

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

August 21, 2014

The Board of Directors of Laguna Woods Mutual No. Fifty, a California non-profit mutual benefit corporation, met at 1:00 P.M. on Thursday, August 21, 2014 at 24055 Paseo del Lago West, Laguna Woods, California.

Directors Present: Ryna Rothberg-Chair; Inesa Nord-Leth, John Dalis, Chace Kendro, Alice Gokkes

Directors Absent: None

Others Present: Katy Howe, Christine Polek, Ed Presley, Betty Parker, Kelly Farano, Jose Campos, Marcel Bradley
Executive Session: James David

CALL TO ORDER

President Ryna Rothberg served as Chair of the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 1:00 P.M.

PLEDGE OF ALLEGIANCE TO THE FLAG

Director Gokkes led the membership in the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

Without objection, the agenda was approved as written. The Board agreed to discuss agenda items out of order.

PRESENTATION OF BUSINESS PLANNING VERSION 3

Director Rothberg introduced Betty Parker, Financial Services Director, to present the proposed 2015 Business Plan – Version 3. In this version of the Business Plan the average increase in the basic assessment, when compared to 2014, is about \$127 per unit per month (PUPM) or 6.4%, including the GRF portion. Additional charges will apply for manor specific charges and second occupants.

Director Kendro commented on service levels.

Ms. Parker indicated that the Replacement Fund contribution increased by \$85.00 PUPM based on a preliminary estimate of exterior painting for the Towers. However, the final contribution will be finalized after contractual issues are discussed in closed session.

Nancy Hou (204), Erwin Levy (1305), Norman Hewitt (1203), and Director Dalis commented on the exterior paint.

Tommy Hou (204) commented on Reserves balance.

Ms. Rothberg announced that the 2015 Business Plan would be adopted at the Regular September Board Meeting, which will be held on September 18, 2014 at 1:00 p.m. in the Key Club.

Ms. Kelly Farano and Mr. Jose Campos left the meeting at 2:00 P.M.

APPROVAL OF MINUTES

Without objection, the Board approved the minutes of the Regular Meeting of July 17, 2014.

PRESIDENT'S COMMENTS

President Rothberg commented on various items relating to The Towers.

GOLDEN RAIN FOUNDATION REPORT

Ms. Katy Howe gave the August 5, 2014 Golden Rain Foundation Board Meeting Report.

Mr. Marcel Bradley discussed the El Toro Water District's On-Site Conversion Entry License Agreement with the Board. Director Kendro made a motion to approve the entry license agreement. Director Nord-Leth seconded the motion.

By a vote of 4-0-0, the motion carried.

Mr. Bradley left the meeting at 2:10 P.M.

RESALE AND LEASING REPORTS

Ms. Katy Howe reported on the resale and leasing activity at The Towers.

ADMINISTRATOR'S REPORT

Ms. Katy Howe provided updates on activities staffing, answered questions from the Board and Members, presented a report from Guckenheimer, and presented the Activities Committee Report.

REVIEW PRELIMINARY FINANCIAL STATEMENTS

Director Kendro reviewed the Preliminary Financial Statements. Ms. Betty Parker and Ms. Katy Howe answered questions from the Board and Members.

MEMBERS' COMMENTS

Shelva Lenzkes (401) commented on the condition of the washers and dryers and commented on dogs in the building.

Nancy Hou (204) commented on the budget.

RESPONSE TO MEMBERS COMMENTS

The Directors briefly responded to Members' comments.

CONSENT CALENDAR

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

RESOLUTION M50-14-40

Approve Recording of a Lien

WHEREAS, Member ID 932-960-64 is currently delinquent to Laguna Woods Mutual No. Fifty with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, August 21, 2014, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-960-64; 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.

OLD BUSINESS

Director Gokkes read a proposed resolution approving revisions to the Mutual No. Fifty Pet Policy. Director Gokkes moved to approve the resolution. Director Kendro seconded the motion and discussion ensued.

Susan Peacock (761) and Linda Shaffer (652) commented on the resolution.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-14-41

Mutual No. 50 Pet Policy

WHEREAS, Mutual Fifty has an existing Pet Policy with regard to pets permitted in The Towers; and

WHEREAS, the current pet policy does not cover biting dogs or service animals;

NOW THEREFORE BE IT RESOLVED, August 21, 2014, that the Board of Directors of this Corporation hereby approves the following Pet Policy and Rules:

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must have an annual permit issued by the Mutual and pay an annual pet fee of \$35 per pet, for up to two pets. Each pet must weigh 25 pounds or less.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must have those pets licensed, with inoculation records, and spayed or neutered. Residents must provide a copy of the license, a veterinarian's certificate verifying inoculations and spaying or neutering to the Administration Office with their permit application. License and current inoculation records must be provided to the Administration Office annually, with the exception of cats that do not leave the unit.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must have an identity collar (or tag) on the animal any time the animal is in common area, identifying the owner, unit, and pet's name.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must submit a current Certificate of Insurance with their permit application, which provides homeowner's insurance coverage for any damage done by the pet to persons or Mutual property with a minimum coverage of \$300,000 per occurrence.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets as service animals requesting extra accommodations beyond this policy must provide proof of disability (usually in the form of a written response from a physician).

Mutual No. Fifty will not tolerate pets known to bite.

This policy applies to all residents of Mutual No. Fifty who keep up to two pets.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets are required to appoint a pet guardian who will be responsible for the care of the pet in case of an emergency or when the owner is not available, at the time of permit application.

Pet Rules

The ability of a resident to keep a pet is, as set forth above, subject to the following rules, which are founded on health and safety considerations of all Mutual residents, visitors and guests.

1. Any pet within the common area outside and/or inside the buildings must be restrained by a leash not to exceed six (6) feet and in charge of a person competent and physically able to restrain and control the pet.
2. Pet owners, when leaving their residence with their pet, are to proceed to the elevator and exit the building by the nearest exit door.
3. Pet owners with two pets on leashes shall use the elevator to the ground floor and exit and enter through the tunnels to minimize the possibility of leash entanglement and trip hazard.
4. Pet owners shall not allow their pets to obstruct or interfere with the rights of other residents, guests or visitors, or annoy them by unreasonable noises at any time.
5. Pet owners are NOT to bring their pets into any of the central common areas including the dining rooms, lounges, front desk and mailbox areas. This rule is for the safety of all residents in order to prevent trip hazards.
6. No pet shall be permitted to urinate or defecate within the common area except within the grass areas north of Tower I and west of Tower II. Fecal waste shall be removed forthwith and placed in a sealed double plastic bag by the owner or person in charge of the pet before placing it in the trash chute.
7. Small dogs may be carried while in the elevators to avoid leash tangles or accidents with the automatic doors.
8. Pets must be kept free of fleas at all times.
9. The Mutual's staff is not responsible for the cleanup or disposal of pet refuse.
10. During housekeeping services, the pet must be contained or out of the manor.
11. Pet litter is never to be disposed of in toilets.

12. Any pet that has bitten a person will be required to wear a muzzle all of the time the pet is on Mutual 50 property and is not within the resident's manor. Additionally, a resident with a pet that has been documented by Security to have bitten someone at The Towers will be required to increase their homeowner's insurance coverage for any damage done by the pet to persons or Mutual property to \$1,000,000.
13. A \$35 Pet Fee will be due annually. This fee is for each pet in the Towers.
14. Visitors with pets must comply with all rules pertaining to pets in Common Area.
15. In case of an emergency, Staff will contact the pet guardian on file when the owner is not available. If Staff is unable to reach the pet guardian within 24 hours, Staff will contact the local animal shelter to care for the pet.
16. Any resident with a service animal may request exceptions from these rules by submitting written proof of disability from a physician and by stating specifically the rules from which they seek exception.
17. Pet owners must comply with all pet-related requirements of Laguna Woods Mutual No. Fifty and the City of Laguna Woods.
18. Any resident found to be violating these rules will be brought forward to the Board of Directors for disciplinary action. The Board may take disciplinary action authorized by the Mutual's bylaws including, but not limited to: 1) a fine; 2) payment of the corporation's attorney fees incurred in enforcing the pet regulations; 3) removal of the pet; or 4) termination of the occupancy of the resident in Mutual Fifty.

RESOLVED FURTHER, that Resolution M50-12-57 dated September 20, 2012 is hereby superseded and canceled; and

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

Director Gokkes read a proposed resolution approving a Regulated Materials Rule. Director Gokkes moved to approve the resolution. Director Nord-Leth seconded the motion and discussion ensued.

Director Kendro made a motion to add clarifying language to the resolution regarding Member responsibility for payment. Director Nord-Leth seconded the motion. By a vote of 4-0-0, the motion carried.

Director Gokkes made a motion to add a statement to the resolution about disciplinary action for Members found to be in violation of the rule. Director Kendro seconded the motion. By a vote of 4-0-0, the motion carried.

By a vote of 4-0-0, the motion to approve the resolution carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION M50-14-42

Regulated Materials Rule

WHEREAS, the buildings in Mutual No. Fifty were constructed when lead-based paint and asbestos-containing materials (ACM) were common; and the handling of these materials is now regulated at both Federal and State levels, mandating specific testing, material handling and disposal procedures when building components suspected to contain regulated building materials are disturbed; and

WHEREAS, in order to protect Members, residents, guests, and Staff from exposure to asbestos and lead when these materials are disturbed; to strengthen the Corporation's defense against fines, penalties and litigation related to disturbances; and to address Members' responsibility for compliance while performing alterations to their unit, a rule regulating building materials should be in place;

NOW THEREFORE BE IT RESOLVED, August 21, 2014, that the Board of Directors of this Corporation hereby approves the attached Regulated Building Materials Rule affirming Member responsibility for testing and handling of ACM, lead and lead-based paint, and other regulated building materials when performing alterations to their units; and

RESOLVED FURTHER, that if it is discovered that an alteration has been performed without required regulated building materials testing and remediation procedures, as applicable, the Member would be responsible for any cost associated with testing, decontamination and/or abatement of the affected area(s) by qualified professionals, whether ordered by the Member or the Mutual; and

RESOLVED FURTHER, that any resident found to be violating these rules will be brought forward to the Board of Directors for disciplinary action. The Board may take disciplinary action authorized by the Mutual's bylaws including, but not limited to: 1) a fine; 2) payment of the Corporation's

attorney fees incurred in enforcing the regulations; 3) or termination of the occupancy of the resident in Mutual Fifty.

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.

NEW BUSINESS (Items for Discussion and Consideration)

Ms. Katy Howe explained the need for a generator replacement in The Towers. Director Gokkes read a proposed resolution approving The Towers Generator Replacement. Director Gokkes moved to approve the resolution. Director Kendro seconded the motion and discussion ensued.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-14-43

Towers Generator Replacement

WHEREAS, the existing emergency generator and fire pump at The Towers have reached their life expectancy, are showing signs of failure, and have replacement parts that are hard to find; and

WHEREAS, the current generator and fire pump do not meet code requirements and replacement will require the systems be brought up to current code;

NOW THEREFORE BE IT RESOLVED, August 21, 2014, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$708,400 to be funded from the Replacement Fund to *replace the existing generator with a new 500 kW diesel generator and existing fire pump with a new 200 HP electric fire pump*; 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.

Director Gokkes read a proposed resolution approving an Emergency Cooling Tower Repair Supplemental Appropriation. Director Gokkes moved to approve the resolution. Director Dalis seconded the motion.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

Resolution M50-14-44

Supplemental Appropriation for Cooling Tower Repairs

WHEREAS, Mutual No. Fifty has an extensive heating and air conditioning system which includes cooling towers on the west side of the building; and

WHEREAS, the cooling towers required substantial repairs to belts and bearings which were not included in the 2014 business plan; and

WHEREAS, in June an outside technician was called to make emergency repairs of the cooling towers at a cost of \$9,142;

NOW THEREFORE BE IT RESOLVED, August 21, 2014, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$9,142 to be funded from the Replacement Fund for the emergency repair; and

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

Ms. Katy Howe and the Board discussed the installation of a T-Coil Hearing Loop.

Chester "Shep" Savage (1105) commented on the T-Coil Hearing Loop.

Without objection, the Board directed staff to pursue a no-cost, demonstration installation.

Director Gokkes read a proposed resolution approving a financial donation to Mutual No. Fifty from the Estate of Keith Wallace. Director Gokkes moved to approve the resolution. Director Kendro seconded the motion.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-14-45

Donation to Mutual No. Fifty

RESOLVED, August 21, 2014, that the Board of Directors of this Corporation hereby accepts the donation of \$2,996 from the Estate of Keith Wallace to be used for general purposes and operation; and

RESOLVED FURTHER, that the donation to Mutual No. Fifty shall not qualify as a tax-deductible charitable contribution; 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.

Director Gokkes read a proposed resolution approving the donation of an electronic keyboard to Mutual No. Fifty. Director Gokkes moved to approve the resolution. Director Nord-Leth seconded the motion.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-14-46

Donation of Electronic Keyboard

WHEREAS, Mutual Fifty Member David Rotter, Unit 361, has offered to donate one electronic keyboard to Mutual Fifty; and

NOW THEREFORE BE IT RESOLVED, August 21, 2014 that the Board of Directors of this Corporation on behalf of the Corporation hereby accepts the donation from David Rotter of the electronic keyboard, which is not a tax-deductible donation; and

RESOLVED FURTHER, that staff will not manage the use of the keyboard, and when the instrument does eventually fail, it is understood that Mutual No. Fifty would not replace it;

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.

Director Gokkes read a proposed resolution approving the donation of a player piano to Mutual No. Fifty. Director Gokkes moved to approve the resolution. Director Nord-Leth seconded the motion and discussion ensued.

By a vote of 1-3-0, the motion failed.

RESOLUTION M50-14-xx

Donation of Player Piano

WHEREAS, Mutual Fifty Member Jane Gibson, Unit 1260, has offered to donate one player piano and approximately 100 rolls to Mutual Fifty; and

NOW THEREFORE BE IT RESOLVED, August 21, 2014 that the Board of Directors of this Corporation on behalf of the Corporation hereby

accepts the donation from Jane Gibson of the player piano and rolls, which is not a tax-deductible donation; and

RESOLVED FURTHER, that staff will not manage the use of the piano, and when the instrument does eventually fail, it is understood that Mutual No. Fifty would not replace it;

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.

MUTUAL FIFTY COMMITTEE REPORTS

For the sake of time, the Board did not present Mutual Fifty Committee Reports.

GRF COMMITTEE REPORTS

For the sake of time, the Board did not present GRF Committee Reports.

Director Gokkes left the meeting at 3:52 P.M.

RECESS

The meeting recessed at 3:52 P.M. and reconvened into Executive Session at 4:15 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §4935

During its Regular Executive Session meeting of July 17, 2014, the Board approved the June 19, 2014 Regular Executive Session minutes and the July 10th Special Closed Session minutes; heard a presentation from Reconstruction Experts; and discussed litigation and delinquency matters.

There being no further business to come before the Board, the August 21, 2014 meeting was adjourned at 5:30 P.M.

Ryna Rothberg, President