

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

September 10, 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, September 10, 2013 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jack Bassler, Pat English, Erna Ferris, Barbara B. Howard, John Beckett, Jan LaBarge, John Parker, Al Roddan

Directors Absent: Phil Doran, Jerren Auble, Mike Comer

Staff Present: Jerry Storage, Patty Kurzet, Pamela Bashline (9:30 A.M. – 10:45 A.M.) (Executive Session: Jerry Storage, Patty Kurzet, Cris Robinson, Luis Rosas)

Others Present: Jeffrey Beaumont of Beaumont Gatilin Tashjian

CALL TO ORDER

Jack Bassler, First Vice 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 John Parker led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

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

APPROVAL OF AGENDA

Without objection, the Board agreed to approve the agenda as amended by moving Agenda item 13(e) *Approval of 2014 Replacement Reserves*, placing it after Agenda item 18(a) *Motion to Eliminate Landscape Revitalization Program*.

CHAIR'S REMARKS

First Vice President Bassler announced that this is the last regular Board meeting before the election of the new Directors, and that the Annual Meeting will be held at Clubhouse 3 on October 8, 2013. Director Bassler commented on the challenges that have come before the Board in the last few months, and commented on the Board's goal to reduce Mutual and GRF spending.

UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM

United Mutual Members were given the opportunity to speak to items not on the agenda and the Directors briefly responded to the comments.

APPROVAL OF MINUTES

Director Roddan moved to approve the minutes of the July 19, 2013 Special Meeting (Business Planning Meeting – Ver 2), July 22, 2013 Special Meeting (Business Planning Meeting – Ver 2-B), the August 9, 2013 Special Meeting (Business Planning Meeting – Ver 3), and the August 13, 2013 Regular Meeting. Director English seconded the motion and the motion carried unanimously.

UNFINISHED BUSINESS

Director Parker provided an update on his review, with the assistance of Staff, of the Mutual's Lease Application.

NEW BUSINESS

Director LaBarge read the following proposed resolution approving guidelines and applications for permitted healthcare resident:

RESOLUTION 01-13-xxx

WHEREAS, United Laguna Hills Mutual is a senior housing development as defined by Section 51.3 of the Unruh Civil Rights Act, which declares that discrimination in housing is against the public policy on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

WHEREAS, California Civil Code §51.3 permits the occupancy of a dwelling unit by a "permitted health care resident" during any period the person is actually providing health care to a "qualifying resident" under the following circumstances:

1. That a person who is 18 years of age or older be hired to provide "live-in, long-term, or terminal health care" to a qualifying resident for compensation; and "for compensation" may include provisions of lodging and food in exchange for care; or
2. A "family member" of the qualifying resident who is 18 years of age or older may serve as a permitted health care provider for "live-in, long-term, or terminal health care"; and

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the Board of Directors of this Corporation hereby establishes the following guidelines for an applicant wishing to reside in a unit as a permitted health care provider:

1. The health condition of the permitted resident has been certified by a licensed medical treating physician who is required to safeguard as "privileged and confidential" medical records of patients as determined by the federal Health Insurance Portability and Accountability Act (HIPAA) and under the HIPAA Security Rule which

- set national standards for protecting patient health information through the Office of Civil Rights, U.S. Department of Health & Human Services; and
2. The total number of persons residing in the unit, including the permitted health care provider shall not exceed the number of persons allowed under the occupancy standards established by the California Department of Fair Employment and Housing and any and all other applicable laws or regulations; and
 3. Each health care provider who seeks to reside in a unit must certify to be free from having been convicted of a felony within the last twenty years or a misdemeanor involving moral turpitude within the last five years; and
 4. The Mutual Member must assume responsibility for the conduct of the permitted health care provider, and shall ensure that he/she complies with all rules, regulations, and policies of the Mutual and the Golden Rain Foundation; and compliance includes return on identification pass and any vehicle identification upon termination of residency, for which noncompliance may result in disciplinary action against the Mutual Member to the extent allowed by the governing documents of the Mutual; and
 5. Upon approval by the Board of Directors, an identification gate pass shall be issued to the permitted health care resident that will permit gate access into the community but will *limit* use of GRF facilities to the bus system only, while using any other amenity requires accompaniment by the qualifying resident; and

RESOLVED FURTHER, that the Board hereby approves the *Application for Permitted Health Care Resident* and the *Physician's Certification of Need for Home Health Care Provider*, as attached to the official minutes of this meeting; and

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

RESOLVED FURTHER, that Resolution 01-06-40 adopted by the Board of Directors on May 9, 2006 is hereby superseded and cancelled.

Director Roddan moved to approve the resolution. Director Beckett seconded the motion and discussion ensued.

Members Mary Stone (356-C) and Maggie Brown (468-D) commented on the motion.

Ms. Pamela Bashline, Community Services Manager, addressed questions by the Board and recommended additional changes to the application.

Director Ferris moved to continue the matter so the applications can be further revised. Director Parker seconded the motion and discussion ensued.

By a vote of 4-3-0 (Directors LaBarge, Roddan, Ferris, and Parker voted in favor; Directors Beckett, English and Howard opposed), the motion carried.

Mr. Beaumont commented on the proposed resolution in the agenda packet with regard to the GRF loan, and recommended that the Board consider his revised version.

Director LaBarge read Mr. Beaumont's proposed resolution authorizing legal counsel to analyze the Bank of America loan documents obtained by GRF. Director English moved to approve the resolution. Director Beckett seconded the motion and discussion ensued.

Members were given the opportunity to express their sentiments with the motion.

By a vote of 6-1-0 (Director Ferris opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-13-160

WHEREAS, on September 3, 2013 GRF announced that it has taken out a \$10 million, 15-year loan from Bank of America, which obligates GRF to pay a pre-payment penalty equal to Bank of America's lost interest income, and

WHEREAS, the Trust Agreement with GRF provides, "This Trust shall in all events terminate..." March 2, 2024, and

WHEREAS, the term of the loan, 15 years, exceeds the life of the Trust, 10.5 years, and

WHEREAS, it appears that the GRF Trust and its beneficiaries, including United, will be liable for millions of dollars in pre-payment penalties when and if the trust terminates,

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that Corporate Counsel Jeff Beaumont is hereby authorized to analyze the Bank of America loan documents, advise the Board of his findings and, if appropriate and warranted, notify GRF and/or Bank of America that the loan exceeds the authority of the GRF Board and violates the terms of the GRF Trust; and

BE IT FURTHER RESOLVED, Corporate Counsel Jeff Beaumont is authorized to take those additional actions that he and the Board believe are required to enforce the Trust; and

BE IT FURTHER RESOLVED, that the Officers and agents of this Corporation are authorized to carry out the purpose of this resolution.

CONSENT CALENDAR

Without objection, the Consent Calendar was approved as amended by removing the *request to remodel manor 693-C* returning it back to the Maintenance and Construction Committee, and the Board took the following actions.

Maintenance and Construction Committee Recommendations:

RESOLUTION 01-13-161

WHEREAS, Ms. Johanna Meier of 124-G Via Estrada disputes damage restoration charges totaling \$424.60 for work performed to inspect staining on Mutual property and to repair top coat damage by the stains;

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the dispute request of Ms. Johanna Meier of 124-G Via Estrada is hereby approved in part with the Board agreeing to split the cost of the site visit and breezeway repair with the Mutual member (\$424.60) and reverses the charges in the amount of \$212.30, to be paid as an unbudgeted operating expense 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 01-13-162

RESOLVED, September 10, 2013, that the request of Mrs. Deborah Toms and Mr. William Ring of 149-A Avenida Majorca to install a room addition in their upstairs balcony 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 Manor 149-A;

RESOLVED FURTHER, that all required Mutual and the City of Laguna Woods permits must be obtained. The relevant City of Laguna Woods permit number(s) and proof of completion, as evidenced by the final inspection signature, must be submitted to the Mutual through the Permits and Inspections Office located in Laguna Woods Village Community Center; 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 the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

RESOLUTION 01-13-163

WHEREAS, Mrs. Deborah Toms and Mr. William Ring of 149-A Avenida Majorca requested that the Mutual, at its expense, relocate a water shut off valve at their assigned carport space;

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the Board of Directors hereby approves the request of Mrs. Deborah Toms and Mr. William Ring of 149-A Avenida Majorca that a water shut off valve at their assigned carport space be relocated at their own expense; and

RESOLVED FURTHER, that the relocation work shall be done by the Mutual and charged back to the Mutual members at 149-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 01-13-164

RESOLVED, September 10, 2013, that the appeal request of Ms. Altagracia Escano of 164-B Avenida Majorca to install a satellite dish on the roof of her manor 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 01-13-165

RESOLVED, September 10, 2013, that the request of Mrs. Karen Leroux of 535-A Via Estrada to retain a sliding glass door in a non-standard location in the balcony room addition 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 Manor 535-A; and

RESOLVED FURTHER, that all required Mutual and the City of Laguna Woods permits must be obtained. The relevant City of Laguna Woods permit number(s) and proof of completion, as evidenced by the final inspection signature, must be submitted to the Mutual through the Permits and Inspections Office located in Laguna Woods Village Community Center; 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 01-13-166

RESOLVED, September 10, 2013, that the request of Ms. Fersun Bolulu of 557-Q Avenida Sevilla to install an electronic stair lift in the exterior stairwell at her 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 557-Q; and

RESOLVED FURTHER, that the Member shall submit a physician's certification that the stair lift is required in order to accommodate a disability in order to afford the member equal opportunity to use and enjoy a dwelling as required by law; and

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

RESOLVED FURTHER, that if the chair lift is removed, the stair treads are required to be restored to the pre-installation condition at the Mutual Members Expense; and

RESOLVED FURTHER, that if required, the Member(s) shall bear all costs associated with the relocation or reconfiguration of the mailboxes; and

RESOLVED FURTHER, that the Member(s) shall indemnify, defend and hold harmless GRF, the housing mutual, and their agent for loss arising out of the ownership, maintenance or use of the exterior stair lift; and

RESOLVED FURTHER, that the Member(s) shall provide proof of Homeowners' Liability Insurance, Personal Liability Insurance, or Personal Umbrella Liability Insurance, with limits per person or combined single limit of not less than \$500,000 per occurrence; and

RESOLVED FURTHER, that the stair lift shall be removed, and the conditions restored to original, upon resale or transfer of the manor. All such costs would be borne by the Mutual Member(s).

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 01-13-167

RESOLVED, September 10, 2013, that the appeal request of Mr. and Mrs. Gordon Davis of 603-A Avenida Sevilla to retain vinyl rain gutters and downspouts at their 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 Manor 603-A; and

RESOLVED FURTHER, that the Member will be required to remove the vinyl rain gutters at their own expense upon 1) the performance of maintenance operations by the Mutual which would be obstructed by the gutters, or 2) upon transfer of title for the property, whichever comes first; and

RESOLVED FURTHER, that the vinyl rain gutters cannot be reinstalled; replacement rain gutters will be required to conform to United Mutual Alteration Standard Section 18 Gutters and Downspouts; 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 01-13-168

WHEREAS, Mr. Dennis Moran of 719-C Avenida Majorca disputed late charges totaling \$400 that resulted from an unpaid golf cart electricity usage fee from 2009 and requests that the Mutual rescind the charges, and by way of Resolution 01-13-107, the Board denied the request; and

WHEREAS, Mr. Moran appealed the Board decision;

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the Board of Directors hereby denies the appeal request of Mr. Dennis Moran of 719-C Avenida Majorca that the Mutual rescind the late charges totaling \$400 that resulted from an unpaid golf cart electricity usage fee, and affirms the Mutual's governing documents and established policies; 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 01-13-169

WHEREAS, Ms. Debra Nessen of 2045-P Via Mariposa East disputed damage restoration charges in the amount of \$7,413.48 for moisture intrusion damage during power washing of the building, and by way of Resolution 01-13-59, the Board agreed to reverse a portion of the charges in the amount of \$6,020.98, leaving Ms. Nessen responsible for the amount of \$1,392.50 representing items that were the Member's property; and

WHEREAS, Ms. Nessen appealed the Board's decision;

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the Board of Directors of this Corporation hereby continues to uphold its Damage Restoration Policy and affirms the responsibility of Ms. Debra Nessen of 2045-P Via Mariposa for the charge of \$1,392.50 for damage restoration repairs; and

RESOLVED FURTHER, that the amount of \$1,392.50 shall continue to be the responsibility of the member, representing items repaired that were the Member's property; and \$6,020.98 shall be charged to the Mutual's Contingency Fund; 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:

- 656-C Denial of request for landscape design change and approve a border of plants at the Mutual member's expense
- 880-Q Approval of request for installation of 3 planted trellises at carport wall at Mutual Member's expense

Finance Committee Recommendations:

None

GENERAL MANAGER'S REPORT

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

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

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

Director LaBarge read a proposed resolution approving the 2014 Business Plan. Director English moved to approve the resolution. Director Howard seconded the motion and discussion ensued.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-13-170

**UNITED LAGUNA WOODS MUTUAL
2014 BUSINESS PLAN RESOLUTION**

RESOLVED, September 10, 2013, that the Business Plan of this Corporation for the year 2014 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$33,166,027 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2014. In addition, the sum of \$16,987,226 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2014. Therefore, a total of \$50,153,253 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$9,569,314, of which \$8,124,382 is planned from the Replacement Fund and \$1,444,932 from the Contingency Fund; and

RESOLVED FURTHER, that all sums paid into the Replacement Reserve shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2014 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2014; 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 LaBarge read the following proposed resolution approving the revised Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies:

RESOLUTION 01-13-xx

WHEREAS, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties;

NOW THEREFORE BE IT RESOLVED, November 12, 2013, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2014; and

RESOLVED FURTHER, that Resolution 01-12-158 adopted September 11, 2012 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.

Director English moved to approve the resolution. Director Beckett seconded the motion.

Without objection, the Board postponed the resolution to November to conform to the 30-day notification requirement.

Director Bassler reported from the Maintenance and Construction Committee.

Director LaBarge read a proposed resolution approving the revised Mutual Alteration Standard Section 6 Air Conditioning Units/Heat Pumps, which was postponed to satisfy the 30-day notification. Director Roddan moved to approve the resolution. Director English seconded the motion.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-13-171

WHEREAS, the Board of Directors of this Corporation adopted Resolution U-96-62 on May 14, 1996, which approved the United Laguna Woods Mutual Alteration Standards; and

WHEREAS, the Maintenance & Construction Committee has recommended that the Board of Directors further amend the Mutual Alteration Standards with suggested changes;

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the Board of Directors of this Corporation hereby approves the revisions of Section 6 – Air Conditioning Units/Heat Pumps, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution U-96-62, adopted May 14, 1996 is hereby amended and Resolution 01-03-168, adopted December 9, 2003 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.

Director LaBarge read the following proposed resolution establishing a new Mutual Alteration Standard Section 41–Interior Hard Surface Flooring:

RESOLUTION 01-13-xx

WHEREAS, the Board of Directors of this Corporation adopted Resolution U-96-62 on May 14, 1996, which approved the United Laguna Woods Mutual Alteration Standards; and

WHEREAS, this Corporation recognizes the need to establish a policy to streamline the proper installation and maintenance of interior hard surface flooring;

NOW THEREFORE BE IT RESOLVED, November 12, 2013, that the Board of Directors of this Corporation hereby establishes a new Mutual Alteration Standard Section 41–Interior Hard Surface Flooring, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution U-96-62, adopted May 14, 1996 is hereby amended and Resolution 01-10-134 adopted July 13, 2010 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.

Director Beckett moved to approve the resolution. Director LaBarge seconded the motion and discussion ensued.

Without objection, the Board referred the matter back to the Maintenance and Construction Committee.

Director Ferris moved to abandon the Entrance Pavers for the CDS 10, 205, and 206 Project based on its financial impact. Director Parker seconded the motion and discussion ensued. By a vote of 7-0-0, the motion carried.

Director Parker moved to forego implementation of the planned scope of the 2013 Mid Paint Cycle Dry Rot Inspections, with the planned expenditures of \$38,350 to be used to offset the anticipated unfavorable year-end variance in General Maintenance. Director Beckett seconded the motion and discussion ensued.

Members Heather Gerson (53-N), Mary Stone (356-C), Lynn Hamm (747-C), and Linda Wilson (816-P) commented on the motion.

By a vote of 1-6-0 (Director Roddan voted in favor), the motion failed.

Director Parker reported on the United Paint Color Selection Sub-Committee.

Director Bassler reported from the Walkway Lighting Sub-Committee.

Director Parker reported from the Landscape Committee.

Director LaBarge read a proposed resolution to eliminate the Landscape Revitalization Program.

Director Parker moved to approve the resolution. Director English seconded the motion and discussion ensued.

Members were given the opportunity to express their sentiments with the motion.

Director Roddan moved to continue the matter until new Board is seated. Director Howard seconded the motion and discussion ensued.

Members Mary Stone (356-C) and Linda Wilson (816-P) spoke to the matter.

By a vote of 2-5-0 (Directors Roddan and Howard voted in favor), the motion failed.

Director Parker amended the resolution to eliminate the following paragraphs from the resolution:

BE IT FURTHER RESOLVED, that all mention of Landscape Revitalization, or the Landscape Revitalization Program, shall be deleted from all future United Mutual documents, including the Reserves Plan, the Budget Plan, and all Program descriptions, narratives and almanacs, and in the Directors' Institute section of the binder given to all United Mutual Directors; and

BE IT FURTHER RESOLVED, that this Board hereby eliminates from all United Mutual Maintenance & Construction projects any mention of "Entrance Pavers" in any cul-de-sac; and

Director Becket seconded the motion and the amendment carried unanimously.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-13-172

WHEREAS, this Board has previously suspended work on the Landscape Revitalization Program, except for those items currently under construction, for a period of evaluation; and

WHEREAS, this Board has completed its evaluation, and has decided, in the exercise of its fiduciary duty, to terminate funding for this \$34 million, 30-year program,

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the Board of Directors of this Corporation hereby eliminates the Landscape Revitalization Program and cancels any further spending on the Program within United Mutual; and

BE IT FURTHER RESOLVED, 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. Betty Parker entered the meeting at 12:30 P.M. and spoke to the changes to the 30-year Reserves Plan as a result of the elimination of the Landscape Revitalization Program.

Director LaBarge read a proposed resolution to approve the revised 2014 Replacement Reserves Plan. Director English moved to approve the resolution. Director Roddan seconded the motion.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-13-173

**UNITED LAGUNA WOODS MUTUAL
2014 REPLACEMENT RESERVES RESOLUTION**

WHEREAS, Civil Code § 5570 requires specific reserve funding disclosure statements for common interest developments; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the Corporation's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 10, 2013, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$5,800,000, while meeting its obligations to repair and/or replace major components; 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 Howard reported from the Governing Documents Review Ad Hoc Committee.

Director Ferris did not report from the Joint Task Force to Analyze the GRF Trust and Bylaws.

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

GRF HIGHLIGHTS

- No highlights were presented.

DIRECTORS' FORUM

- The Directors provided final comments.

MEETING RECESS

The Regular Open Session Meeting recessed at 12:41 P.M. and reconvened into the Regular Executive Session at 1:09 P.M.

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

During its August 13, 2013 Regular Executive Session meeting, the Board reviewed and approved the minutes of the Special Executive Session of July 3, 2013, the minutes of the Special Reconvened Executive Session of July 9, 2013, the minutes of the Regular Executive Session of July 9, 2013, and the minutes of the Special Executive Session of July 23, 2013 as written; authorized the write-off of monthly late charges related to delinquent assessments in the total amount of \$400; heard two appeals regarding alteration re-roofing charges; held two disciplinary hearings; and discussed contractual, and other member disciplinary issues.

On August 23, 2013, the Eligibility to Vote Executive Disciplinary Committee of the Board of Directors held hearings regarding delinquent assessments.

During its August 29, 2013 Special Executive Session meeting, the Board discussed matters with legal counsel.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 2:35 P.M.

Jack Bassler, First Vice President

UNITED LAGUNA WOODS MUTUAL
SECTION 6 AIR CONDITIONING UNITS/HEAT PUMPS
REVISED AUGUST 1999, RESOLUTION U-99-59
REVISED MARCH 2001, RESOLUTION U-01-14
REVISED DECEMBER 2003, RESOLUTION 01-03-168
GENERAL REQUIREMENTS REVISED JUNE 2011, RESOLUTION 01-11-104
REVISED SEPTEMBER 2013, RESOLUTION 01-13-XX

1.0 GENERAL REQUIREMENTS

- 1.1 PERMITS AND FEES:** A Mutual permit is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual and City permits shall be paid for by the Member and/or his contractor. Member and/or his contractor must supply the Permits and Inspections office with City permit numbers prior to beginning work.
- 1.2 MEMBERS RESPONSIBILITY:** The Member is solely responsible for the maintenance and repair of all alterations to the building. Removal may be required upon sale of a manor, or deterioration of the alteration. Further, Member(s) are expected to provide neighboring residents an estimated timeline for construction, and advance notice of excessive construction-related noise that may occur.
- 1.3 CODES AND REGULATIONS:** All work shall comply with applicable local, state, and federal requirements including but not limited to the current edition of the Uniform Building Code.
- 1.4 WORK HOURS:** For work performed which results in excessive construction-related noise (e.g. cutting tile, jack hammering, use of power tools), permitted hours are 9:00 a.m. to 2:00 p.m., Monday through Saturday. For work that does not result in excessive noise, such as painting and carpet installation, permitted hours remain 7:00 a.m. to 6:00 p.m. Monday through Friday, and 8:00 a.m. to 5:00 p.m. on Saturday. No work whatsoever shall be permitted on Sunday.
- 1.5 PLANS:** The Member applying for a permit shall provide to the Permits and Inspections office a detailed plan(s), for approval, indicating all work to be done, i.e., size, location, description, and specifications and meet current noise abatement codes.
- 1.6 DUMPSITES:** The premises shall be kept free from accumulation of waste materials and/or rubbish caused by the construction work. Member and/or his contractor is responsible for removal of debris and excess material and must leave work areas "**BROOM CLEAN**" daily. **USE OF COMMUNITY DUMPSITES FOR CONSTRUCTION RELATED DUMPING IS NOT**

PERMITTED. Contractor's dumpsters, if required, must have location approved by the Permits and Inspections office.

- 1.7 **CONTRACTOR:** Installation must be performed by a California licensed contractor of the appropriate trade.
- 1.8 **CONTRACTOR'S CONDUCT:** Member's contractor(s), their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.

2.0 **APPLICATIONS - THROUGH THE WALL A/C-H/P UNITS**

- 2.1 Units must be installed in knock-out panel areas, under windows, or as determined by the Permits and Inspections office, with due consideration given to the effect on adjoining manors.
- 2.2 Units must not be located more than 12" off the floor as measured from the bottom of the unit, unless otherwise approved by the Permits and Inspections office due to site conditions.
- 2.3 No unit may project directly into a walkway area or into a breezeway.
- 2.4 Window mounted units are prohibited.
- 2.5 Sleeves must be painted to match the color of the wall.
- 2.6 Above grade installation of heat pumps require condensation drain line connection to an approved discharge location. Mutual Member assumes all responsibilities for any damage that may occur.
- 2.7 In the absence of an approved alternate heat source, removal of the A/C-H/P unit and sleeve is prohibited.
- 2.8 Removal of sleeves in stucco walls require that the patch must be made in accordance with standard construction practices to maintain the water proof integrity of the wall. The texture and color must match the existing wall..
- 2.9 Removal of sleeves in walls with wood siding must be made in accordance with standard construction practices to maintain the water proof integrity of the wall. The entire section of wood siding under a window, from trim to trim must be replaced and the texture and color must match the existing wood siding..

3.0 APPLICATIONS - CENTRAL and DUCTLESS UNITS

- 3.1** The location of condensers must be approved by the Permits and Inspections office. Prior to permit issuance, consideration will be given to any effected or adjoining manors. Mutual Member is required to submit signed Neighbor Awareness forms as deemed needed by the Permits and Inspections office.
- 3.2** The size of condensers must not exceed 48" high, 37" wide or 36" deep.
- 3.3** Only one outdoor condensing unit per manor is permitted.
- 3.4** All landscape and irrigation revisions to accommodate the location of a condenser must be made by the Mutual at the Mutual Member's expense.
- 3.5** Condensation drain lines must be routed to an approved location.
- 3.6** Roof mounted condensers are prohibited.
- 3.7** Condensers must be installed at ground level and mounted on an approved concrete or plastic pad and must be located within 24" of the building wall.
- 3.8** All exterior wiring, condensate, and coolant lines must be encased in a single square sheet metal chaseway painted to match the color of the wall.
- 3.9.** The metal chaseway must be of the two-piece type. Chaseways must be made rodent proof by using wiremesh at the bottom of the chaseways.
 - 3.9.1** Each installation will be limited to one run and the length of the run must be kept to a minimum and be as unobtrusive as possible.
 - 3.9.2** Cutting of a cornice moulding to accommodate a chase-way shall be performed by removing the affected section of moulding, cutting the metal flashing at both ends, applying sealant under the metal flashing, bending the metal flashing to be flush with the wall and fastening the metal flashing in place using screws. Sealant shall be applied as needed and the cut ends of the cornice moulding shall be sealed.
 - 3.9.3** Watertight seals must be provided around all penetrations.
 - 3.9.4** Cutting or altering roof trusses for the installation of air handlers in attic spaces are strictly prohibited.

- 3.9.5** When air handlers are installed in water heater closets, sufficient space must be provided above and around the water heater for repair and replacement of the water heater.

**United Laguna Woods Mutual
 2014 RESERVES PLAN (Without Landscape Revitalization)
 Replacement Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 5,800,000
 Indexed for projected inflation

Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2013	\$ 72.00	\$ 5,463,072	\$ 226,796		\$ 7,812,495	\$ 15,251,775
2014	\$ 75.00	\$ 5,690,700	\$ 196,489		\$ 8,124,382	\$ 13,014,582
2015	\$ 75.00	\$ 5,690,700	\$ 222,377		\$ 6,305,358	\$ 12,622,301
2016	\$ 75.00	\$ 5,690,700	\$ 210,647		\$ 6,861,373	\$ 11,662,275
2017	\$ 78.00	\$ 5,918,328	\$ 192,771		\$ 7,211,963	\$ 10,561,411
2018	\$ 84.00	\$ 6,373,584	\$ 177,961		\$ 7,158,009	\$ 9,954,948
2019	\$ 90.00	\$ 6,828,840	\$ 158,350		\$ 8,641,595	\$ 8,300,543
2020	\$ 96.00	\$ 7,284,096	\$ 145,133		\$ 7,298,555	\$ 8,431,217
2021	\$ 102.00	\$ 7,739,352	\$ 154,410		\$ 6,954,879	\$ 9,370,099
2022	\$ 108.00	\$ 8,194,608	\$ 167,931		\$ 7,742,680	\$ 9,989,958
2023	\$ 114.00	\$ 8,649,864	\$ 159,660		\$ 10,382,915	\$ 8,416,567
2024	\$ 118.00	\$ 8,953,368	\$ 138,724		\$ 9,932,290	\$ 7,576,369
2025	\$ 118.00	\$ 8,953,368	\$ 145,253		\$ 7,505,814	\$ 9,169,176
2026	\$ 118.00	\$ 8,953,368	\$ 168,746		\$ 8,006,502	\$ 10,284,788
2027	\$ 118.00	\$ 8,953,368	\$ 190,621		\$ 7,737,699	\$ 11,691,077
2028	\$ 118.00	\$ 8,953,368	\$ 213,976		\$ 7,881,104	\$ 12,977,317
2029	\$ 118.00	\$ 8,953,368	\$ 248,673		\$ 6,488,282	\$ 15,691,076
2030	\$ 118.00	\$ 8,953,368	\$ 293,420		\$ 6,801,854	\$ 18,136,010
2031	\$ 118.00	\$ 8,953,368	\$ 334,334		\$ 7,015,771	\$ 20,407,941
2032	\$ 118.00	\$ 8,953,368	\$ 371,391		\$ 7,324,595	\$ 22,408,105
2033	\$ 118.00	\$ 8,953,368	\$ 396,623		\$ 8,441,283	\$ 23,316,813
2034	\$ 118.00	\$ 8,953,368	\$ 389,820		\$ 11,036,135	\$ 21,623,866
2035	\$ 123.00	\$ 9,332,748	\$ 358,145		\$ 11,649,608	\$ 19,665,150
2036	\$ 128.00	\$ 9,712,128	\$ 323,665		\$ 12,052,114	\$ 17,648,829
2037	\$ 133.00	\$ 10,091,508	\$ 282,472		\$ 13,106,616	\$ 14,916,193
2038	\$ 138.00	\$ 10,470,888	\$ 242,554		\$ 12,582,764	\$ 13,046,871
2039	\$ 143.00	\$ 10,850,268	\$ 220,392		\$ 11,756,392	\$ 12,361,139
2040	\$ 148.00	\$ 11,229,648	\$ 230,907		\$ 9,562,525	\$ 14,259,168
2041	\$ 148.00	\$ 11,229,648	\$ 252,931		\$ 10,841,528	\$ 14,900,220
2042	\$ 148.00	\$ 11,229,648	\$ 253,600		\$ 12,047,259	\$ 14,336,209
2043	\$ 148.00	\$ 11,229,648	\$ 244,065		\$ 12,008,921	\$ 13,801,001

