

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

September 9, 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, September 9, 2014 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jack Bassler, John Beckett, Ming-Lee Chang, Ken Hammer, Don Tibbetts, Anthony Liberatore, Bevan Strom, Eva Lydick, Pat English (via telephone)

Directors Absent: Jan LaBarge, Tony Dauer

Staff Present: Cris Robinson, Kim Taylor, Betty Parker
(Executive Session: Cris Robinson, Kim Taylor, Pamela Bashline, Luis Rosas)

Others Present: Jeff Beaumont Esq. of Beaumont Gitlin Tashjian, Mike Grandy, Assistant General Manager/CFO, El Toro Water District, Mike King, Customer Service Manager, El Toro Water District

CALL TO ORDER

Jack Bassler, Acting 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 Ken Hammer 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

By a vote of 7-0-0 (President English did not vote) the agenda was approved as amended by adding 'Posting of Materials in Laundry Rooms' under New Business as 11(d).

Mr. Mike Grandy, Assistant General Manager/CFO El Toro Water District, Mr. Mike King, Customer Service Manager, El Toro Water District presented a PowerPoint presentation on water conservation and answered questions from the Board and Members. One of the many water reduction suggestions from Mr. Grandy and Mr. King was reducing outdoor irrigation.

CHAIR'S REMARKS

Acting President Bassler commented on the October Board meeting and thanked the departing Directors.

UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM

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

- Fran Schwartz (652-B) commented on the United Operating Budget
- Maxine McIntosh (68-C) commented on the new United Board and the GRF Board
- Maggie Blackwell (71-D) commented on United applicants and the United Budget

RESPONSE TO MEMBER COMMENTS

The Directors briefly responded to Member Comments.

APPROVAL OF MINUTES

Without objection, the Board approved the minutes of the Regular meeting of August 12, 2014 as written.

Without objection, the Board approved the minutes of the Special Session 2015 Business Planning Version 2 meeting of July 16, 2014 and the minutes of the Special Session 2015 Business Planning Version 3 as written.

UNFINISHED BUSINESS

No Unfinished Business came before the Board.

NEW BUSINESS

The Secretary of the Corporation, Director Beckett, read a proposed resolution approving the 2015 Business Plan. Director Beckett moved to approve the resolution, Director Hammer seconded the motion, and discussion ensued.

By a vote of 7-0-1 (Director Beckett abstained), the motion carried and the Board of Directors adopted the following resolution:

UNITED LAGUNA WOODS MUTUAL 2015 BUSINESS PLAN RESOLUTION

RESOLUTION 01-14-115

RESOLVED, September 9, 2014, that the Business Plan of this Corporation for the year 2015 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 \$34,514,752 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2015. In addition, the sum of \$16,393,813 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 2015. Therefore, a total of \$50,908,565 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 \$8,585,324, of which \$7,308,292 is planned from the Replacement Fund and \$1,277,032 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 2015 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 2015; 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.

The Secretary of the Corporation, Director Beckett, read a proposed resolution approving the 2015 Replacement Reserves. Director Beckett moved to approve the resolution, Director Strom seconded the motion, and discussion ensued.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution:

UNITED LAGUNA WOODS MUTUAL 2015 REPLACEMENT RESERVES RESOLUTION

RESOLUTION 01-14-116

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 9, 2014, 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 \$5,900,000,

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.

The Secretary of the Corporation, Director Beckett, read a proposed resolution approving the Designation of Buildings as Smoke Free Addendum. Director Beckett moved to approve the resolution, Director Hammer seconded the motion, and discussion ensued.

Members Maxine McIntosh (68-C) and Barbara Copley (401-D) commented on the resolution.

By a vote of 7-0-0 (Director Chang was absent for the vote) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-14-117

DESIGNATION OF BUILDINGS AS “SMOKE-FREE” ADDENDUM

WHEREAS, on September 30, 2011, United’s Board of Directors (“Board”) determined and resolved pursuant to Resolution 01-11-181 that certain documents, including (i) the “Procedure for Designation of a Building as Smoke-Free”, (ii) the “Petition for Designating a Building as Smoke-Free”, (iii) the “Petition Agreement Form” and (iv) the “Smoke-Free Amendment to Occupancy Agreement” (collectively, the “Designation Documents”), as well as the procedures and requirements described thereunder, were in effect to provide for a systematic, fair and reasonable manner to designate certain buildings within United’s common interest development (the “Development”) as non-smoking; and

WHEREAS, the Board, after consulting legal counsel, determined that “upon certain conditions and requirements” being met, multi-dwelling unit buildings at the Development can be permanently designated as smoke-free on a going forward basis; and

WHEREAS, in addition to the procedures, conditions and requirements set forth in Resolution 01-11-181, the “certain conditions and requirements” shall also include, without limitation, the requirement that Members seeking a smoke-free designation of the building in which his/her/its Manor is located agree to and execute a “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free,” which must be signed and notarized by each and every existing Member subject to an Occupancy Agreement for a Manor in that building, as well as recorded in the Orange County Recorder’s Office. Further, the individual

Member shall reimburse United for the recordation fee and expenses incurred in preparation of the required legal documents to designate the building as "Smoke-Free."

NOW, THEREFORE, BE IT RESOLVED, September 9, 2014, the Board resolved to include the "Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free", which shall be signed before a notary public and recorded in the Official Recorder's Office of Orange County, as a Designation Document and further resolved to require **each** ~~the~~ executing Member to reimburse United for the cost to record same and the cost to prepare the legal documents, for a total fee of \$150.

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.

Corporate Counsel Mr. Jeff Beaumont commented on an email received by staff regarding the size of the posting of materials in Laundry Rooms. The Board discussed the issue. Mr. Beaumont recommended enforcing the policy regarding the posting of materials in Laundry Rooms.

Director Tibbetts moved to have staff take down all noncompliant postings in United Laundry rooms. Director Lydick seconded the motion.

By a vote of 5-4-0 (Directors Chang, English, Beckett and Hammer opposed) the motion carried.

Members Maxine McIntosh (68-C) and Maggie Blackwell (71-D) commented on the motion.

Director Beckett moved to have Mr. Beaumont review the policy and return to the Board with his recommendation prior to taking down the postings. President English seconded the motion.

By a vote of 3-6-0 (Directors English, Beckett, and Strom in favor) the motion failed.

CONSENT CALENDAR

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

Maintenance and Construction Committee Recommendations:

RESOLUTION 01-14-118

Reverse Damage Restoration Charges

RESOLVED, September 9, 2014, that the appeal 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 01-14-119

Variance Request

RESOLVED, September 9, 2014, that the request of Ms. Patricia Gonzalez to retain the mural in front of the patio at Manor 193-B Avenida Majorca is hereby denied; and

RESOLVED FURTHER, that denial is due to the subject mural not meeting the painting standards with respect to aesthetic conformity within the community; 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 01-14-120

Variance Request

RESOLVED, September 9, 2014, that the request of Mr. Warren Hoffnung to retain patio storage cabinet at Manor 207-C Avenida Majorca, is hereby approved;

RESOLVED FURTHER, all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual member(s) at Manor 207-C; and

RESOLVED FURTHER, a required Mutual permit must be obtained from the Permits and Inspections office for the alteration storage cabinet, and for the electrical installed in the cabinet; and

RESOLVED FURTHER, a City of Laguna Woods permits must be obtained for the electrical installed in the cabinet. 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, all costs related to any damage to the alteration cabinets which may result from Mutual repairs and maintenance to the building exterior and/or patio area will be the responsibility of the member; and

RESOLVED FURTHER, all costs associated with any damage incurred from non-maintenance of the exterior walls of the building due to the presence of the cabinets shall be borne by the Mutual 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 01-14-121

Variance Request

RESOLVED, September 9, 2014, that the request of P. Vashti Williams to install an HVAC condenser outside the bathroom window of neighboring Manor 726-P Avenida Majorca, is hereby approved;

RESOLVED FURTHER, all future costs and maintenance of the alteration are the responsibility of the Mutual member(s) at Manor 726-P; and

RESOLVED FURTHER, 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, the HVAC system must be installed as per United Mutual Alteration Standards Section 6- Air Conditioning Units/ Heat Pumps; 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 01-14-122

Reverse Damage Restoration Charges

RESOLVED, September 9, 2014, that the appeal request of Ms. Judith Duby of 2122-Q Ronda Granada to reverse damage restoration charges in the amount of \$4,326.12 associated with dry down services and drywall repairs due to a leak in an alteration icemaker line in November 2013, 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.

Landscape Committee Recommendations:

2030-C Deny request for tree removal

Finance Committee Recommendations:

RESOLUTION 01-14-123

Recording of a Lien

WHEREAS, Member ID 947-441-64 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, September 9, 2014, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-441-64; 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 01-14-124

Recording of a Lien

WHEREAS, Member ID 947-390-54 is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, September 9, 2014, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-390-54; and

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

GENERAL MANAGER'S REPORT

In Mr. Jerry Storage's absence, Ms. Cris Robinson updated the membership on the ongoing projects in United Mutual and for the Golden Rain Foundation.

COMMITTEE REPORTS

FINANCE REPORT

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

Director Bassler reported from the Maintenance and Construction Committee.

Director Chang reported on the Walkway Lighting Sub-Committee.

Director Liberatore reported from the Water Conservation Ad Hoc Committee.

Director Lydick reported from the Landscape Committee.

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

Director Beckett read a report on disciplinary cases.

GRF COMMITTEE HIGHLIGHTS

Director Lydick reported from the GRF Energy Committee.

Director Beckett reported from the Security and Community Access Committee.

DIRECTORS' FORUM

The Directors provided final comments.

MEETING RECESS

The Regular Open Session Meeting recessed at 11:30 AM. and reconvened into the Regular Executive Session at 11:40 PM.

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

During its August 12, 2014 Regular Executive Session Meeting, the Board reviewed and approved the minutes of the regular Executive Session of July 8, 2014, the minutes of the Damage Restoration Executive Session of July 30, 2014 and the Special Executive Session minutes of July 30, 2014 as written. The Board heard four disciplinary hearings and imposed fines in the amount of \$1050 for violations of the Mutual's rules and regulations; discussed and considered numerous member disciplinary matters; approved five hearing requests; discussed Land Use Policy; discussed Smoke Free

Building Packet; discussed and considered Litigation Matters; and reviewed the Litigation Status Report.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:20 P.M.

~~Pat English, President~~
Jack Bassler,
First Vice President

