

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

June 14, 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, June 14, 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

Directors Absent: Ken Hammer

Staff Present: Open Session: Brad Hudson, Lori Moss, Kim Taylor, Guy West, Steven Henderson, Rodger Richter, and Grace Shin
Executive Session: Brad Hudson, Kim Taylor, Cris Robinson, Pamela Bashline, Jacob Huanosto, Guy West, Mark Stal, Rodger Richter, and Grace Shin

Others Present: Jeffrey Beaumont Esq. of Beaumont Gitlin Tashjian

1 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.

2 PLEDGE OF ALLEGIANCE

Director Don Tibbetts led the Pledge of Allegiance to the Flag.

3 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.

4 APPROVAL OF AGENDA

Director Skillman moved to amend the agenda by removing 15a "Entertain Motion to Approve Revisions to the United Election Standards" from the agenda and to bring the revisions to the July open Board meeting. Director Bassler seconded the motion. By a vote of 9-0-0 the motion carried.

President Ross asked that "Discuss and Consider Forming a VMS Objectives Committee" be added to the agenda as Agenda Item 8b. Without objection the Board agreed to add the item to the agenda.

Without objection the Board approved the agenda as amended.

5 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.

- Paul Vogel (2185-O) 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.
- Michael Landry (693-B) asked the Board to consider allowing electric car charging stations for electric cars in the Mutual.
- Stephanie Magid (439-A) thanked the Board for their service and asked the Board where the data comes from when creating or changing resolutions and asked the Board to consider the future of the Mutual when making changes.
- Jan Blake (481-N) asked the Board to consider bringing agenda items concerning the Mutual to the Mutual Members for a vote.
- Roberta Berk (933-B) asked that Committee meetings be televised on TV6 and asked the Board to advise the Community of upcoming agenda items and publicizing changes in policy.

6 RESPONSE TO MEMBER COMMENTS

The United Mutual Directors briefly responded to Member Comments.

7 REPORT OF THE CHAIR

President Lenny Ross announced that Director Ken Hammer has resigned and asked Juanita Skillman to read his letter of resignation. Director Skillman read Director Hammer's letter of resignation, resignation effective June 14, 2016.

President Ross spoke to rebates with regard to Solar Energy and funding the project for energy savings and thanked the Members for their comments.

REPORT OF CEO

Bradley Hudson, CEO/General Manager, introduced Security Director Tim Moy and provided a brief overview of his background.

Chief Moy addressed the Board and residents, thanked the Community for welcoming him and spoke to his commitment in providing safety and security to the Community and to collaboration with each of the Boards.

Mr. Hudson announced that Chief Moy will be the guest speaker at the next Town Hall meeting on June 23, 2016 at 4:30 PM to be held in the Community Center Board room.

Mr. Hudson spoke to the addition of the new General Services Department Head, Ernesto Muñoz, and ongoing recruiting for a Controller and a Recreation Director. Mr. Hudson announced that Ms. Cris Robinson has resigned, he provided a brief overview of the 2017 budget process, GRF's approval of the amendments to the 2016 projects list and stated that there are many technology improvements on the list, improvements at Clubhouse 1 and 3 and Chuck Holland has volunteered to look at providing technology improvements at the Village Library. Mr. Hudson announced two upcoming shows being held at the Laguna

Woods Village Performing Arts Center: Who's your Daddy! An Acapella Performance on June 25, 2016, and the Steven Bayner Hypnotist Show on Friday, July 22, 2016.

8(a) Update from VMS Director – Director Joe Rainey

Director Joe Rainey, of Village Management Services, Inc. (VMS) announced the new VMS Board Member: Bevan Strom and spoke of the VMS workshop facilitated by Lori Moss and stated that it was very effective. The Board along with Staff set meeting objectives and five goals were implemented:

1. Provide exemplary customer service
2. Facilitate efficient operations
3. Provide a safe community
4. Provide transparent communications
5. Become an employer of choice

Director Rainey provided an overview of the following Board Committees: the Strategic Initiatives Ad Hoc Committee, the Employment and Compensation Ad Hoc Committee and the Performance and Measurement Ad Hoc Committee. Director Rainey announced that a new health Insurance Broker has been selected and he thanked the United Board for all their hard work. Director Rainey further stated that the VMS Board strives to support the other Boards.

8(b) Discuss and Consider Forming a VMS Objectives Committee

President Ross stated that the United Board is considering setting objectives for the VMS Board, a group of three United Mutual Directors met with a group of three Third Mutual Directors and set nine objectives for the VMS Board. Discussion ensued and no action was taken.

9 APPROVAL OF MINUTES

Director Sirkel moved to approve the regular open session minutes of May 10, 2016 as written. Director LaBarge seconded the motion.

By a vote of 9-0-0 the minutes were approved as written.

10 CONSENT CALENDAR

Director English moved to approve the Consent Calendar as written. Director Tibbetts seconded the motion. By a vote of 8-0-0 (Director Copley was absent for the vote) the motion carried and approved the following:

(10a) Maintenance and Construction Committee Recommendations:

RESOLUTION 01-16-45

Variance Request

RESOLVED, June 14, 2016, that the variance request of Derril Kripike, to retain the unauthorized front entry door at Manor 250-G Calle Aragon, 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 250-G; and

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

RESOLVED FURTHER, Mutual Consent and City permits must be initiated prior to manor transfer and within 6 months of the Board's approval; 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 01-16-46

Variance Request

RESOLVED, June 14, 2016, that the variance request of Diana Haffner, to install a Pet-Safe Panel Door at Manor 309-F Avenida Castilla, 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 309-F; 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 Manor Alterations 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 01-16-47

Variance Request

RESOLVED, June 14, 2016, that the variance request of Ramiro Carraso, to install new Windows at Manor 795-A Via Los Altos, 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 795-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 Manor Alterations Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, the window must be installed in accordance with United Laguna Woods Mutual Standard Section 31: Window and Window Attachments.

RESOLVED FURTHER, top sill heights of the proposed windows match the other windows on the same elevation.

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 01-16-48

Variance Request

RESOLVED, June 14, 2016, that the variance request of Wade Cooper, to retain the unauthorized window in the master bedroom at Manor 844-P Ronda Mendoza, 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 844-P; and

RESOLVED FURTHER, a required Mutual Consent for Manor Alteration(s) and a City of Laguna Woods permit must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Manor Alterations Department office located in the Laguna Woods Community Center.

RESOLVED FURTHER, unit-specific plans depicting the proposed alteration, signed and wet-stamped by a California-licensed architect or engineer must be submitted to the Manor Alterations Department located in the Laguna Woods Village Community Center. These plans must include structural details and calculations required to insure the structural integrity of the building was maintained at the time of installation.

RESOLVED FURTHER, a Neighbor Awareness Form must be submitted for neighboring manor 845-Q prior to the issuance of a Mutual Consent.

RESOLVED FURTHER, Mutual Consent and City permits must be initiated prior to manor transfer and within 6 months of the Board's approval.

(10b) Landscape Committee Recommendations:

55-S	Deny request for off-schedule tree trimming
449-D	Approve request for tree removal
700-C	Approve request to make landscape design changes as presented to the Landscape Committee
648-B	Approve request to plant a citrus tree next to the perimeter wall directly across from manor and to remove shrubs on either side of A/C unit
50-A	Deny request for tree removal

(10c) Finance Committee Recommendations:

RESOLUTION 01-16-49

Recording of a Lien

WHEREAS, Member ID 947-367-77 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, June 14, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-367-77 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.

12(a) Update on Interior Pipe Epoxy Lining Testing

Guy West, Project Manager, updated the Board and Residents on the Epoxy Pipe lining pilot testing currently underway in United Mutual and answered questions from the Board.

12(b) Entertain Motion to Approve a Supplemental Appropriation of \$144,670 Funded from the Replacement Fund, to Change Out Approximately One Electric Panel Per Day for the Remainder of 2016

Secretary of the Board, Director Juanita Skillman, read the following proposed resolution approving a supplemental appropriation of \$144,670, funded from the Replacement Fund, to change out approximately one electric panel per day for the remainder of 2016.

Director Skillman moved to approve the resolution and Director Tibbetts seconded the motion. Discussion ensued. Director Skillman moved to amend the motion to change the Supplemental Appropriation amount from ~~\$144,670~~, to **\$114,970**. Director Tibbetts seconded the amendment.

By a vote of 9-0-0 the motion carried and the resolution was approved as amended.

RESOLUTION 01-16-50

Approve a Supplemental Appropriation

WHEREAS, the United Laguna Woods Mutual has approved replacement of approximately 2,750 Pushmatic electrical panels over a ten (10) year period; and

WHEREAS, the 2016 Reserve plan includes a component for electrical upgrades with a 2016 expenditure of \$63,230 which equates to approximately 40 replacement electrical panels; and

WHEREAS, the United Maintenance and Construction and Finance Committees are recommending that the Board change out 120 electrical panels for the remainder of 2016, approximately one electrical panel per day;

NOW THEREFORE BE IT RESOLVED, June 14, 2016, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation not to exceed ~~\$144,670~~, **\$114,970** to change out 120 electrical panels for the remainder of 2016, approximately one electrical panel per day, funded from the Replacement 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.

Without objection the Board directed staff to present a cost to change out the Pushmatic electric panels in the United free standing laundry rooms within the next two weeks.

Ms. Lori Moss, Community Manager, announced that the City of Laguna Woods has approved providing a City Inspector dedicated to Laguna Woods Village, and the City has found a solution to the water heater issue.

13 Energy Committee

No meeting was held.

14 Landscape Committee

Director Lydick reported from the Landscape Committee.

15 Governing Documents Review Committee

Director Skillman reported from the Governing Documents Review Committee.

15(a) Entertain Motion to Approve Revisions to the United Election Standards

Agenda item was removed from the agenda during approval of the Agenda.

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

18(a) Discuss and Consider Changing the Term of VMS Director Anthony Liberatore from a One Year Term to a Three Year Term, Term Ending in 2018 and Changing the Term of VMS Director Bevan Strom from a Three Year Term to a One Year Term, Term Ending 2016

Director Skillman moved to approve changing the term of VMS Director Anthony Liberatore from a one year term to a three year term, term ending in 2018 and changing the term of VMS Director Bevan Strom from a three year term to a one year term, term ending 2016. Director English seconded the motion. By a vote of 9-0-0 the motion carried.

18(b) Entertain Motion to Approve an Additional Supplemental Appropriation of \$10,000, to Fund Costs for Legal Counsel that Specializes in Probate Matters

Secretary of the Board, Director Juanita Skillman, read the following proposed resolution approving an additional Supplemental Appropriation of \$10,000, to fund costs for Legal Counsel that Specializes in Probate Matters:

RESOLUTION 01-16-51

Supplemental Appropriation for Legal Counsel that Specializes in Probate Matters

WHEREAS, United Laguna Woods Mutual is currently being represented in probate court in the matter of the Golden Rain Foundation of Laguna Hills Trust dated March 2, 1964, which was an unexpected legal expense; and

WHEREAS, on July 14, 2015 the United Mutual Board of Directors approved resolution 01-15-103 authorizing a Supplemental Appropriation of \$45,000 to fund legal costs for legal counsel that specializes in probate matters; and

WHEREAS, the Board approved Resolutions 01-16-26 and 01-16-34 for additional supplemental appropriations totaling \$12,200; and

WHEREAS, unpaid legal fees through May 2016 related to the probate matter have exceeded the balance of funds;

NOW THEREFORE BE IT RESOLVED, June 14, 2016, that the Board of Directors hereby authorizes an additional supplemental appropriation not to exceed \$10,000, to be funded from the Contingency Fund, to fund costs for legal counsel that specializes in probate matters; 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 Skillman moved to approve resolution. Director English seconded the motion. Discussion ensued. By a vote of 7-0-2 (Directors LaBarge and Sirkel abstained) the motion carried and the Board approved the resolution as written.

19 NEW BUSINESS

19(a) Entertain Motion to Approve Restricting Sub-Letting for One Year After Purchase to New Shareholders in United Mutual not Including Those Who Inherit

Secretary of the Board, Director Juanita Skillman, read the following proposed resolution approving restricting sub-letting for one year after purchase to new Shareholders in United Mutual not including those who inherit:

Resolution 01-16-XX

Resolution to Restrict Sub-Letting for One Year After Purchase

WHEREAS, the United Occupancy Agreement, Article 5, Use of Premises, states that the Member agrees to reside in, occupy and use the dwelling unit in conformity with California Civil Code 51.3; and

WHEREAS, the United Board believes that owner occupancy contributes to the stability and vitality of the community; and

WHEREAS, the United Board wishes to uphold the owner occupancy requirements in the Occupancy Agreement by limiting the number of dwelling units that are not owner-occupied.

NOW THEREFORE BE IT RESOLVED, August 9, 2016, Members (i.e., persons obtaining membership on and after the date of this resolution) are restricted from sub-leasing their unit for one year after purchase of the unit; and

RESOLVED FURTHER, the one-year prohibition against sub-leasing rule does not apply to successor trustees who become Members after the death of the trustor, provided the unit was already in the rental pool prior to the death of the trustor; such individuals can sub-lease their units immediately upon becoming a Member; and

RESOLVED FURTHER, that the managing agent is hereby directed to disseminate this information to the realty community serving Laguna Woods Village; and

RESOLVED FURTHER, that this policy shall be put into effect August 9, 2016; and

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

Director Skillman moved to approve resolution as written. Director Lydick seconded the motion. Discussion ensued.

Members Stephanie Magid (439-A), Jan Blake (481-N), Kristine O`Hara (2149-F), Dick Rader (270-D), Ralph Magid (439-A), and Roberta Berk (933-B) commented on the resolution.

By a vote of 6-3-0 (Directors English, Bassler, and Sirkel opposed) the motion carried and the resolution was postponed to the August meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

19(b) Entertain Motion to Approve the Following: When Children Purchase a Unit for their Parents in United, the Children Must have the Same Qualifications as a Guarantor, an Annual Income of at Least \$90,000 and \$250,000 in Financial Assets; and the Occupying Parents Must have an Annual Income of at Least \$24,000 and \$75,000 in Financial Assets.

Secretary of the Board, Director Juanita Skillman, read the following proposed resolution approving When Children Purchase a Unit for their Parents in United, the Children Must have the Same Qualifications as a Guarantor, an Annual Income of at Least \$90,000 and \$250,000 in Financial Assets; and the Occupying Parents Must have an Annual Income of at Least \$24,000 and \$75,000 in Financial Assets:

Resolution 01-16-XX

Financial Requirements When Children Purchase for Parents

WHEREAS, when children purchase a unit for their parents in United (i.e., a share, membership and right to occupy), there is concern that parents may not have the means to support the parent's ongoing expenses, such as monthly assessments, food, utilities, property insurance or medical expenses; and

WHEREAS, the Board of Directors believes that it is in the best interests of United and the Community as a whole to require both the parents and the children to qualify under the current rules and regulations for Guarantors of shareholders/members.

NOW THEREFORE BE IT RESOLVED, August 9, 2016, when children purchase a unit for their parents in United, the children must have an annual income of at least \$90,000 and \$250,000 in financial assets; and the occupying parents must have an annual income of at least \$24,000 and \$75,000 in financial assets; and

RESOLVED FURTHER, that the managing agent is hereby directed to disseminate this information to the realty community serving Laguna Woods Village; and

RESOLVED FURTHER, that this policy shall be put into effect on or after August 9, 2016; and

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

Director Skillman moved to approve resolution as written. Director Lydick seconded the motion. Discussion ensued.

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

By a vote of 7-2-0 (Directors Bassler and English opposed) the motion carried and the resolution was postponed to the August meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

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 12:25 PM and reconvened into the Regular Executive Session at 1:05 PM.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 5:45 PM.

Juanita Skillman, Secretary
United Laguna Woods Mutual

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

During the May 10, 2016 Regular Executive Session meeting, the Board reviewed and approved the minutes of April 12, 2016 – Regular Executive Session and the April 28, 2016 - Executive Committee Hearing Meetings as written; approved two (2) hearing requests; held two (2) disciplinary hearings and imposed \$400 in fines for violations of the Mutual's rules and regulations; held one (1) Meet and Confer: discussed the delinquency report; discussed and considered numerous Member disciplinary matters; discussed Land Use with Counsel; discussed Sub-leasing with Counsel; discussed Status of Pending Legislation - Assembly Bills 1720 & 1799 with Counsel; discussed responsibilities of the President of the Board; discussed California Legislative Action Committee (CLAC); discussed personnel matters; discussed and considered Membership and Occupancy matters; discussed and considered contractual matters; and discussed and considered litigation matters.

During the May 13, 2016 Special Executive Committee Board meeting, the Board discussed and considered Personnel and Contractual Matters.

During the May 17, 2016 Special Executive Committee Board meeting, the Board discussed and considered Litigation Matters.

During the May 24, 2016 Special Executive Committee Board meeting, the Board discussed and considered Member Matters.

During the May 26, 2016 Special Executive Hearings Committee meeting, the Board discussed and considered Common Area Damage Reimbursement Hearings and Member Disciplinary Hearings.

