) A Member (or co-Owner of a Member) shall only speak once on a given agenda item.
  - f) Once the Chair determines that all have spoken who wished to speak, or that no one has indicated a desire to speak, the Chair shall announce Open Forum is again closed, and the Board shall resume and conclude its deliberations on the item.
4. **Re-opening of Open Forum.** If an issue on the Agenda is deemed by the Board to require further Membership input, the Board may by majority vote re-open Open Forum, to allow Members to speak to the pending subject. If Open Forum is reopened, Members may speak for up to two minutes each. Upon completion of such Membership input, in compliance with Open Forum Rules, the Board will then close Open Forum and resume deliberating the subject.
5. **Member Observation of Deliberations.** Except for Open Forum, Members may not speak to the Board, and shall quietly observe Board deliberations except for those in Executive Session. Members do not vote or make motions at Board meetings, as only Directors vote at Board meetings. Applause, boos, or other audible response to Board deliberations or decisions is out of order.
6. **Addressing the Board During Open Forum.** When speaking, the Member will identify Member's name and Manor, and will stand at the speaker's podium if physically able to stand, and will address the Board, not the audience.

**G. Meeting Conduct**

Directors, Members and anyone else permitted to attend the meeting will conduct themselves in a reasonable manner. The following conduct is strictly prohibited:

- 1. Profane or obscene language;
- 2. Slurs involving race, religion, ethnicity, gender, sexual orientation, gender identity, or age;
- 3. Shouting or yelling;
- 4. Physical threats, including non-verbal communications such as gestures or using body language in such a way as to intimidate;
- 5. Pounding on table or throwing items; and
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If the member submits a written request for Member Requested Hearing with the Mutual. The purpose of a Member Requested Hearing is to allow the member to request an exemption to the governing documents or has a request that may not specifically be covered by the governing documents. The Mutual will send written notification to the Member, of a hearing to be held by the Board to consider the matter.

B. Attendance

A Member being considered for discipline or a reimbursement claim may attend the hearing to address the Board regarding whether the Board should impose discipline or pursue reimbursement. The Member may bring written witness(es) statements. The Member may not bring legal counsel to Executive Hearings Committee meeting only the regular closed session Board meeting. At the discretion of the Chair the alleged party may attend the hearing. The Member being considered for discipline or reimbursement claim may not observe the Board's deliberation of the matter. A Member may provide a written statement as a substitute for personally appearing at the hearing.

A complaining Member may provide a written statement to the Board. The complaining Member will not be permitted to hear the Board's deliberation or the presentation by the Member being considered for discipline.

C. Addressing the Board

A Member being considered for discipline or reimbursement claim may speak to the Board for a maximum of five minutes of uninterrupted time. Then the Board will have five minutes to ask questions for a total of 10 minutes. If a Member brings supporting documentation, it is suggested the Member bring one copy for staff, one copy for Mutual legal counsel, and 11 copies for the Board. If a Member brings supporting witnesses and/or alleged party, an additional five minutes can be added to the Member's time.

Members addressing the Board should be prepared and organized for the hearing, to maximize their allotted time.

The Member Requested Hearing may speak to the Board for a maximum of 10

minutes of uninterrupted time. The Board will have 10 minutes to ask questions. Then the Member and Board will have a 10 minutes discussion on the Member's request for a total time of 30 minutes. If a Member brings supporting documentation, it is suggested the Member bring two copy for staff, and 4 copies for the Board.

D. The Board's Decision

The Board will notify the Member being considered for discipline or reimbursement claim or Member Requested Hearing within fifteen (15) days of the hearing. The Board will not notify other Members of the Board's decision, which shall remain confidential.



**Rules for Board Meetings  
RESOLUTION 03-24-XX**

**WHEREAS**, each Owner Member of Laguna Woods Village has an ongoing interest and right under California law to participate in the governance of their community; and

**WHEREAS**, the Board of Directors of the Third Laguna Hills Mutual has an equal interest and duty under law to ensure that the management of the community's affairs is carried out professionally and in adherence with the provisions of the Davis-Stirling Act; and

**WHEREAS**, the Board of Directors address changes to the distribution of Executive Session agenda packets;

**NOW THEREFORE BE IT RESOLVED**, [DATE], that the Board of Directors of this Corporation hereby approves the attached revised Rules for Board Meetings; and

**RESOLVED FURTHER**, that Resolution 03-24-76 adopted July 16, 2024 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 purpose of this resolution.