

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

November 12, 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, November 12, 2013 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Pat English, Jack Bassler, Erna Ferris, Barbara B. Howard, John Beckett, Ming-Lee Chang, Howard Klein, Ken Hammer, Anthony Liberatore, Jan LaBarge

Directors Absent: Eva Lydick

Staff Present: Jerry Storage, Patty Kurzet (Executive Session: Jerry Storage, Patty Kurzet, Cris Robinson, Pamela Bashline, Blessilda Fernandez)

Others Present: Jeffrey Beaumont of Beaumont Gatilin Tashjian in Executive Session only

CALL TO ORDER

Pat English, 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 Jack Bassler 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 written.

CHAIR'S REMARKS

President English expressed her desire to shorten the length of the board meetings.

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 Hammer moved to approve the minutes of the Regular Session of September 10, 2013, the minutes of the Special Session of October 2, 2013, the minutes of the Organizational Meeting of October 8, 2013, the minutes of the Special Session of

October 16, 2013, and the minutes of the Special Session of October 28, 2013 as written. Director Chang seconded the motion and the motion carried unanimously.

UNFINISHED BUSINESS

Director LaBarge moved to appoint Director Hammer to the Parking Ad Hoc Committee. Director Beckett seconded the motion.

Member Linda Wilson (816-P) commented on the motion.

The motion carried unanimously.

The Board reviewed and discussed its documentation for designating United Mutual buildings as smoke-free.

Members Barbra Copley (410-D), Mary Stone (356-C), Marv Rosenhaft (823-A), and Maggie Brown (468-D) commented on the \$200 fee and accommodating documentation.

Director Hammer moved to direct staff to provide a cost evaluation. Director Ferris seconded the motion and the motion carried unanimously.

The Board reviewed its Pledge Agreement documents.

Members Mary Stone (356-C) and Barbra Copley (410-D) commented on the documents.

Director Howard moved to refer the Pledge Agreement with its Code of Conduct documents to the Governance Documents Review Ad Hoc Committee for review. Director Beckett seconded the motion.

Members Paul Vogel (2185-O) commented on the documents.

By a vote of 7-2-0 (Directors Ferris and LaBarge opposed), the motion carried.

The Secretary of the Corporation, Director John Beckett, read Resolution 01-09-158 (pursue proactive measures to maintain balance, productivity and civilized discourse to the governance of Laguna Woods Village).

Director Klein moved to reaffirm Resolution 01-09-158. Director Chang seconded the motion.

Members Mary Stone (356-C), Marv Rosenhaft (823-A), and Pamela Grundke (2214-B) commented on the resolution.

The motion carried unanimously.

NEW BUSINESS

No new business came before the Board.

CONSENT CALENDAR

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

Maintenance and Construction Committee Recommendations:

RESOLUTION 01-13-188

WHEREAS, Mr. and Mrs. Kimberley Sabott of 22-A Avenida Castilla requests that the Mutual provide alternative color/pattern laminate choices for the kitchen and bath countertop replacements for their manor;

NOW THEREFORE BE IT RESOLVED, November 12, 2013, that the request of Mr. and Mrs. Kimberley Sabott of 22-A Avenida Castilla that the Mutual authorize completing the Mutual countertop replacements at their manor using an upgraded laminate color/pattern in the Premium Category (to be chosen by the member) is hereby approved; and

RESOLVED FURTHER, that the incremental materials costs shall be borne by the member; 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 01-13-189

RESOLVED, November 12, 2013, that the request of residents in Buildings 88, 89, 90, on Calle Aragon in Cul-de-sac 39, and Buildings 526, 527, and 528 on Calle Aragon in Cul-de-sac 40 that the Mutual install a motion sensor light to illuminate the shared trash areas 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 01-13-190

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; and

WHEREAS, by way of Resolution 01-13-163, the Board approved their request at their own expense; and Mrs. Toms and Mr. Ring appealed the Board's decision;

NOW THEREFORE BE IT RESOLVED, November 12, 2013, that the Board of Directors hereby agrees to uphold its prior decision to approve 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 01-13-191

RESOLVED, November 12, 2013, that the request of Mr. and Mrs. Philip Higbee of 299-A Avenida Sevilla to construct an entry walkway and a rear patio addition at their 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 299-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 the entry walkway shall be installed as per standard construction practices and the slope shall not exceed one inch per foot, (8.33%); and

RESOLVED FURTHER, that the patio addition shall be installed as per United Mutual Standards Sections 22- *Patio Slab Extensions*; and

RESOLVED FURTHER, that all landscape, irrigation, and drainage modifications associated with the alteration are to be completed by the Landscape Division at the expense of the Mutual Members(s) at 299-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 01-13-192

RESOLVED, November 12, 2013, that the request of Ms. Glenda Duncan of 410-C Avenida Castilla to retain the entry patio extension and block wall alteration 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 Manor 410-C; and

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

RESOLVED FURTHER, that any required landscape, irrigation, and drainage modifications associated with the alteration are to be performed by the Landscape Division at the expense of the requesting Mutual member; and

RESOLVED FURTHER, that the patio block wall on the west facing end of the patio extension must be built per ULHM Standard # 8 Patio Block Walls; 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 01-13-193

RESOLVED, November 12, 2013, that the request of Ms. Martha Dominguez of 588-B Avenida Majorca to construct bathroom additions and to remodel the bathrooms 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 588-B; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods' permits must be obtained and the appropriate City of Laguna Woods building 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 Mutual Member must submit detailed site specific construction plans including structural, plumbing and electrical plans prepared by a California licensed architect to confirm that

the proposed alterations will not negatively impact the integrity of the building's structure, plumbing and electrical systems; and

RESOLVED FURTHER, that the Board has, from time to time, received complaints of noise transference due to alterations within the interior of neighboring manors. For example, alterations to walls that allow noise to travel differently, alterations to plumbing that cause water noises within the shared walls, or alterations to floor coverings. The Board should advise the member that should the Board receive such a complaint concerning an alteration, the requesting member may be subject to member disciplinary proceedings and could be required to take additional noise mitigating measures, up to and including removing the alteration and restoring to original; 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 01-13-194

RESOLVED, November 12, 2013, that the request of Mr. Walter Zelnick, former owner of 651-A Avenida Sevilla, that the Board reimburse him \$697.78 for expenses incurred for the purchase and installation of a toilet 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 01-13-195

RESOLVED, November 12, 2013, that the request of Mr. David Dominguez of 729-B Avenida Majorca to construct bathroom additions and to remodel the bathrooms is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 729-B; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods' permits must be obtained and the appropriate City of Laguna Woods building 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 Mutual Member must submit detailed site specific construction plans including structural, plumbing and

electrical plans prepared by a California licensed architect to confirm that the proposed alterations will not negatively impact the integrity of the building's structure, plumbing and electrical systems; and

RESOLVED FURTHER, that the Board has, from time to time, received complaints of noise transference due to alterations within the interior of neighboring manors. For example, alterations to walls that allow noise to travel differently, alterations to plumbing that cause water noises within the shared walls, or alterations to floor coverings. The Board should advise the member that should the Board receive such a complaint concerning an alteration, the requesting member may be subject to member disciplinary proceedings and could be required to take additional noise mitigating measures, up to and including removing the alteration and restoring to original; 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 01-13-196

WHEREAS, by way of Resolution 01-13-155, the Board of Directors adopted a policy which allows member occupants of each building, following specific guidelines and during the execution of the Mutual's Exterior Paint Program, to request the use of paint colors different from those pre-selected for the building they occupy from the approved color palettes; and

WHEREAS, the Owner Occupants of Building 910 submitted a request for a change to the pre-selected exterior paint colors, from Coastal Fog/Smoky Mountain to Pearl White/Sandy Beige after the deadline for submittal of such a request;

NOW THEREFORE BE IT RESOLVED, November 12, 2013, that the request of the Owner Occupants of Building 910 for a change to the pre-selected exterior paint colors, from Coastal Fog/Smoky Mountain to Pearl White/Sandy Beige is hereby approved; and

RESOLVED FURTHER, that the Board has determined that approving the requested change will not result in the Mutual incurring increased costs for painting Building 910 and will not disrupt the progress of the Exterior Paint Program; and

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

RESOLUTION 01-13-197

RESOLVED, November 12, 2013, that the request of Ms. Carol Abraham of 919-A Avenida Majorca that the Board reverse charges totaling \$36.60 for a new toilet seat installed in February 2013 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 01-13-198

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, November 12, 2013, that the Board of Directors of this Corporation hereby approves the appeal request of Ms. Debra Nessen of 2045-P Via Mariposa East, and reverses the amount of \$1,392.50 representing items that were the Member's property; 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 01-13-199

WHEREAS, Member ID 947-358-45 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 12, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-358-45; 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 01-13-200

WHEREAS, Member ID 947-377-30 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 12, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-377-30; 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 01-13-201

WHEREAS, Member ID 947-380-03 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 12, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-380-03; 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 01-13-202

WHEREAS, Member ID 947-408-42 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 12, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-408-42; 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 01-13-203

WHEREAS, Member ID 947-439-07 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 12, 2013, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-439-07; 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.

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

Director John Beckett read a proposed resolution approving the Mutual's Investment Policy. Director Beckett moved to approve the resolution. Director Bassler seconded the motion and discussion ensued.

Member Mary Stone (356-C) commented on the motion.

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

RESOLUTION 01-13-204

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 12, 2013, 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 the United Laguna Woods Mutual 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. Interim cash balances are to be held in money market funds that are invested in short-term U.S. Treasuries or direct obligations of the U.S. Government.
6. 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; and

RESOLVED FURTHER, that Resolution 01-13-91, adopted on May 14, 2013 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 Bassler reported from the Maintenance and Construction Committee.

Director Bassler reported that United Paint Color Selection Sub-Committee did not meet.

Director Bassler reported from the Walkway Lighting Sub-Committee.

Director Bassler reported that the Landscape Committee did not meet.

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

Director Howard moved to appoint James Thorpe as an advisor to the Governing Documents Review Ad Hoc Committee. Director Klein seconded the motion and the motion carried unanimously.

Director Beckett 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 11:28 A.M. and reconvened into the Regular Executive Session at 12:58 P.M.

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

During its September 10, 2013 Regular Executive Session Meeting, the Board reviewed and approved the minutes of the Regular Executive Session of August 13, 2013, the minutes of the Special Executive Disciplinary Committee of August 23, 2013, and the minutes of the Special Executive Session of August 29, 2013. The Board approved a delinquent assessment in the amount of \$160; heard three disciplinary hearings; and discussed litigation, and other member disciplinary matters.

During its October 28, 2013 Special Executive Session Meeting, the Board discussed personnel, contractual and potential litigation matters.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:55 P.M.

John Beckett, Secretary