

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

**June 10, 2014**

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, June 10, 2014 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Pat English, Jack Bassler, John Beckett, Ming-Lee Chang, Ken Hammer, Jan LaBarge, Eva Lydick, Bevan Strom, Don Tibbetts, Tony Dauer, Anthony Liberatore

Directors Absent: None

Staff Present: Jerry Storage, Kim Taylor, Betty Parker  
(Executive Session: Jerry Storage, Cris Robinson, Kim Taylor, Pamela Bashline, Francis Rangel, Bryan English, Blessilda Fernandez)

Others Present: Jeff Beaumont of Beaumont Gitlin Tashjian

**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 Tony Dauer 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**

Director Strom moved to remove agenda item 14(b) 'Discuss and Consider Identifying Non-Compliant Mutual Toilets During Resale Inspections and Begin Replacements in 2014 According to the Plumbing Fixture Compliance Plan' and return to the Maintenance and Construction Committee, and remove 108-A 'Approve request for front patio extension with stucco wall and wrought iron gate, with contingencies' from the Consent Calendar and move to 14(c). Director Beckett seconded the motion.

By a vote of 10-0-0 the agenda was approved as amended.

**CHAIR'S REMARKS**

President English commented on the Enough is Enough TRO with regard to the United Recall and asked that the Community vote no on the recall.

## **UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM**

United Mutual Members were given the opportunity to speak to items.

- Mary Wall (239-D) commented on her health and quality of life in the community and the landscape.
- Sidney Bursten (2011-A) commented on amendments to the GRF Bylaws.
- Paul Vogel (2185-O) commented on the United recall with regard to having an operating legal board if the Board is recalled.
- Marc Bayer (796-B) commented on a TRO regarding the United recall.
- Maggie Blackwell (71-D) commented on United Board decisions and Corporate Members' authority.
- Mary Stone (356-C) commented on the history of the Trust and amenities in the community.
- Maxine McIntosh (68-C) commented on Corporate Members' authority and Clubhouse 2.
- Martin Ruben (895-A) commented on the history of United recalls and having concurrent elections and the legality of having a separate election.
- Ron Beldner (203-C) commented on flyers and United recall issues.
- Marv Rosenhaft (823-A) commented on the United recall issues and the Trust.
- Pamela Grundke (2214-B) commented on the United recall.
- Kay Margason (510-C) thanked the Board for their efforts.

## **RESPONSE TO MEMBER COMMENTS**

The Directors briefly responded to Member Comments.

## **APPROVAL OF MINUTES**

Director Beckett moved to approve the minutes of the Regular Session meeting of May 13, 2014 and the minutes of the Special Session meeting of May 27, 2014, as written. Director Dauer seconded the motion.

By a vote of 10-0-0 the motion carried unanimously.

## **UNFINISHED BUSINESS**

Mr. Jeff Beaumont, Esq. updated the Board on pending litigation, primarily the United vs GRF lawsuit and the most recent litigation brought on by 5 Shareholders.

Mr. Jeff Beaumont, Esq. updated the Board on the progress of the Smoke-Free building application and supporting documents.

## **NEW BUSINESS**

Director Beckett read a proposed resolution approving revisions to the Land Use Alteration Policy:

### **RESOLUTION 01-14-XX**

### **LAND USE ALTERATION POLICY**

**ADOPTED APRIL 2002, RESOLUTION U-02-46  
REVISED NOVEMBER 2002, RESOLUTION U-02-155  
REVISED APRIL 2004, RESOLUTION 01-04-54  
REVISED MAY 2007, RESOLUTION 01-07-45  
REVISED MAY 2008, RESOLUTION 01-08-73  
REVISED AUGUST 2014, RESOLUTION 01-14-XX**

**WHEREAS**, the Board has been advised by Corporate Counsel of its fiduciary duty to preserve open area owned by the Corporation for the benefit of all its members, as well as its fiduciary duty to preserve and even maximize property values of the Corporation; and

**WHEREAS**, the Board has been further advised by Corporate Counsel that the law limits its authority to grant to any shareholder the exclusive use of any portion of the common area, i.e., property outside a manor without a vote of 67 percent of all shareholders, unless the grant is to, among other things, transfer the burden of management and maintenance of any common area that is generally inaccessible and not of general use to the membership at large (Civil Code Section 4600); and

**WHEREAS**, the original manor footprint shall be defined as the original construction including atrioms, balconies, and patios, and all property outside the furthest point of any such areas are common area; and

**WHEREAS**, the Board finds that allowing members in certain manors to expand their manor beyond the original construction onto open common area owned by the Corporation could maximize property values of the Corporation; and

**WHEREAS**, the Board desires to provide direction to current and future Board members with respect to Land Use; and this resolution contemplates land owned by the Corporation;

**NOW THEREFORE BE IT RESOLVED**, August 12, 2014, that the Board of Directors shall approve or deny usage of open common area when considering a proposed alteration that is not an established Alteration Standard (a Variance Request) for patio extensions, enclosures on extended patios, room additions, and any other usage of open common area utilizing the following Criteria for Consideration of Land Use:

- The proposed alteration must meet the requirement that the alteration complies with all architectural and building guidelines within the Community, whether the proposed alteration is wholly or partially on open area.
- The Board may consider, in its reasonable discretion, whether such request is to transfer to a shareholder the burden of management and

maintenance of any open common area that is generally inaccessible and is not of general use to the other members of United Mutual. With respect to determining whether the open common area is “generally inaccessible and is not of general use to the other members” the Board may consider whether the proposed area of alteration can only be reasonably accessed through or benefit the subject manor.

- The location of the proposed alteration should be such that: 1) the proposed alteration does not extend into open common area beyond the furthest point of either the manor or any of its related components, including, without limitation, atriums, balconies, patios, roofs, etc.; and 2) the proposed alteration would not prevent a Member of a neighboring manor from also performing such an alteration.

Based on the Board’s findings, the Board may consider whether at least three of the following factors are present prior to approving any alteration that will include an enclosure, or otherwise encroach onto open area:

- 1) The alteration is consistent with the architectural aesthetics and integrity of the Community.
- 2) The alteration is constructed behind an already existing block wall at least five feet in height.
- 3) The alteration does not unreasonably obstruct a neighboring manor’s view.
- 4) Any alteration on open common area does not impede ingress or egress of other members onto adjacent open area or impede Community maintenance Staff from going into or across the open area.

**RESOLVED FURTHER**, that previously-approved Standard Plans for Room Additions will continue to be permitted without approval of a Variance; and

**RESOLVED FURTHER**, that Resolution 01-08-73, adopted May 13, 2008 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 Tibbetts seconded the motion and discussion ensued.

Members Maxine McIntosh (68-C), Mary Stone (356-C), Sidney Bursten (2011-A), and Pamela Grundke (2214-B) commented on the resolution.

By a vote of 0-10-0 the motion failed.

Director Beckett moved to send the resolution to the Governing Documents Committee for further review. Director Hammer seconded the motion.

By a vote of 10-0-0 the motion carried.

The Secretary of the Corporation, Director Beckett, read a proposed resolution approving revisions to the United Mutual committee appointments. Director Beckett moved to approve the resolution, Director Hammer 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 01-14-85**

#### **United Laguna Woods Mutual Committee Appointments**

**RESOLVED**, June 10, 2014, that the following persons are hereby appointed to serve the Corporation in the following capacities:

##### **Finance Committee**

Jan LaBarge - Chair  
Pat English  
Bevan Strom  
Advisors: Florence Kleinfeld, Lou Skogen

##### **Governing Documents Review Ad Hoc Committee**

John Beckett, Chair  
Bevan Strom  
Tony Dauer  
**Eva Lydick**  
Advisors: James Thorpe **Juanita Skillman**

##### **Landscape Committee**

Eva Lydick, Chair  
Jack Bassler, Vice Chair  
Anthony Liberatore  
Ken Hammer  
Advisors: Cynthia Chyba, Pamela Grundke

##### **Maintenance and Construction Committee**

Jack Bassler, Chair  
Ming Lee Chang, Vice Chair  
Jan LaBarge

Anthony Liberatore  
Don Tibbetts  
Advisors: Janey Dorrell

**New Resident Orientation**

Per Rotation List

**Standards Sub-Committee**

Jack Bassler, Chair  
Ming Lee Chang  
Anthony Liberatore

**Traffic Hearing (quarterly)**

John Beckett, Chair  
Ken Hammer  
**Tony Dauer**

**Walkway Lighting Subcommittee**

Ming Lee Chang, Chair  
Jack Bassler  
Ken Hammer  
Advisors: Doug Rook, Collette Sigman

**Water Conservation Ad Hoc Committee**

Pat English  
Eva Lydick  
Anthony Liberatore

**Parking Committee**

Ken Hammer, Chair  
Tony Dauer

**Damage Restoration Executive Committee**

John Beckett, Chair  
Tony Dauer  
Anthony Liberatore

**Laguna Canyon Foundation**

TBD

**RESOLVED FURTHER**, that Resolution 01-14-46, adopted April 8, 2014  
is hereby superseded and canceled.

**CONSENT CALENDAR**

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

**Maintenance and Construction Committee Recommendations:**

**RESOLUTION 01-14-86**

**Variance Request**

**RESOLVED**, June 10, 2014, that the request of Mr. Mansour Hatefi of 50-A Calle Aragon to retain the green color on the wrought iron fence and gates in the front patio of manor 50-A, is hereby approved;

**RESOLVED FURTHER**, all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 50-A; and

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

**RESOLUTION 01-14-87**

**Damage Restoration Billing Dispute**

**RESOLVED**, June 10, 2014, that the request of Mr. Reza Bastani of 187-B Avenida Majorca to reverse damage restoration and dry-down charges totaling \$738.00 is hereby denied;

**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 01-14-88**

**Damage Restoration Charge Dispute**

**RESOLVED**, June 10, 2014, that the appeal request of Ms. Sandra Feigelman of 254-A Calle Aragon to reverse damage restoration charges of \$230.31 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 01-14-89**

**Additional Electrical Reimbursement Lighting Request**

**RESOLVED**, June 10, 2014, that the request of Ms. Marie Swann of 609-C Avenida Sevilla for reimbursement charges totaling \$280.00 for electrical usage in excess of what the Mutual has reimbursed in accordance with the Electricity Usage Reimbursement Policy is hereby approved; and

**RESOLVED FURTHER**, that the reimbursement of charges is hereby authorized as an unbudgeted expenditure from the 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:**

242-D Approve Request for tree removal

540-A Deny request to restore lawn area and irrigation system

**Finance Committee Recommendations:**

None

**GENERAL MANAGER'S REPORT**

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

**COMMITTEE REPORTS AND SERVICES**

**FINANCE REPORT**

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

Ms. Betty Parker entered the meeting at 11:30 AM.

Ms. Betty Parker provided an overview of the Operating Surplus/Deficit for United Mutual.

Ms. Betty Parker left the meeting at 11:30 AM.

Director Bassler reported from the Maintenance and Construction Committee.

The Secretary of the Corporation, Director John Beckett, read a proposed resolution approving beginning the Prior-to-Paint Program activities six months ahead of the 2015 Exterior Paint Program with a supplemental appropriation in the amount of \$125,800.



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

Members Ron Beldner (203-C), Mary Stone (356-C), and Pamela Grundke (2214-B) commented on the resolution.

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

**RESOLUTION 01-14-90**

**Begin Prior-to-Paint Program Activities**

**WHEREAS**, the Mutual's historical approach to performing prior-to-paint repairs has been to sequentially inspect, assess, and perform repairs prior to the arrival of the exterior paint crew; and

**WHEREAS**, when a structural repair is identified, the time required to obtain engineering designs, permits, and complete construction inhibits the ability of the prior-to-paint crew to remain ahead of the paint crew; and

**WHEREAS**, structural repairs frequently must be deferred pending the engineering and permitting processes to allow the paint crew to move through without interrupting the Exterior Paint Program progression; and

**WHEREAS**, the deferred repairs are completed once permits are issued, requiring the paint crew to return to the area; and

**WHEREAS**, such discontinuities in operational workflow increase costs over the course of the Exterior Paint Program;

**NOW THEREFORE BE IT RESOLVED**, June 10, 2014, the Board of Directors of this Corporation hereby authorizes beginning the prior-to-paint activities six months ahead of the 2015 Exterior Paint Program and approves a supplemental appropriation in the amount of \$125,800 from the Contingency Fund; and

**RESOLVED FURTHER**, the Mutual will plan for and commence prior-to-paint activities six months ahead of the Exterior Paint Program in future years; 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 Chang moved to send '108-A – Approve request for front patio extension with stucco wall and wrought iron gate, with contingencies' back to the Maintenance & Construction Committee for further review. Director Hammer seconded the motion.

By a vote of 10-0-0 the motion carried.

### **RESOLUTION 01-14-XX**

#### **Variance Request**

**RESOLVED**, June 10, 2014, that the request of Mr. Michael Carey and Ms. Heidi Ann Carey of 108-A Via Estrada for a front patio extension with stucco wall and wrought iron gate of manor 108-A, is hereby approved;

**RESOLVED FURTHER**, all costs and maintenance of the alteration, present and future, are the responsibility of the Mutual member(s) at 108-A; and

**RESOLVED FURTHER**, a required Mutual permit must be obtained from the Permits and Inspections office located in the Laguna Woods Community Center; and

**RESOLVED FURTHER**, all landscape, irrigation, and drainage modifications associated with the alteration are to be completed by the Landscape Division at the expense of the Mutual member(s) at 108-A; and

**RESOLVED FURTHER**, the installation of the patio extension must be performed in accordance with United Alteration Standard Section 22 Patio Slab Extensions; and

**RESOLVED FURTHER**, the installation of the block wall must be performed in accordance with United Alteration Standard Section 8 Patio Block Walls; and

**RESOLVED FURTHER**, the installation of the wrought iron gate must be performed in accordance with United Alteration Standard Section 17 Patio Gates and Courtyard Doors; 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.

No report was given from United Alteration Standards Sub-Committee.

Director Chang reported on the Walkway Lighting Sub-Committee.

Director Lydick reported from the Landscape Committee.

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

The Secretary of the Corporation, Director John Beckett, read a proposed resolution approving guidelines for Directors requests for association records. Director Beckett moved to approve the resolution, Director Lydick seconded the motion, and discussion ensued.

### **RESOLUTION 01-14-XX**

#### **Guidelines for Director Request of Association Records**

**WHEREAS**, Section 8334 of the California Corporations Code states:

*“Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation of which such person is a director.”; and*

**WHEREAS**, the Board desires to ensure that the managing agent’s responses to directors’ records requests are provided in a timely, equitable manner, and that the production of requested records becomes an efficient and orderly routine.

**NOW THEREFORE BE IT RESOLVED**, that the Board adopts the following guidelines for Directors to follow when requesting association records, and for staff to follow when responding to requests from a director for association records:

#### **Guidelines for Director Request of Association Records**

1. Records requests shall be made in writing, preferably by email, to the General Manager, who will forward the records request to the Corporate Secretary, the appropriate Division Director, or other custodian of the requested records. The chair may verbally request records when a member of the administrative staff is present at a board or committee meeting. The General Manager shall, within 24 hours, acknowledge receipt of the records request.
2. Records will be made available in the most reasonable and cost effective manner possible either:
  - (a) For inspection and copying at the administrative office,
  - (b) By hard copy delivered to the director’s mailbox located in the administrative office, or
  - (c) By email.
3. Records for the current fiscal year will be made available within five business days of receipt of the records request. Records for the prior two fiscal

years will be made available no more than 10 business days from the date of receipt of the records request. Many records that are older than 2006 are not yet stored electronically, and staff may need as long as 15 business days.

4. Any director may request records, books or other documents. Directors' requests shall be satisfied according to the date the records are needed. Directors shall deliver their records requests as soon as possible, preferably six calendar days prior to committee and board meetings, in order to allow staff a reasonable response time.
5. The managing agent shall not redact requested records, except as follows:
  - (a) Where the requested records contain information protected by law, or
  - (b) Where the requested records contain any of the following: social security number, tax Identification number, driver license number, bank account or credit card numbers; and where production of the requested records is likely to result in identity theft or other fraud.
6. The managing agent shall not withhold requested records, except as follows:
  - (a) Where the records are protected by law, or
  - (b) Where the records contain privileged attorney-client communications, and where the director requesting the records has been sanctioned for disclosing privileged attorney-client communications.
7. If the managing agent decides to withhold or redact records, the managing agent shall immediately notify the director that the managing agent's response to the director's records request has been delayed. The notice shall state with particularity the reasons for withholding or redacting the requested records.
8. If the managing agent is unable to locate the requested records within the time they are needed, the managing agent shall immediately notify the director that the managing agent's response to the director's records request has been delayed. The notice shall also state:
  - (a) The managing agent has been unable to locate the requested records,
  - (b) The steps the managing agent is taking to locate the requested records, and
  - (c) The estimated time required to locate the requested records.
9. These guidelines will apply to all existing corporate documents, books and records including analyses, legal opinions, interpretations, explanations, comparisons, historical background, opinions on the records requested, and all information contained within such records.
10. The creation of new records must be ordered by the chair of the relevant committee or board.

By a vote of 0-10-0 the motion failed.

Director Strom moved to amend the resolution to strike out the word 'where' in 6b. The motion died due to the lack of a second.

Director Beckett moved to send the resolution back to the Governing Documents Review Committee for revisions and then to Corporate Counsel for final review. Director Dauer seconded the motion.

Member Pamela Grundke (356-C) commented on the resolution.

By a vote of 10-0-0 the motion carried.

Director Beckett read a report on disciplinary cases.

### **GRF COMMITTEE HIGHLIGHTS**

Director Lydick reported from the GRF Media and Communications Committee.

Director Beckett reported from the Recreation Master Plan Ad Hoc Committee.

### **DIRECTORS' FORUM**

The Directors provided final comments.

### **MEETING RECESS**

The Regular Open Session Meeting recessed at 12:30 P.M. and reconvened into the Regular Executive Session at 1:15 P.M.

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

During its May 13, 2014 Regular Executive Session Meeting, the Board reviewed and approved the minutes of the regular Executive Session of April 8, 2014, the minutes of the Special Executive Session of April 16, 2014, and the minutes of Special Executive Session of April 30, 2014 as written. The Board heard two disciplinary hearings and imposed fines in the amount of \$100 for violations of the Mutual's rules and regulations; discussed and considered numerous member disciplinary matters; approved four Hearing Requests; approved a contract; and reviewed the Litigation Status Report.

### **ADJOURNMENT**

With no further business before the Board of Directors, the meeting was adjourned at 3:20 P.M.

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John Beckett, Secretary