

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

May 10, 2016

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, May 10, 2016 at 9:30 AM at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Lenny Ross, Juanita Skillman, Jack Bassler, Ming-Lee Chang, Don Tibbetts, Jan LaBarge, Barbara Copley, Tom Sirkel, Pat English, Eva Lydick, Ken Hammer

Directors Absent: None

Staff Present: Open Session: Brad Hudson, Kim Taylor
Executive Session: Kim Taylor, Cris Robinson, Brad Hudson, Pamela Bashline, Francis Rangel, Jacob Huanosto, Zohra Cronin

Others Present: Jeffrey Beaumont Esq. of Beaumont Gitlin Tashjian

CALL TO ORDER

Lenny Ross, 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 AM.

PLEDGE OF ALLEGIANCE

Director Jan LaBarge led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

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

APPROVAL OF AGENDA

Without objection the agenda was approved as written.

UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM

United Mutual Members were given the opportunity to speak to items within the jurisdiction of the Board of Directors.

- Stephanie Magid (439-A) commented on future subleases and asked if there were any plans on changing the current policies and asked that the questions from the Town Hall meeting addressing subleasing be distributed to the mutual members.
- Maxine McIntosh (68-C) welcomed Ken Hammer back and commented on the Serpentine Walk.
- Roberta Berk (933-B) commented on the art that was placed on the walls of the Community Center Building.

- Mary Stone (356-C) commented on improving aesthetics at the gate entrances in the community.
- Bob Hatch (5064) spoke on behalf of the Foundation of Laguna Woods, gave a brief overview of what the foundation does in the community and asked for donations on behalf of the Foundation.

RESPONSE TO MEMBER COMMENTS

The United Mutual Directors briefly responded to Member Comments.

CHAIR'S REMARKS

President Lenny Ross thanked the Members for their comments, he spoke to subleasing in the community and future Board plans with regard to subleasing, commented on Board responses to the town hall meeting, and stated that the land use matter will be addressed at the next Town Hall meeting. President Ross announced that the United budget meetings currently underway.

REPORT OF CEO

Bradley Hudson, CEO/General Manager thanked the Laguna Woods Art Association for their efforts in holding an art exhibition in the Community Center. Mr. Hudson commented on the completion of the resurfaced tennis courts in time for the USTA Tournament being held in the community, the new Security Chief coming on Board in June, a General Services Director has been selected, and provided examples of staff making progress with improved communications. Mr. Hudson stated that the first employee newsletter has been distributed, improvements in the IT area and enhancement programs for residents and Directors are underway, the gate access project is continuing and the security check points are ongoing. Mr. Hudson answered questions from the Board.

Update from VMS Director – Director Anthony Liberatore

Director Anthony Liberatore, of Village Management Services, Inc. (VMS) provided an overview of the VMS Board accomplishments to date; announced that the Board is currently meeting weekly in open and closed sessions. Director Liberatore spoke to changing corporate culture, announced that the Board chose Hill Farrer and Burrill as Corporate Counsel, the Board approved a Strategic Initiatives, Employment and Compensation and Performance and Measurement ad Hoc Committees, and announced that several open staff positions have been filled. Director Liberatore commented on insurance brokers, the staggering of janitorial staffing in the Clubhouses, the completion of the employee handbook, and distribution of the first employee newsletter. Director Liberatore answered questions from the Board.

APPROVAL OF MINUTES

Director Skillman moved to approve the regular open session minutes of April 12, 2016 as written. Director Lydick seconded the motion.

By a vote of 10-0-0 the minutes were approved as written.

CONSENT CALENDAR

Director LaBarge moved to approve the Consent Calendar as written. Director Lydick seconded the motion. By a vote of 10-0-0 the motion carried and approved the following:

(10a) Maintenance and Construction Committee Recommendations:

RESOLUTION 01-16-36

Variance Request

RESOLVED, May 10, 2016, that the variance request of Dona Walker, variance to add an additional window in the Living Room of Manor 64-D, is hereby approved; and

RESOLVED FURTHER, all costs and maintenance of the alteration, present and future, are the responsibility of the Mutual member(s) at 64-D; and

RESOLVED FURTHER, all required Mutual and City of Laguna Woods Mutual Consents must be obtained and the appropriate City of Laguna Woods Mutual Consent number(s) must be submitted to the Manor Alterations Department located in the Laguna Woods Community Center; and

RESOLVED FURTHER, detailed site specific plans, wet-stamped and signed by a California licensed architect or engineer, must be submitted to the Manor Alterations Department located in the Laguna Woods Village Community Center prior to issuance of a Mutual Consent. These plans must detail the required structural modifications necessary to ensure that the structural integrity of the building is maintained upon completion of the Living Room window additions; and

RESOLVED FURTHER, the windows must be installed in accordance with United Laguna Woods Mutual Standard Section 31: Window and Window Attachments; 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 01-16-37

Variance Request

RESOLVED, May 10, 2016, that the variance request of Michael and Svetlana Fridkin, to install a ductless Mitsubishi type heat pump unit mounted on a rack on the wall of the balcony at Manor 654-N, is hereby approved; and

RESOLVED FURTHER, all costs and maintenance of the alteration, present and future, are the responsibility of the Mutual member(s) at 654-N, including all

costs incurred due to inadequate condensate drainage, including but not limited to dry rot and/or staining, and, should it become necessary for a unit and/or its duct work to be removed to allow the Mutual access for maintenance purposes, all costs of removal and replacement will be the Member's responsibility. It is intended that the Member(s) will be given proper and timely notice for any needed removal(s). However, this may not always be possible due to the nature of the required maintenance; and

RESOLVED FURTHER, the unit must be located no higher than 12 inches off the balcony surface as measured to the bottom of the unit; and

RESOLVED FURTHER, all required Mutual and City of Laguna Woods permits be obtained and the appropriate City of Laguna Woods permit numbers be submitted to the Mutual through the Manor Alterations Department located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, prior to issuance of a Mutual Consent, a complete set of installation plans, including the location of the condensate drain line connection to an approved discharge location, and the method of sealing the penetration of the stucco walls, must be submitted to the Manor Alterations Department located in the Community Center. The installation must not penetrate the deck of the balcony; 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 01-16-38

Variance Request

RESOLVED, May 10, 2016, that the variance request of Dinesh Patel, to relocate the loft window at Manor 706-A, is hereby approved; and

RESOLVED FURTHER, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 706-A; and

RESOLVED FURTHER, all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit numbers must be submitted to the Mutual through the Manor Alterations Department located in Laguna Woods Village Community Center; and

RESOLVED FURTHER, the proposed window must be installed as per United Mutual Alteration Standard Section 31- *Windows, Window Attachments*; 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 01-16-39

Variance Request

RESOLVED, May 10, 2016, that the variance request of Karl Chu, to add two windows in the master bathroom of Manor 860-A, is hereby approved; and

RESOLVED FURTHER, all costs and maintenance of the alteration, present and future, are the responsibility of the Mutual member(s) at 860-A; and

RESOLVED FURTHER, all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Manor Alterations Department located in the Laguna Woods Community Center; and

RESOLVED FURTHER, detailed site specific plans, wet-stamped and signed by a California licensed architect or engineer, must be submitted to the Manor Alterations Department located in the Laguna Woods Village Community Center prior to issuance of a permit. These plans must detail the required structural modifications necessary to ensure that the structural integrity of the building is maintained upon completion of the Living Room window additions; and

RESOLVED FURTHER, the windows must be installed in accordance with United Laguna Woods Mutual Standard Section 31: Window and Window Attachments; 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 01-16-40

Variance Request

RESOLVED, May 10, 2016, that the variance request of Marjorie Rivingston, to install a handrail at the entry walkway of Manor 948-D, is hereby approved; and

RESOLVED FURTHER, all costs and maintenance of the alteration, present and future, are the responsibility of the Mutual member(s) at 948-D; and

RESOLVED FURTHER, all required Mutual permits must be obtained through the Manor Alterations Department located in the Laguna Woods 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 01-16-41

Variance Request

RESOLVED, May 10, 2016, that the variance request of Parween Yunus, to retain a window air conditioner at Manor 2077-C, is hereby denied; and

RESOLVED FURTHER, the window must be returned to its original configuration at the member's expense within 30 days of the Board's decision on the matter; and

RESOLVED FURTHER, the Member will be noticed for a hearing due to the rules violation; 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 01-16-42

Variance Request

RESOLVED, May 10, 2016, that the variance request of Ivan Katz , for an additional damage restoration allowance on alteration flooring costs at Manor 495-B is hereby denied; and

RESOLVED FURTHER, that the request is due to the fact that the original restoration allowance amount provided by the Mutual is considered sufficient, per policy; 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.

(10b) Landscape Committee Recommendations:

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|-------|---|
| 525-O | Deny appeal request for tree replacement |
| 524-B | Deny request for multiple tree removals |
| 551-C | Deny request for tree removal |
| 695-N | Deny request for tree replacement |
| 239-D | Deny request to top trees in the hedge along the El Toro perimeter wall inside CDS 27 |

(10c) Finance Committee Recommendations:

RESOLUTION 01-16-43

Recording of a Lien

WHEREAS, Member ID 647-391-14 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, May 10, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 647-391-14; and

RESOLVED FURTHER, the Member will be notified of cable service deactivation pursuant to the policy adopted by Resolution 01-15-61; 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 01-16-44

Recording of a Lien

WHEREAS, Member ID 947-407-38 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, May 10, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-407-38; and

RESOLVED FURTHER, the Member will be notified of cable service deactivation pursuant to the policy adopted by Resolution 01-15-61; and

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

COMMITTEE REPORTS

(11) Finance Report

Director Pat English reported from the Finance Committee, gave a United Mutual financial update, and commented on the Resale Activities Report.

(12) Maintenance and Construction Committee

Director Tibbetts reported from the Maintenance and Construction Committee.

(13) Energy Committee

Director Bassler reported from the Energy Committee.

(14) Landscape Committee

Director Lydick reported from the Landscape Committee.

(15) Governing Documents Review Committee

Director Skillman reported from the Governing Documents Review Committee.

(16) Laguna Woods Village Traffic Hearings

Director Sirkel reported from the Laguna Woods Village Traffic Hearings.

(17) Report on Disciplinary Cases

Director Sirkel reported on the Disciplinary cases.

(18) UNFINISHED BUSINESS

No Unfinished Business came before the Board.

(19) NEW BUSINESS

(19a) Entertain Motion to Approve Revisions to the Qualifiers for Subleasing of Manors Resolution 01-13-50

Director Skillman moved to approve revisions to the Qualifiers for subleasing of manors (Resolution 01-13-50). Director Copley seconded the motion. Discussion ensued.

Member Roberta Berk (933-B) commented on the motion.

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

(20) GRF COMMITTEE HIGHLIGHTS

Directors provided brief highlights from GRF Committees.

(21) DIRECTORS' FORUM

The Directors made final comments.

(22) MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 11:40 AM and reconvened into the Regular Executive Session at 12:30 PM.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 6:01 PM.

Juanita Skillman, Secretary
United Laguna Woods Mutual

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

During the April 12, 2016 Regular Executive Session meeting the Board reviewed and approved the minutes of March 8, 2016 – Regular Executive Session and the March 24, 2016 - Executive Committee Hearing Meetings as written; approved six (6) hearing requests; held five (5) disciplinary hearings and imposed \$300 in fines for violations of the Mutual's rules and regulations; discussed the delinquency report; discussed and considered numerous Member disciplinary matters; discussed and considered damage restoration reimbursement; discussed personnel matters; discussed emergency plumbing response; discussed and considered Membership and Occupancy matters; discussed and considered contractual matters; and discussed and considered litigation matters.

During the April 6, 2016 Special Executive Committee Board meeting the Board discussed and considered Member Matters.

During the April 28, 2016 Special Executive Committee Board meeting the Board discussed and considered Common Area Damage Reimbursement Hearings and Member Disciplinary Hearings.

During the May 4, 2016 Special Executive Committee Board meeting the Board discussed and considered Contractual Matters.

EXHIBIT A

**QUALIFIERS FOR SUBLEASING MANORS
(Resolution 01-13-50, Adopted March 20, 2013)**

1. A cap on the number of manors that may be subleased at any one time in United's development equal to twenty percent (20%) of the total manors (as set forth under United Resolution 01-10-222); and
2. A prohibition on subleases shorter in duration than thirty (30) days; and
3. A prohibition on any member owning more than one membership/manor in United, and/or being identified as the "member" under more than one Occupancy Agreement, at any one time, except as provided for and subject to certain conditions under United's Interim Dual Ownership Agreement (as provided in Resolutions U-02-164, 01-10-222 and 01-03-147), including but not limited to the requirements that (i) a member may not sublease a manor listed for sale during any permitted period of dual ownership, (ii) the member must reasonably proceed to sell the manor listed for sale within six (6) months from the member's signing of the Interim Dual Ownership Agreement, (iii) the Board is prohibited from approving any individual member's request for an Interim Dual Ownership Agreement more frequently than one (1) time in any two (2) year period and (iv) with respect to dual ownership, both trustees and beneficiaries under any trust having any ownership interest in a manor/membership shall be considered a member with respect to such manor/membership; and
4. The requirement that no member may sublease his/her manor if delinquent in carrying charges or assessments at the time of the proposed/intended sublease, except with Board approval and subject to an assignment of rents (as set forth in Resolutions U-91-73 and U-01-10); and
5. The requirement that all sublessees meet the age requirements for occupancy and residency as required and established under United's governing documents and California Civil Code Section 51.3 (and any successor statute); and
6. The requirement that members and/or sublessees provide to United, as set forth in United's governing documents and pursuant to yearly renewal requirement obligations, the following information with respect to each sublessee of the member's manor, on such form(s) as United may prescribe from time to time: full name; age and birth date; statistical information; identity verification; written agreement to comply with United's governing documents; telephone number; and other information and documentation required by United under its Application for Permit to Lease Premises and any related documents; and
7. The requirement that the member pay certain fees related to the sublease of the member's manor, including without limitation fees related to lease permits processing; lease permits, lease permit extensions, lease permit renewals, secured deposits of third-party charges and application costs; and

8. The requirement that the member transfer his/her rights to use the common areas, facilities and amenities of United's development to the member's sublessee, and that the member and his/her sublessee comply with any and all prohibitions and/or restrictions established by Golden Rain Foundation ("GRF") with respect to the use of GRF's common amenities and facilities; and
9. The requirement that sublessees of a member's manor must, at all times, comply with all of the provisions of United's governing documents applicable to the residency, occupancy and use of manors and United's development; and
10. The right of United to levy fines and impose discipline against a member for the violation of United's governing documents by the member's sublessee, and/or, to the extent permitted by United's Bylaws and applicable laws, to impose discipline against the sublessee for such violation; and
11. A non-exclusive grant to United of the member's rights to enforce United's governing documents against the member's sublessee if the member fails to gain the sublessee's compliance, including but not limited to the ability of United to evict the sublessee under an unlawful detainer action; and
12. An assignment of rents in favor of United in the event the member is delinquent in the payment of their carrying charges and/or assessments, as provided in United's Occupancy Agreement, and the requirement that the sublessee pay his/her rent payments to United upon United's notice and demand of such assignment; and
13. The requirement that the member be financially liable to United for any damage within the member's manor or other portions of United's development caused by the sublessee; and
14. The requirement that the member be the responsible party to obtain any required approval from United for any and all proposed alterations, additions, improvements and modifications to the member's manor; and
15. The requirement that only a member of United named under an Occupancy Agreement has the right to sublease their entire manor.