

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

January 8, 2013

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, January 8, 2013 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, Charlie 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, Frances Rangel

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 Mary Stone 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 commented on the 6-month lease restriction agenda items which will directly affect the membership, and stated that any change that is made will be irreversible.

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 minutes of the Special Meeting of December 7, 2012 and the Regular Meeting of December 11, 2012. Director Stone seconded the motion and discussion ensued. The motion carried by a vote of 9-0-1 (Director Howard abstained).

UNFINISHED BUSINESS

The Secretary of the Corporation, Director Hammer, read the following proposed resolution adopting tree removal guidelines, which was postponed from the previous month to conform to the 30-day notification requirement:

RESOLUTION 01-13

WHEREAS, the Board of Directors recognizes that many policies and services have been implemented by way of practice over the years but not formally documented;

NOW THEREFORE BE IT RESOLVED, February 12, 2013, that the Board of Directors hereby adopts the following tree removal guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.
- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

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.

Without objection the Board postponed the resolution to the February meeting to satisfy the 30-day notification requirement.

NEW BUSINESS

Director Brians moved that the Board submit for a vote of the membership to change the 6-month sub-lease restriction and adopt a 12-month renewable sub-lease policy. Director Dalis seconded the motion and discussion ensued.

Members were given the opportunity to speak to the motion.

Director Howard called the question to end debate. Directors English, Howard, Bassler, Doran, Ferris, and Auble voted in favor, the motion failed due to a lack of a 2/3 vote.

By a vote of 4-6-0 (Directors Hammer, Brians, Stone, Dalis voted in favor; Directors English, Howard, Bassler, Doran, Auble, Ferris opposed), the original motion failed.

Director Doran made a motion to rescind and otherwise delete Resolution U-84-84 in its entirety and any related policy that restricts the period of time that a co-op can be rented. Director English seconded the motion and discussion ensued.

Director Doran clarified that Resolution U-10-122 (20% cap on rentals) is not a part of the motion.

Director Stone amended the motion that the sub-lease applications follow the same procedures as the occupancy agreement/escrow packages and be approved by the Board. Director Dalis seconded the motion and discussion ensued.

Members were given the opportunity to speak to the amendment.

By a vote of 4-6-0 (Directors Hammer, Brians, Stone, Dalis voted in favor; Directors English, Howard, Bassler, Doran, Auble, Ferris opposed), the amendment failed.

Members were given the opportunity to speak to the original motion.

Director Stone moved to postpone the motion until further information is received. Director Dalis seconded the motion and discussion ensued.

By a vote of 4-6-0 (Directors Hammer, Brians, Stone, Dalis voted in favor; Directors English, Howard, Bassler, Doran, Auble, Ferris opposed), the motion failed.

Ms. Gottlieb advised that should the vote carry, then the Mutual would operate as it did prior to 1984, and in accordance with the Occupancy Agreement, no sub-leasing would be allowed without approval by the Board.

Director Brians called for a roll call vote. By the following roll call vote of 8-2-0, the original motion carried:

Directors voting in favor: Ferris, Auble, Dalis, Stone, Doran, Bassler, Howard, English
Directors voting in opposition: Brians, Hammer

The Board submitted the proposed policy change for the required 30-day notification period to allow comments from the membership. The Board will take final action at its February Board meeting.

The Board recessed at 12:23 P.M. for lunch and reconvened at 1:03 P.M.

Director Hammer was absent from the meeting.

Director Howard commented on her proposed procedures for developing agendas, and moved that Staff provide a draft agenda 4 days prior to the agenda meeting and attach the previous meeting minutes, proposed resolutions, and the prior month's agenda.

Director Bassler seconded the motion and discussion ensued.

By a vote of 5-3-1 (Directors Howard, English, Bassler, Auble, Doran voted in favor; Directors Dalis, Brians, and Stone opposed, and Director Ferris abstained), the motion carried.

GENERAL MANAGER'S REPORT

Due to time constraints, Mr. Storage postponed his report to next month.

Due to time constraints, the report on legislative issues was postponed to next month.

CONSENT CALENDAR

Without objection, the Consent Calendar was approved and the Board took the following actions.

Maintenance and Construction Committee Recommendations:

RESOLUTION 01-13-01

RESOLVED, January 8, 2013, that the request of Mr. Saeed Sabeti of 110-S Via Estrada to retain bath and kitchen tile floors installed in his manor is hereby denied; and

RESOLVED FURTHER, that the Member shall remove the subject flooring and replace it with Mutual approved flooring within 90 days of the Board's decision; 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 01-13-02

RESOLVED, January 8, 2013, that the request of Mr. Yung Yum of 313-B Avenida Castilla 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 313-B; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit number must be submitted to the Mutual 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 01-13-03

RESOLVED, January 8, 2013, that the request of Mr. Donald Schulz of 497-B Avenida Sevilla to create patio wall openings at his manor is hereby approved; and

RESOLVED FURTHER, that the Mutual shall construct the requested alteration openings in the patio walls concurrently with the originally planned wall reconstruction; and

RESOLVED FURTHER, that all costs and maintenance associated with the subject alteration are the responsibility of the Mutual member(s) at 497-B; 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 additional costs the Mutual will incur to construct the alteration patio wall openings on the Member's behalf will be charged back to the Mutual Member, Mr. Shulz at 497-B; and

RESOLVED FURTHER, that Resolution 01-12-216, adopted December 11, 2012 is hereby rescinded; 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 01-13-04

RESOLVED, January 8, 2013, that the request of Mr. Milton Klein of 601-E Avenida Sevilla that the Mutual adjust charges totaling \$6,268.32 billed to him for damage restoration work due to a water leak in the remodeled bathroom is hereby denied; 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 01-13-05

RESOLVED, January 8, 2013, that the request of Ms. Alice Chen of 713-D Avenida Majorca to perform a patio extension with patio walls alteration 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 713-D; 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 patio walls must be built as per United Mutual Alteration Standard Section 8- *Block Walls*, and the patio extension must be installed as per Section 22- *Patio Slab Extensions*; 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 713-D; 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 01-13-06

RESOLVED, January 8, 2013, that the request of Mr. Maziar Rahe of 795-D Via Los Altos to install a satellite dish on the roof of his manor is hereby approved; and

RESOLVED FURTHER, that all costs for installation, repair, and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 795-D; and

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

RESOLVED FURTHER, that the satellite dish must be mounted on a non-penetrating stand, held down by at least four cinder blocks, on the roof over the subject manor away from the edge of the building so as not to be visible; 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 01-13-07

RESOLVED, January 8, 2013, that the request of Mr. William Brechtel of 899-D Ronda Sevilla for a bedroom one extension is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member at 899-D; 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 the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that prior to issuance of a permit, updated and unit-specific plans depicting the proposed alterations, signed and wet-stamped by a California-licensed structural engineer or architect, must be submitted to the Permits and Inspections Office for approval. These plans must include structural calculations required to insure the structural integrity of the building is maintained upon completion of the proposed alterations; 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 01-13-08

RESOLVED, January 8, 2013, that the request of Ms. Sharon Evans, Trustee of 2012-A Via Mariposa West for a bedroom one extension is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member at 2012-A; 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 the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that prior to issuance of a permit, updated and unit-specific plans depicting the proposed alterations, signed and wet-stamped by a California-licensed structural engineer or architect, must be submitted to the Permits and Inspections Office for approval. These plans must include structural calculations required to insure the structural integrity of the building is maintained upon completion of the proposed alterations; 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 01-13-09

WHEREAS, by way of Resolution 01-12-143, the Board of Directors established the Paint Color Selection Procedures for Buildings in CDS 208 which allows member occupants of each building, following specific guidelines, to request the use of different colors for the building they occupy from the approved color palettes; and

WHEREAS, the Owner Occupants of Building 2156 submitted a request for a change in the pre-selected exterior paint colors after the deadline for submittal;

NOW THEREFORE BE IT RESOLVED, January 8, 2013, that the request of Owner Occupants of Building 2156 for a change in the pre-selected exterior paint colors is hereby denied; 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:

None

Finance Committee Recommendations:

RESOLUTION 01-13-10

WHEREAS, Member ID 947-392-41 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, January 8, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-392-41; 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 01-13-11

WHEREAS, Member ID 947-401-06 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, January 8, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-401-06; 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 01-13-12

WHEREAS, Member ID 947-401-70 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, January 8, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-401-70; 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 01-13-13

WHEREAS, Member ID 947-427-67 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, January 8, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-427-67; 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 01-13-14

WHEREAS, Member ID 947-454-12 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, January 8, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-454-12; 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 Brians reported from the Maintenance and Construction Committee.

In Director Hammer's absence, Director Stone read a proposed resolution authorizing a supplemental appropriation of \$2,640 to install carbon monoxide alarms in 161 units. Director Stone moved to approve the resolution. Director Brians seconded the motion and discussion ensued.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-13-15

WHEREAS, the California Health and Safety Code establishes that the owners of dwelling units containing fossil fuel burning fireplaces are responsible for equipping their units with carbon monoxide alarms and subsequently maintaining them;

NOW THEREFORE BE IT RESOLVED, January 8, 2013, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$2,640 to be funded from the Contingency Fund to install carbon monoxide alarms in 161 units that have already been identified to require such alarms and any other units that are discovered to require such alarms in the future; and

RESOLVED FURTHER, that \$3,960 shall be paid from the existing operating budget for the scheduling and installation labor costs; and beginning in 2014, \$250 shall be included in the operating budget for the cost of the annual replacement batteries; 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 Stone read the following proposed resolution adopting a Heat Source Replacement Policy:

RESOLUTION 01-13

WHEREAS, there is no documented policy currently in place that outlines the procedure for replacement of a heat source within a manor when the original heat source system fails;

NOW THEREFORE BE IT RESOLVED, February 12, 2013, that the Board of Directors of this Corporation hereby adopts a Heat Source Replacement Policy, as attached to the official minutes of this meeting, that defines the conditions under which the Mutual will undertake a heat

source replacement, the standard type of heat source to be installed, and the maintenance responsibility for the replacement of such; and

RESOLVED FURTHER, that a reserve component for heat source replacement shall be established beginning with the 2014 Reserve Expenditures Plan; 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 Stone moved to approve the resolution. Director Brians seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to February to satisfy the 30-day notification requirement.

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

In Director Hammer's absence, Director Brians reported from the Walkway Lighting Sub-Committee.

In Director Hammer's absence, Director Brians reported from the Landscape Committee.

Director Howard reported from the Governing Documents Review Ad Hoc Committee.

Director English moved to approve the "Commentary from United Members" Information Form as created by the Ad Hoc Committee. Director Auble seconded the motion and discussion ensued. The motion carried by a vote of 6-3-0 (Directors Dalis, Stone, and Brians opposed).

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

GRF HIGHLIGHTS

- Director Ferris reported from the Community Activities Committee.

DIRECTORS' FORUM

- The Directors provided final comments.

MEETING RECESS

The Regular Open Session Meeting recessed at 1:50 P.M. and reconvened into the Regular Executive Session at 1:51 P.M.

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

During its December 11, 2012 Regular Executive Session Meeting, the Board reviewed and approved the minutes of the Regular Executive Session of November 13, 2012, the Special Executive Session of November 29, 2012, and the Special Executive Session of November 30, 2012. The Board approved five write-offs in the total amount of \$740. The Board heard four disciplinary hearings and imposed fines totaling \$1,300 for violations of the Mutual's rules and regulations; and discussed litigation, contractual, and other member disciplinary matters.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 5:48 P.M.

Roger Turner, President