



OPEN SESSION

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

**Tuesday, November 17, 2020 - 9:30 a.m.
Laguna Woods Village Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

Directors Present: Steve Parsons, Annie McCary, Cush Bhada, Lynn Jarrett, John Frankel, Ralph Engdahl, Robert Mutchnick, Craig Wayne, Reza Karimi, Debbie Dotson, Donna Rane-Szostak

Directors Absent: None

Staff Present: Jeff Parker, Siobhan Foster, Brian Gruner, Becky Jackson, Cheryl Silva and Grant Schultz

Others Present: Wei-Ming Tao, Rosemarie DiLorenzo, Raquel Unger (VMS)

1. Call meeting to order / Establish Quorum – President Parsons

President Parsons called the meeting to order at 9:30 a.m.

2. Pledge of Allegiance – Director Dotson

Director Dotson led the pledge of allegiance

3. Acknowledge Media

The media was acknowledged online and through Village Television.

4. Approval of Agenda

Director Mutchnick made a motion to approve the agenda. Director Dotson seconded the motion and the motion passed without objection.

5. Approval of Minutes

5a. October 20, 2020 – Regular Open Meeting

Director McCary made a motion to approve the minutes. Director Mutchnick seconded the motion and the motion passed by unanimous consent.

6. Report of the Chair

President Parsons welcomed the two new board members Donna Rane-Szostak and Debbie Dotson who were elected by acclamation and were seated at the Third Board Annual Meeting on November 5, 2020.

7. Open Forum (Three Minutes per Speaker) - *At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Members can request to speak via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the board meeting in the subject line of the email or call 949-268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.*

Becky Jackson read the member comments:

- A member asked about fumigation of his building.
- A member commented about sub-mutual member votes on common area matters. Asked about changes to the CC&Rs.
- A member commented about installation of a concrete pad underneath the electrical panels for safety reasons at her unit.

8. Responses to Open Forum Speakers

- Jeff Parker-CEO responded about the fumigation schedule and would check into the request.
- President Parsons responded about the new rules for common area; he will check with legal counsel.
- President Parsons responded about concrete pads under the electrical panels; we are currently looking into this matter.

9. CEO/COO Report

Jeff Parker-CEO and Siobhan Foster-COO

- Network outage update.
 - The network outage caused a 5-6-week delay in manor alteration operations.
- Bulky item pick-up occurs on the third Saturday of each month.
- Thanksgiving holiday hours: offices closed November 25 & 26. Operation closures can be viewed on the website.
- Holiday golf cart parade Saturday, December 5, 2020 starting at 2 p.m.
- Restaurant 19 offers Thanksgiving feasts.

- Drive-in events: The Flukes play November 15th; the Theatre Guild performs November 21st

Jeff Parker and Siobhan Foster answered questions from the board.

The board discussed the real estate and contractors meeting.

10. Consent Calendar - *All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the Board by one motion. In the event that an item is removed from the Consent Calendar by members of the Board, such item(s) shall be the subject of further discussion and action by the Board.*

10a. Architectural Control and Standards Committee Recommendations:

(1) Recommendation to Approve Variance Request—Mr. Nathaniel Lewis of 3449-A (Navarro, P46B) -- Patio Door/Window Modification and Kitchen Window Enlargement

Resolution 03-20-81
3449-A Variance Request

WHEREAS, Mr. Nathaniel Lewis of 3449-A Bahia Blanca West, a Navarro style unit, requests Board approval of a variance to remove the existing original sliding glass door and window located in the living room and replace them with a larger non-standard four panel sliding glass door as well as enlarge the kitchen window; and

WHEREAS, the location of the unit and the consistency of materials required by Mutual Standards will ensure that the alteration will not have a negative aesthetic effect on this elevation and surrounding area; and

WHEREAS, similar variance requests have been approved for both the sliding glass door replacement and window enlargement;

WHEREAS, on September 28, 2020 the Architectural Controls and Standards Committee voted to recommend that the Board approve this request, with the conditions as stated in Appendix A of the staff report.

NOW THEREFORE BE IT RESOLVED, on November 17, 2020, the Board of Directors hereby acknowledges and adopts this resolution for the approval of the non-standard sliding glass door replacement and the enlargement of the kitchen window at 3449-A Bahia Blanca West;

RESOLVED FURTHER, all costs for maintenance, repair, renovation, replacement or removal of the improvements, present and future, are the responsibility of the property's Member Owner at 3449-A and all future Mutual members at 3449-A;

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.

10b. Finance Committee Recommendations:

Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual **preliminary** financials for the month of September, 2020 and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code 5501.

10c. Approve Resolution to Update Third Committee and GRF Committee Appointments

RESOLUTION 03-20-78
THIRD MUTUAL COMMITTEE APPOINTMENTS

RESOLVED, November 17, 2020, that the following persons are hereby appointed to serve on the committees and services of this Corporation.

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:

Architectural Standards and Control Committee

Steve Parsons, Chair
John Frankel
Reza Karimi
Ralph Engdahl
Robert Mutchnick
Craig Wayne, Alternate
Voting Advisors: Mike Butler and Mike Plean

Communications Committee

Annie McCary, Chair
Lynn Jarrett
Reza Karimi
Deborah Dotson
Donna Rane-Szostak
Cush Bhada, Alternate

Executive Hearing Committee

Annie McCary, Chair
Ralph Engdahl, Co-Chair
Robert Mutchnick
Deborah Dotson
Donna Rane-Szostak
John Frankel, Alternate

Finance (Committee of the Whole)

Robert Mutchnick, Chair
Steve Parsons, Co-Chair
Non-Voting Advisors: John Hess, Wei-Ming Tao

Investment Task Force

Robert Mutchnick
Craig Wayne
Donna Rane-Szostak, Alternate

Garden Villa Recreation Room Subcommittee (Quarterly)

Lynn Jarrett, Chair
Deborah Dotson
Donna Rane-Szostak
Robert Mutchnick, Alternate
Craig Wayne, Alternate
Voting Advisors: Sharon Molineri, Stuart Hack

Landscape Committee

Lynn Jarrett, Chair
Annie McCary
Ralph Engdahl
Reza Karimi
Donna Rane-Szostak
Cush Bhada, Alternate

Maintenance and Construction Committee

Robert Mutchnick, Chair
Ralph Engdahl, Co-Chair
Deborah Dotson
John Frankel
Craig Wayne
Reza Karimi, Alternate

New Resident Orientation

Per Rotation List

Water Conservation Committee (Quarterly)

Reza Karimi, Chair
Lynn Jarrett
John Frankel
Donna Rane-Szostak
Advisor: Kathryn Freshley, Kay Havens

Parking & Golf Cart Task Force

Steve Parsons, Chair

Lynn Jarrett
John Frankel
Deborah Dotson
Advisors: Hal Horne

Resident Policy and Compliance Task Force

Lynn Jarrett, Chair
Steve Parsons
Robert Mutchnick
Cush Bhada
Reza Karimi
Annie McCary, Alternate
Voting Advisors: Stuart Hack

Energy Research Group

Ralph Engdahl
Deborah Dotson
John Frankel
Advisors: Sue Stephens, Bill Walsh

RESOLVED FURTHER, that Resolution 03-20-63, adopted August 18, 2020, is hereby superseded and canceled; and,

RESOLVED FURTHER; that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution.

RESOLUTION 03-20-79
GRF COMMITTEE APPOINTMENTS

RESOLVED, November 17, 2020, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Business Planning Committee

Steve Parsons
Deborah Dotson
Donna Rane-Szostak, Alternate

Community Activities Committee

Deborah Dotson
Reza Karimi
Annie McCary, Alternate

Equestrian Center Ad Hoc Committee

Cush Bhada
Annie McCary

GRF Finance Committee

Steve Parsons
Robert Mutchnick
Deborah Dotson, Alternate

Purchasing Ad Hoc Committee (new)

Steve Parsons
Donna Rane-Szostak
Ralph Engdahl, Alternate

GRF Landscape Committee

Lynn Jarrett
Reza Karimi
Donna Rane-Szostak, Alternate

GRF Maintenance and Construction Committee

John Frankel
Ralph Engdahl
Deborah Dotson, Alternate

Clubhouse 1 Renovation Ad Hoc Committee

John Frankel
Cush Bhada
Ralph Engdahl, Alternate

Media and Communication Committee

Annie McCary
Lynn Jarrett
Deborah Dotson, Alternate

Mobility and Vehicles Committee

Craig Wayne
Reza Karimi
Cush Bhada, Alternate

Security and Community Access Committee

Cush Bhada
Craig Wayne
Donna Rane-Szostak, Alternate

Disaster Preparedness

Annie McCary

John Frankel
Donna Rane-Szostak

Laguna Woods Village Traffic Hearings

John Frankel
Deborah Dotson
Cush Bhada, Alternate

Strategic Planning Committee

Robert Mutchnick
Cush Bhada
Steve Parsons, Alternate

RESOLVED FURTHER, that Resolution 03-20-64, adopted August 18, 2020, is hereby superseded and canceled; and

RESOLVED FURTHER; that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution

10d. Ratify Decision to Increase Landscaping Division Service Levels

President Parsons commented about the new Insurance Committee Ad Hoc Committee.

Director McCary made a motion, seconded by Director Rane-Szostak to approve the consent calendar as presented. The motion was approved by unanimous consent.

11. Unfinished Business

11a. Entertain a Motion to Approve Third Mutual Rules for Board Meetings

Director Jarrett gave a summary of the resolution:

RESOLUTION 03-20-80
THIRD MUTUAL RULES FOR BOARD MEMBERS

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 wishes to promote order and regulate meeting time in an even and consistent fashion.

NOW THEREFORE BE IT RESOLVED, November 17, 2020, that the Board of Directors of this Corporation hereby approves the attached revised Rules for Board Meetings; and

RESOLVED FURTHER, that Resolution 03-14-04 adopted January 21, 2014 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.

OCTOBER Initial Notification
28-day notification for member review and comment to comply with Civil Code §4360 has been satisfied.

Director Mutchnick made a motion, seconded by Director Dotson to approve Third Mutual Rules for Board Meetings.

President Parsons called for the vote and the motion passed by unanimous consent.

12. New Business

12a. Entertain a Motion to Introduce a Resolution for Revision to Standard 12: Exterior Wall Attachments

Director Jarrett gave a summary of the resolution:

STANDARD 12: EXTERIOR WALL ATTACHMENTS
MARCH 1983
REVISED APRIL 1996, RESOLUTION M3-96-28
GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49
GENERAL REQUIREMENTS REVISED JANUARY 2018, RESOLUTION 03-18-12
REVISED JUNE 2018, RESOLUTION 03-18-88 REVISED
DECEMBER 15, 2020, RESOLUTION 03-20-XX

1.0 GENERAL REQUIREMENTS

SEE STANDARD SECTION 1: GENERAL REQUIREMENTS

2.0 APPLICATIONS

2.1 No attachments may cover any common area mechanical system including, but not be limited to, electrical outlets, junction boxes, plumbing access, cleanouts, utility shut-off/disconnects, vents or existing openings.

- 2.2 No attachments may cover any pedestrian access or opening that will violate building code or hinder access, inclusive of restricting ingress or egress requirements, in any way.
- 2.3 All attachments must be permanent in nature and not subject to deterioration due to weathering.
- 2.4 Any exterior wall attachment will be limited to only those walls which face Exclusive Use Common Areas, such as patios or atriums with the exception of American Flags.
- 2.5 No attachment of an object weighing more than 25 pounds shall be allowed on the wall at a single wood framed stud. The attachment is to be made into the wood framing studs for support.
- 2.6 Provide silicone sealer in all holes in the wall. All lag bolts and screws into walls must be sealed, with full depth silicone caulking, prior to installation to prevent water penetration and dry rot of wall components.
- 2.7 Any attachment to the wall may require removal by the member for Mutual wall maintenance with a 72-hour written notice. Resident shall be responsible for all costs associated with the removal and re-installation of any Alterations on the wall(s).
- 2.8 All approvals of the addition of an element to the wall will be considered an Alteration and become the responsibility of the manor owner.
- 2.9 No wood may be used in conjunction with Third Mutual Alternative Construction Materials Policy 03-17-38.

3.0 TILE AND VENEER

- 3.1 Tile and veneer used on a vertical surface exterior wall, without disturbance of the stucco veneer, must be attached with thin set/epoxy mortar mixes.
- 3.2 Tile and veneer will be limited to use on stucco covered exterior chimneys and entryway columns.
- 3.3 Tile must match in color, design, and size as close as possible any existing brickwork on building.

4.0 TRELLIS AND WROUGHT IRON DESIGNS

- 4.1 Any trellis (which must be void of vegetation), or wrought iron component, attached to a wall must be painted the same color as the wall. The wrought iron may be black in color if readily removable by the resident at the request of the Mutual or its agent.
- 4.2 Trellis and wrought iron shall be within 12" of walls and not used as screens, shades, or shields, cannot be higher than wall to which it is attached.
- 4.3 Wrought iron shall be easily removable for access to the wall for maintenance purposes.
- 4.4 All trellis and wrought iron shall be mounted vertically on the wall.

5.0 MURALS AND WALL HANGINGS

- 5.1 Any installation of murals or wall hangings shall be limited to patio and atrium locations. No installation will protrude above the height of a patio wall.
- 5.2 Visibility of mural and wall hangings through wrought iron gates is acceptable.

6.0 ASBESTOS TESTING AND MONITORING

- 6.1 The Mutual is required to ensure that all installation and demolition work related to exterior surfaces with presumed asbestos containing materials properly follow the current governing authorities' rules and regulations, as they pertain to Condominiums. This may include the use of a certified asbestos abatement contractor and an Industrial Hygienist for asbestos testing and/or clearance reports.
- 6.2 Reports of asbestos findings and final clearance reports shall be provided at Member expense to Manor Alterations.

OCTOBER Initial Notification

Must postpone 28-days for member review and comment to comply with Civil Code §4360.

Director Jarrett made a motion, seconded by Director McCary, to introduce the resolution for revision to standard 12 exterior wall attachments for 28-day review. The motion was approved by unanimous consent.

12b. Review of State, County and other Applicable COVID-19 Requirements

Jeff Parker CEO showed a presentation on the state, county and other applicable COVID-19 requirements.

- Current Orange County Health Agency numbers regarding COVID-19
- Orange County COVID-19 dashboard numbers and tier levels
- Background – Temporary and Modified COVID-19 resolution and expiration date
- Current Status and Guidelines
- Face Covering Requirements
- Outdoor Gatherings and Activities

Jeff Parker-CEO answered questions from the board.

Becky Jackson read members comments on this item.

13. Committee Reports

13a. Report of the Finance Committee / Financial Report – Director Mutchnick. The Committee met on October 6, 2020; next meeting December 1, 2020, at 1:30 p.m. as a virtual meeting.

- (1) Treasurer's Report
- (2) Third Finance Committee Report
- (3) Resale/Leasing Reports

13b. Report of the Architectural Controls and Standards Committee – President Parsons. The committee met on September 28, 2020; next meeting December 28, 2020 at 9:30 a.m. as a virtual meeting

13c. Report of the Communications Committee – Director McCary. The committee has not met this year; next meeting TBA in the first quarter of 2021.

13d. Report of the Maintenance and Construction Committee – Director Mutchnick. The committee met on September 9, 2020; next meeting January 4, 2021, at 1:30 p.m. as a virtual meeting

- (1) Report of the Parking and Golf Cart Task Force – President Parsons. The task force will meet in January 2021; date and time TBA

- (2) Garden Villa Rec. Room Sub-Committee – Director Jarrett. The committee met on October 5, 2020; next meeting will be in February 2021, date and time TBA

13e. Report of the Landscape Committee – Director Jarrett. The Committee met on October 1, 2020; next meeting December 3, 2020, at 9:30 a.m. as a virtual meeting

13f. Report of the Water Subcommittee – Director Karimi. The committee has not met this year; next meeting will be in January 2021; date and time TBA

13g. Report of the Resident Policy and Compliance Committee – Director Jarrett. The Committee met on September 22, 2020; next meeting will be in December 2, 2020 at 9:30 a.m. as a virtual meeting.

14. GRF Committee Highlights

14a. Community Activities Committee – Director Bhada. The committee met on October 8, 2020; next meeting December 10, 2020, at 1:30 p.m. as a virtual meeting

(1) Equestrian Center Ad Hoc Committee – Director Bhada. The committee met on October 27, 2020; next meeting TBA.

14b. GRF Finance Committee – Director Mutchnick. The committee met on October 21, 2020; next meeting December 16, 2020, at 1:30 p.m. as a virtual meeting

14c. GRF Landscape Committee – Director Jarrett. The committee met on August 12, 2020; next meeting November 30, 2020 at 1:30 p.m. as a virtual meeting.

14d. GRF Maintenance & Construction Committee – Director Bhada – The committee met October 14, 2020; next meeting December 9, 2020, at 9:30 a.m. as a virtual meeting

(1) Clubhouse 1 Renovation Ad Hoc Committee – Director Frankel. The committee met on September 2, 2020; next meeting TBA.

14e. Media and Communications Committee – Director McCary. The committee met on October 19, 2020 as a virtual meeting; next meeting December 14, 2020, at 1:30 p.m. as a virtual meeting

14f. Mobility and Vehicles Committee – Director Frankel – The committee met on October 7, 2020; next meeting December 2, 2020, at 1:30 p.m. as a virtual meeting

14g. Security and Community Access Committee – Director Bhada. The committee met on August 24, 2020; next meeting December 28, 2020 at 1:30 p.m. as a virtual meeting

(1) Disaster Preparedness Task Force – Director McCary. The task force met on September 29, 2020; next meeting November 24, 2020, 9:30 a.m. as a virtual meeting

14h. Report of the Laguna Woods Village Traffic Hearings – Director Frankel. The traffic hearings were on September 16, 2020; next meeting is December 16, 2020 at 9 a.m. and 1 p.m. as a virtual meeting.

15. Future Agenda Items-- *All matters listed under Future Agenda Items are items for a future Board Meetings. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board*

Meeting.

- a. Parking Report
- b. Resident Suggestion Program
- c. Alterations Review
- d. Property and Casualty Insurance

16. Director's Comment

- Director Frankel asked when Traffic Hearings will be rescheduled
- Director Dotson asked about cable television and internet outages.
- Several Directors wished everyone a safe and happy Thanksgiving.

17. Recess - *At this time, the Meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.*

The meeting was recessed at 11:15 a.m.

Summary of Previous Closed Session Minutes per Civil Code §4935.

*During the October 14, 2020 Emergency Closed Meeting the Board:
Discussed Legal Matters*

During the October 20, 2020, Regular Closed Session, the Board:

Approval of Agenda

Approval of the Following Meeting Minutes.

- (a) September 4, 2020—Special Closed Meeting*
- (b) September 11, 2020 – Special Closed Meeting*
- (c) September 16, 2020 – Emergency Closed Meeting*
- (d) September 15, 2020—Regular Closed Session*
- (e) September 18, 2020—Special Closed Meeting*
- (f) September 25, 2020 – Special Closed Meeting*

Discussed Member Disciplinary Matters

Discussed Personnel Matters

Discussed Contractual Matters

Discussed and Considered Legal/Litigation Matters

During the October 28, 2020, Emergency Closed Session, the Board:

Approval of the Agenda

Discussed the Legal and Contractual Matters

18. Adjournment

The meeting was adjourned at 1:45 p.m.



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

RULES FOR BOARD MEETINGS

Resolution 03-13-04, adopted January 15, 2013; Resolution 03-14-04, adopted January 21, 2014; and Resolution 03-20-80; Adopted November 17, 2020

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 Association 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.

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 on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice.

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 1, 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:
 - a) Has no suggested action;
 - b) Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
 - c) Must be discussed in Executive Session;
 - d) Would make the agenda unduly lengthy (and so will be on the next agenda);
 - e) Is sent first to a committee for recommendation; or
 - f) 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 II(D)(3) above.

¹ 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:

- a) Call meeting to order/Establish Quorum.
- b) Pledge of Allegiance
- c) Acknowledge Media
- d) Approval of Agenda
- e) Approval of Minutes
- f) Report of the Chair
- g) Open Forum (Three Minutes per Speaker)
- h) Responses to Open Forum Speakers
- i) CEO/COO Report
- j) Consent Calendar
- k) Unfinished business
- l) New Business
- m) Committee Reports
- n) GRF Committee Highlights
- o) Future Agenda Items
- p) Director's Comments
- q) Recess

r) 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. 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 the Association, 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, 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:

7. Divulge information from closed sessions;
8. Divulge attorney client privileged confidential advice; or
9. Maliciously malign any person, business or entity.

To create a positive atmosphere, all persons present will be seated (unless some handicap exists by which they cannot be seated) and will remain seated at all times when others are speaking, except when standing in line to speak for their turn in Open Forum. Neither Directors nor anyone addressing the Board will be allowed to speak while standing or hovering over someone else. All in attendance must behave in a professional and orderly manner. Directors shall refrain from interrupting each other or from making audible "sidebar" remarks while a fellow Director is speaking. Directors shall keep their microphones off except when they are addressing the Board.

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.
4. 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 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.

J. Recording of meetings: Minutes

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 commentary or statements by Directors, or comments during Open Forum.

K. Board Deliberations

1. Directors will deliberate topics only when on an agenda, except for emergency matters, and when a motion has been made and seconded by a Director, except for Committee recommendations, which do not require a motion or second. 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,
 - c) Not address the live audience or the television audience, and
 - d) Avoid repetition of points already made, or repeating their own previous remarks on a motion.
4. If a Director violates the standards set forth in these Rules, the Chair may remind the Director of the standard being violated, and will then request the Director to bring their comments into compliance. In the event a Director continues to violate these Rules, the Board may proceed pursuant to subpart II(H) herein.
5. Motions may be amended in at least two ways:
 - a) A motion, after receiving a second, may be amended by a motion,

which motion must also receive a second and a majority vote.

- b) A motion may also be amended by a “friendly amendment” in which the author of the original motion consents to a proposed amendment to the motion. If the second also consents, the motion is amended and deliberations continue on the motion as amended.

L. Board Comments During Meetings

1. The comments of Directors, staff, or Mutual consultants during Board or Committee Meetings are not comments of the Mutual, and only the speaker’s opinions.
2. The position of the Mutual is only that expressed in Motions or Resolutions which are adopted by the Board of Directors.
3. The Chair of any Board or Committee Open Meeting shall make an announcement at the beginning of the Board or Committee meeting which recites the first two sentences of this section verbatim.

M. Chair

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.
2. The Chair may discuss and vote on any motion, unless the Chair recuses itself.
3. If the Chair wishes to make a motion, the Chair shall pass the gavel to the First Vice President or next Officer in succession until deliberation of the motion is concluded by a vote on the motion.
4. The Chair shall be entrusted with the orderly progress of the Board’s deliberations. In the event the Chair perceives that deliberations have ceased to move the discussion forward (either because unanimity already exists; debate has become repetitive or otherwise unduly lengthy; positions on a motion have become clear; or because the Board is not ready to decide on the matter), the Chair shall call for a motion to close debate, or a motion to table the matter.
5. The relationship between the Board and Chair should be one of mutual respect. The Board should give respect and deference to the Chair’s leadership in moving deliberations forward, while the Chair should give respect and not request a conclusion to deliberations of a matter if the Board majority wishes to continue deliberation of a topic.
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:

1. Litigation or threatened litigation.
2. Contract negotiations.
3. Member disciplinary hearings (i.e.: imposing fines or other penalties).
4. **Hearings on Mutual reimbursement claims against a Member**
5. Member's proposal of a payment plan for delinquent assessments.
6. Voting on the decision to foreclose upon an assessment lien.
7. Personnel issues.

Subsequent Board minutes will contain a general note of the actions taken.

B. Confidentiality Agreement

To protect Third and its Members, each Director shall annually sign a confidentiality agreement before attending and participating in Executive Session meetings. A Director who refuses to do so will not be permitted to attend Executive Session meetings, and legal counsel will not copy that Director on confidential communications, nor participate in legal advice discussions with that Director present.

The Confidentiality Agreement shall state substantially as follows:

"I, _____ (Name), after having been duly elected or appointed as a Director of Third Laguna Hills Mutual, do hereby agree that all information which is disclosed by or to me, orally or in writing, and all discussions held at an Executive Session Meeting of the Board and all attorney advice shall be kept confidential and shall remain confidential, even after I am no longer a Director. I understand that this means that anything I say, hear or see at an Executive Session Meeting may not be discussed with anyone outside of Executive Session.

I further understand that if I do not sign this Confidentiality Agreement or do not honor this Agreement, I will not be permitted to participate in or attend Executive Session Meetings or to receive confidential attorney-client communications. I further understand that I will be held responsible for any damages which result to the Mutual or its individual Members if I violate this agreement."

C. Procedure for Setting

The notice for a meeting which is solely an Executive Session meeting must

be posted two days in advance, unless it is an emergency Executive Session meeting.

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.

D. Agenda Packets

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 and reimbursement claim hearings in closed session. The following rules are to inform both members 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.

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 witnesses statements. The member may not bring legal counsel. 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, 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.

D. The Board's Decision

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