

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF UNITED LAGUNA WOODS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

November 13, 2012

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, November 13, 2012 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Roger Turner, Catherine Brians, Jack Bassler, Mary Stone, Barbara B. Howard, Charles Hammer, Phil Doran, Pat English, Erna Ferris, John Dalis, Jerren Auble

Directors Absent: None

Staff Present: Jerry Storage, Patty Kurzet; Executive Session only: Cris Robinson, Luis Rosas

Others Present: Sandra Gottlieb of Swedelson & Gottlieb

CALL TO ORDER

Roger Turner, President of the Corporation, chaired and opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established and the meeting was called to order at 9:30 A.M.

PLEDGE OF ALLEGIANCE

Director Phil Doran led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

A representative of the Laguna Woods Globe was present, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as submitted.

CHAIR'S REMARKS

President Turner introduced the new Board members and welcomed them to the Board. President Turner commented on his goals for the year, and announced that the Board will hold a special televised Board meeting on December 7, 2012 at 1:00 P.M to discuss the impact of changing the 6-month leasing policy.

Without objection, the Board agreed to limit the total time for Member Comments to 30 minutes, and if further time is necessary, the Board would consider allotting additional time.

UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM

United Mutual Members were given the opportunity to speak and the Directors briefly responded to the comments.

APPROVAL OF MINUTES

Director Brians moved to approve the following minutes: Special Meeting of June 14, 2012 (Budget Version 1), Special Meeting of June 29, 2012 (Budget Version 1B), Special Meeting of July 20, 2012 (Budget Version 2), Special Meeting of August 10, 2012 (Budget Version 3), Special Meeting of September 5, 2012, Regular Meeting of September 11, 2012, Special Meeting of October 3, 2012, Special Meeting of October 5, 2012 (as revised), Special Organizational Meeting of October 9, 2012, Special Meeting of October 22, 2012, and the Special Meeting of October 31, 2012.

Director Stone seconded the motion and the motion carried with Director English opposing.

UNFINISHED BUSINESS

The Secretary of the Corporation, Director Charlie Hammer, read the proposed resolution approving the Mutual committee appointments. Director Hammer moved to approve the resolution. Director Dalis seconded the motion and discussion ensued.

Without objection, the Board removed Heather Gerson from the Landscape Committee.

Director Doran amended the motion to appoint Director Bassler as the Chair of the M&C Committee. Director English seconded the motion.

President Turner called the motion out of order indicating that appointing the committee chairperson falls under the purview of the President.

Without objection, the Board added Director Jerren Auble to the Paint Color Sub-Committee.

Director Doran moved to add John Gee as an advisor to the Landscape Committee and President Turner called the motion out of order indicating that advisors are designated by the Committee Chairperson.

Director Bassler removed himself from M&C Committee, and the Board agreed without objection.

By a vote of 6-5-0, (Directors English, Auble, Ferris, Doran, Bassler opposed, and President Turner voted in favor to break the tie), the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-12-183

RESOLVED, November 13, 2012, that the following persons are hereby appointed to serve the Corporation in the following capacities:

Finance Committee

Mary Stone - Chair

John Dalis - Vice Chair

Barbara B. Howard
Pat English
Advisors: Diane Casey, Florence Kleinfeld, Lou Skogen

Joint GRF Bylaw Committee

Inactive at this time

Landscape Committee

Charlie Hammer – Chair
Catherine Brians – Vice Chair
Erna Ferris
Jerren Auble
Advisors: Barbara Copley, Cynthia Chyba

Joint Long Range Planning Committee

Inactive at this time

Joint Signage Ad Hoc Committee with GRF and Third Mutual

TBD

Maintenance and Construction Committee

Catherine Brians, Chair
Charlie Hammer, Vice Chair
Phil Doran
Advisors: Lynn Hamm, Barbara Copley, Judy Gaither

New Resident Orientation

Per Rotation List

Paint Colors Sub-Committee

Catherine Brians, Chair
John Dalis
Jerren Auble
Advisors: Barbara Copley and Lynn Hamm

Standards Sub-Committee

Catherine Brians, Chair
Pat English
Advisor: Judy Gaither

Traffic Hearing (quarterly)

John Dalis, Chair
Catherine Brians
Jerren Auble

Walkway Lighting Subcommittee

Charles Hammer, Chair

Mary Stone
Jack Bassler
Advisors: Doug Rook and Collette Siegman

Laguna Canyon Foundation

Erna Ferris

RESOLVED FURTHER, that Resolution 01-12-182, adopted October 22, 2012, is hereby superseded and canceled.

Director Hammer read a proposed resolution approving the revised GRF committee appointments. Director Hammer moved to approve the resolution. Director Stone seconded the motion and discussion ensued.

Director Ferris amended the resolution to replace John Dalis with Pat English on the Finance Committee. Director English seconded the motion and discussion ensued.

By a vote of 6-4-0, (Directors English, Auble, Ferris, Doran, Bassler, Howard voted in favor), the amendment carried.

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

RESOLUTION 01-12-184

RESOLVED, November 13, 2012, that, in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted July 13, 2012, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Business Planning

Roger Turner
Mary Stone

Clubhouse 2 Renovation Ad Hoc Committee

Mary Stone
Jack Bassler

Community Activities

John Dalis
Erna Ferris

Finance

Mary Stone
Pat English

Landscape Committee

Charlie Hammer
Jerren Auble

Maintenance & Construction

Catherine Brians
Jack Bassler

Media and Communication Committee

Phil Doran
Barbara B. Howard

Mobility and Vehicles Committee

Jerren Auble
Phil Doran

Security and Community Access

Pat English
Phil Doran

RESOLVED FURTHER, that Resolution 01-12-181, adopted October 22, 2012, is hereby superseded and canceled.

NEW BUSINESS

Director Brians moved to dissolve the Governing Documents Ad Hoc Committee. Director Stone seconded the motion and the motion carried unanimously.

Director Hammer read a proposed resolution establishing a Governing Documents Review Ad Hoc Committee with charter. Director Hammer moved to approve the resolution. Director Brians seconded the motion and discussion ensued.

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

RESOLUTION 01-12-185

GOVERNING DOCUMENTS REVIEW AD HOC COMMITTEE CHARTER

RESOLVED, November 13, 2012, that the Board of Directors of this Corporation hereby establishes a Governing Documents Review Ad Hoc Committee for the purposes of reviewing the United Laguna Woods Mutual governing documents for clarity, currentness, and applicability through regularly announced meetings open to United Members;

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of this Ad Hoc Committee as follows:

1. Ensure governing documents adhere to applicable laws;
2. Consider conformance, as required, between each governing document with another;
3. Confer, as appropriate, with United Managing Agent;
4. Consult, as appropriate and upon Board approval, with United Corporate Legal Counsel;
5. Solicit commentary, upon Board approval, from United Members through local media and other sources;
6. Make regular committee progress reports to the United Board of Directors; and
7. Propose resolution(s) for governing document amendment(s) through vote by the United Membership.

RESOLVED FURTHER, that the Governing Documents Review Ad Hoc Committee shall perform such other duties as may be assigned by the Board, and upon conclusion of the Committee's work, it will be disbanded by the Board.

Director Brians moved to appoint Directors Howard, Stone and Bassler, with Dobbin Lo as advisor to the Governing Documents Review Ad Hoc Committee. Director English seconded the motion and the motion carried unanimously.

The Board discussed and considered whether advisors should continue to not attend closed session Finance Committee meetings. Director Stone tabled the discussion to the next Board meeting. Director English seconded the motion and the motion carried unanimously.

Mrs. Cris Robinson entered the meeting and reported on the City of Laguna Hills's Notice of Intent to develop multi-family dwelling units in Oakbrook Village. Mrs. Robinson asked if the Board would like Cora Newman, Entitlements Consultant, to attend the City of Laguna Hills City Council meeting on behalf of United Mutual. Director Stone moved to allow Ms. Newman to attend the meeting on the Mutual's behalf. Director Brians seconded the motion and discussion ensued. The motion carried unanimously.

Ms. Robinson left the meeting at 11:17 A.M.

GENERAL MANAGER'S REPORT

Mr. Storage updated the membership on the ongoing projects in United Mutual and GRF.

Director Howard left the meeting at 11:25 A.M.

CONSENT CALENDAR

Director Stone moved to approve the Consent Calendar as written. Director Auble seconded the motion. The motion carried unanimously and the Board approved the following actions.

Maintenance and Construction Committee Recommendations:

RESOLUTION 01-12-186

WHEREAS, Mr. Gust Harris of 20-P Avenida Castilla requests that the Mutual reimburse him \$387 for the expense incurred to obtain after-hours emergency plumbing service for a multi-fixture stoppage, of which \$98 was to cut out and replace the trap under the kitchen sink;

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves to reimburse Mr. Gust Harris of 20-P Avenida Castilla \$289 for the expense incurred to obtain after-hours emergency plumbing service for a multi-fixture stoppage at his manor; and

RESOLVED FURTHER, that the reimbursement shall be paid for as an unbudgeted operating expenditure in General Maintenance; 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.

RESOLUTION 01-12-187

RESOLVED, November 13, 2012, that the request of Mrs. Kathryn Nichols of 169-A Avenida Majorca for reimbursement of costs associated with lodging expenses incurred as a result of the fumigation of Building 169 is hereby approved; and

RESOLVED FURTHER, that the Members shall be reimbursed in the amount of \$81, which is less than the amount the Mutual would pay the Ayers Hotel for one room for two nights; 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.

RESOLUTION 01-12-188

RESOLVED, November 13, 2012, that the request of Mr. Hideo Yoshizawa of 436-E Avenida Sevilla to create a patio wall opening at his manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual member(s) at 436-E; and

RESOLVED FURTHER, that a required Mutual permit must be obtained through the Permits and Inspections Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the finished openings must match the existing finish on the patio wall. Wood finish trim or brick veneer is not allowed; 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.

RESOLUTION 01-12-189

RESOLVED, November 13, 2012, that the request of Mr. Jeff Stoecker of 488-A Calle Cadiz to perform a patio addition and block wall modification at his manor is hereby approved; and

RESOLVED FURTHER, that all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 488-A; and

RESOLVED FURTHER, that a required Mutual permit must be obtained through the Permits and Inspections Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that all work must be performed as per standard construction practices; and

RESOLVED FURTHER, that all landscape, irrigation, and drainage modifications associated with the alteration, if any, are to be completed by the Landscape Division at the expense of the Mutual Members(s) at 488-A; 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.

RESOLUTION 01-12-190

RESOLVED, November 13, 2012, that the request of Mr. James Bakos of 764-A Calle Aragon to construct a room addition at his manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual member(s) at 764-A; and

RESOLVED FURTHER, that unit-specific plans depicting the proposed alteration, signed and wet-stamped by a California-licensed architect or engineer must be submitted to the Permits and Inspections office located in the Laguna Woods Village Community Center for approval. These plans must include structural details and calculations required to insure the structural integrity of the building is maintained upon completion of the proposed room addition; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit numbers must be submitted to the Mutual through the Permits and Inspections Office located in Laguna Woods Village Community Center; and

RESOLVED FURTHER, that all required landscape, irrigation, and drainage modifications are to be completed by the Landscape Division at the expense of the Mutual Member(s) at 764-A; 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.

Landscape Committee Recommendations:

480-D Approval of request for relandscaping at Mutual Member's expense
643-B Denial of request for tree removal

Finance Committee Recommendations:

RESOLUTION 01-12-191

WHEREAS, Member ID 947-358-44 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-358-44; 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.

RESOLUTION 01-12-192

WHEREAS, Member ID 947-381-54 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-381-54; 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.

RESOLUTION 01-12-193

WHEREAS, Member ID 947-384-06 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-384-06; 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.

RESOLUTION 01-12-194

WHEREAS, Member ID 947-390-04 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board

(with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-390-04; 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.

RESOLUTION 01-12-195

WHEREAS, Member ID 947-390-44 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-390-44; 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.

RESOLUTION 01-12-196

WHEREAS, Member ID 947-393-01 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-393-01; 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.

RESOLUTION 01-12-197

WHEREAS, Member ID 947-405-34 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-405-34; 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.

RESOLUTION 01-12-198

WHEREAS, Member ID 947-408-47 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-408-47; 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.

RESOLUTION 01-12-199

WHEREAS, Member ID 947-433-09 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-433-09; 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.

RESOLUTION 01-12-200

WHEREAS, Member ID 947-433-92 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-433-92; 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.

RESOLUTION 01-12-201

WHEREAS, Member ID 947-440-18 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-440-18; 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.

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

Director Mary Stone reported from the Finance Committee, gave the Treasurer's Report, Delinquency Report, and commented on the Resale & Lease Activities.

Director Stone stated that the following resolutions were revised to change the name of the Corporation and moved to approve the resolutions, with the following amendments to the Financial Requirements resolution: add the word "liquid" in the fourth bullet point, and the following paragraphs to read as follows:

RESOLVED FURTHER, that the Board review and approve any financial institution requesting the ability to fund a loan for prospective member by executing a Recognition Agreement; and

RESOLVED FURTHER, that financial requirements may be waived when the prospective member obtains financing from an approved financial institution of at least 50% and not more than 90% of the purchase price; and

Director Bassler seconded the motion and discussion ensued.

Member Rhoda Lindner (2013-C) commented on the Financial Requirements resolution.

The motion carried unanimously and the following resolutions were adopted:

RESOLUTION 01-12-202

UNITED LAGUNA WOODS MUTUAL FINANCE COMMITTEE CHARTER

WHEREAS, the United Laguna Woods Mutual Finance Committee has been established pursuant to Article VII, Section 1 of the Bylaws of this Corporation;

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the board of directors of this corporation hereby assigns the duties and responsibilities of this Committee as follows:

1. To review the monthly financial statements and any other reports affecting the financial status of this corporation; to review the performance of the Managing Agent in relation to the annual operating budget and make recommendations to the board of directors as deemed necessary.
2. Review annually the adequacy of the corporation's reserves.
3. Review annually the proposed United Laguna Woods Mutual Business Plan and recommend to the Board action regarding same, including the amount of the assessment required to meet the following year's operating budget and reserve contributions.

4. Confer with the Managing Agent on financial matters of this corporation, including insurance programs as applicable.
5. Review the investment of funds of United to determine that standards set by the United Laguna Woods Board are being complied with, and recommend to the United Laguna Woods Board changes in such investment policy and procedures as may be deemed advisable.
6. Function as an advisory and liaison body to the Managing Agent in matters pertaining to membership occupancy and assessment delinquencies; and coordinate these matters with other standing committees having related concerns.
7. Review any unplanned reserve expenditures proposed by any other committee to determine the impact on and adequacy of related reserves, and recommend appropriate action to the United Laguna Woods Board; and

RESOLVED FURTHER, that the committee shall perform such other tasks as are assigned by the United Laguna Woods Mutual President or Board of Directors; and

RESOLVED FURTHER, that Resolution 01-11-222, adopted on November 8, 2011 is hereby superseded and cancelled.

RESOLUTION 01-12-203

UNITED LAGUNA WOODS MUTUAL INVESTMENT POLICY

WHEREAS, that Professional Community Management Inc., managing agent of this corporation, and an external Investment Manager are hereby authorized to invest the funds of the corporation which, in the opinion of said managing agent are not required within a reasonable time to pay obligations of the corporation; and

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the Board of Directors of this Corporation hereby authorizes the Managing Agent of this corporation, Professional Community Management Inc. to retain Merrill Lynch and its affiliate (i.e. BlackRock) as Investment Manager and to give that Manager discretion to transact purchases and sales of investments for United Laguna Woods Mutual's account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

RESOLVED FURTHER, that all investments on behalf of this corporation must be made with the underlying principles in the following order of priority: (1) safety, (2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the managing agent and treasurer of this corporation upon completion of each investment transaction;
2. For funds administered by Professional Community Management, Inc., no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of the Treasurer and either the President or 1st Vice President of this corporation. Furthermore, if a member of the corporation desires an investment to be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity, approval must be received from the Board of Directors of this corporation;
3. Funds shall be invested only in authorized investments as provided herein;
4. Authorized investments are limited to obligations of, or fully guaranteed as to principal by the United States of America;
5. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form;
6. Any authorized investments, as defined in Item 4 above, previously made by said Managing Agent, are hereby ratified.

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.

RESOLVED FURTHER, that Resolution 01-06-06, adopted on February 14, 2006 is hereby superseded and cancelled.

RESOLUTION 01-12-204

UNITED LAGUNA WOODS MUTUAL FINANCIAL REQUIREMENTS

WHEREAS, it is in the best interest of the Corporation to protect and preserve the financial integrity of this Corporation:

NOW THEREFORE BE IT RESOLVED, November 13, 2012, that the minimum financial requirements are revised as follows, effective for any escrow opened on or after December 1, 2012:

PROSPECTIVE MEMBERSHIP (manor)

- Minimum Annual Income - \$36,000 per year, regardless of the number of persons on the Membership Certificate; and
- Minimum Liquid, Marketable, and/or Income Producing Assets - \$125,000 plus the total purchase price of the membership

GUARANTORS OF PROSPECTIVE MEMBERSHIP

- Minimum Annual Income - \$90,000
- Minimum Verifiable Liquid, Marketable and/or Income Producing Assets - \$250,000, plus the total purchase price of the membership

RESOLVED FURTHER, that all Membership applicants are required to submit a completed Financial Statement / Credit Information form; with satisfactory verification of identity, income, and assets, except under the following condition:

Once a member has qualified within this Corporation, said member need not requalify for purchase of a replacement manor as long as the person or persons in whose name the Membership Certificate is held remain the same; and

RESOLVED FURTHER, that the Board review and approve any financial institution requesting the ability to fund a loan for prospective member by executing a Recognition Agreement; and

RESOLVED FURTHER, that financial requirements may be waived when the prospective member obtains financing from an approved financial institution of at least 50% and not more than 90% of the purchase price; and

RESOLVED FURTHER, that the Managing Agent is hereby directed to disseminate this information to the realty community serving Laguna Woods Village, Laguna Woods; and

RESOLVED FURTHER, that the Managing Agent is hereby directed to return to the Board in two years with recommendations for retaining or changing the requirements; and

RESOLVED FURTHER, that Resolution 01-08-144, adopted August 12, 2008 is hereby superseded and canceled.

Director Brians reported from the Maintenance and Construction Committee.

Director Brians moved to approve dry rot repair alternatives for Monterey Coronado Buildings by removing exposed beam ends at stucco wall in patio areas during the Prior to Paint Program. Director Dalis seconded the motion and the motion carried unanimously.

Director Brians reported from the United Paint Color Selection Sub-Committee.

Director Hammer reported from the Walkway Lighting Sub-Committee.

Director Hammer reported from the Landscape Committee.

Director Auble provided a summary of the number of disciplinary cases that have come before the Board.

GRF HIGHLIGHTS

- Director Ferris reported on the Community Activities Committee.

DIRECTORS' FORUM

- The Directors provided final comments.

MEETING RECESS

The Regular Open Session Meeting recessed at 12:12 P.M. and reconvened into the Regular Executive Session at 1:01 P.M.

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

During its September 11, 2012 Regular Executive Session Meeting, the Board reviewed and approved, without objection, the minutes of the Special Executive Session meeting of August 13, 2012, the Regular Executive Session meeting of August 14, 2012, and the Special Executive Session meeting of September 4, 2012. The Board heard four disciplinary hearings and imposed fines totaling \$600 for violations of the Mutual's rules and regulations; and discussed litigation, contractual, and other member disciplinary matters.

During its September 19, 2012 and September 21, 2012 Special Executive Session Meetings, the Board discussed matters with legal counsel.

During its October 5, 2012 Special Executive Session Meeting, the Board held a Delinquent Assessment Meet and Confer, heard three disciplinary hearings and imposed fines totaling \$1,000 for violations of the Mutual's rules and regulations; and discussed potential litigation, contractual, and other member disciplinary matters.

During its October 22, 2012 Special Executive Session meeting, the Board discussed corporation matters with its legal counsel

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 5:00 P.M.

Charlie Hammer, Secretary