

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

**August 8, 2006**

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Tuesday August 8, 2006, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Beth O'Brien, Don Tibbetts, Linda Wilson, Jim McNulty, Bevan Strom, Ken Hammer, Mary Stone

Directors Absent: Burns Nugent

Others Present: Milt Johns, Patty Fox, Janet Price (11:19 A.M. – 11:33 A.M.)  
*Executive Session:* Milt Johns, Patty Fox, Cris Trapp

**CALL TO ORDER**

Beth O'Brien, President of the Corporation, chaired 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.

A moment of silence was held to honor the US Troops serving our country and those placed in harm's way.

**PLEDGE OF ALLEGIANCE**

Director Ken Hammer led the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

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

**MEMBER AND RESIDENT MEMBER COMMENTS**

- Delsie Zuzak (674-A) addressed her concerns with the security services at Gate Three
- Barbara Copley (410-D) commented on patrol cars hiding behind signs
- Libby Marks (82-Q) commented on security services
- John Dalis (8-P) commented on increasing the speed limit around the Clubhouse Three
- Roy McLain (2087-E) commented on voting power of the Mutuals
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Forum at Clubhouse Five

**APPROVAL OF AGENDA**

The agenda was approved as submitted.

**APPROVAL OF MINUTES**

The Minutes of the Regular Meeting of July 11, 2006, and the Special Meeting of July 18, 2006 were approved as submitted, and the Minutes of the Special Meeting of July 21, 2006 were approved as amended by revising the last sentence above Residents Forum on page

one to read "It was noted that a guest in attendance at the meeting was also recording the meeting electronically."

**OLD BUSINESS**

Dick Sharp, a member of the Nominating Committee reported that there are 6 candidates to fill 4 vacancies on the Board for the upcoming Director Election.

Director Mary Stone made a motion to remove from the table the motion to approve United's Damage Restoration Policy. Director Ken Hammer seconded the motion.

By way of consensus, the Board waived the reading of the resolution.

By a unanimous vote of 6-0-0 the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 01-06-75**

**WHEREAS**, over the past five years, costs associated with repair by outside services of units and buildings damaged within United Laguna Hills Mutual have increased significantly; and

**WHEREAS**, presently, the Mutual pays the insurance deductible when the source of the damage is not caused by actions of the member, lessee or guest; and

**WHEREAS**, Article 11(a), Section (2) and Article 12 of the General Conditions of the Occupancy Agreement specifically state that any restoration and repair of redecoration, alterations, additions, fixtures or improvements installed by the Member or any predecessor of the Member shall be made by the Member, at the Member's expense;

**NOW THEREFORE BE IT RESOLVED**, August 8, 2006 that the Board of Directors of this Corporation hereby approves the Restoration Policy (Exhibit One, attached to the official minutes of this meeting), which states that Members are responsible for repairs and/or replacement of upgrades, redecoration, and improvements to the Unit. The Mutual will provide an allowance for standard restoration and that Members continue to be responsible for damage they cause; 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 Bevan Strom, referred the reading of the proposed resolution on approving a policy on treatment of corporate documents to Director Linda Wilson. Director Wilson moved to approve the resolution. Director Stone seconded the motion. Discussion ensued.

Mutual Member Barbara Copley (410-D) addressed the Board on the resolution.

By a unanimous vote of 6-0-0 the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 01-06-76**

**WHEREAS**, California Corporations Code § 8333 provides that:

“The accounting books and records, minutes of proceedings of the members, and the Board and committees of the board shall be open to inspection upon the written demand on the corporation of any member at any reasonable time, for a purpose reasonably related to such person’s interests as a member”; and

**WHEREAS**, California Civil Code §1365.2 defines “association records” and “enhanced association records” under new subsections (a)(1) and (2) respectively, as follows:

**Association Records:**

- Any financial document required to be provided to an Owner in Section 1365.
- Any financial document or statement required to be provided in Section 1368.
- Interim unaudited financial statements, periodic or as compiled, containing any of the following: balance sheet, income and expense statement, budget comparison, general ledger (a report that shows all transactions that occurred in an association account over a specified period of time), all of which are prepared in accordance with generally accepted accounting principles.
  - Executed contracts not otherwise privileged under law.
  - Written board approval of vendor or contractor proposals or invoices.
  - State and federal tax returns.
  - Reserve account balances and records of payments made from reserve accounts.
- Agendas and minutes of meetings of the members, the board and any committees appointed by the board of directors; excluding, however, agendas, minutes, and other information from executive sessions of the board of directors as described in Section 1363.05.
- Check registers.
- Membership lists.

**Enhanced Association Records:**

- Invoices, receipts and canceled checks for payments made by the association, purchase orders approved by the association, credit card statements for credit cards issued in the name of the association, statements

for services rendered, and reimbursement requests submitted to the association, provided that the person submitting the reimbursement request shall be solely responsible for removing all personal identification information from the request;

**WHEREAS**, subsection (m) of the new California Civil Code § 1365.2 provides that to the extent of any inconsistency, as applied to an association and its members, the provisions of § 1365.2 supersede the provisions of California Corporations Code § 8330 and § 8333; and

**WHEREAS**, California Corporations Code § 8334 provides that:

“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 of Directors believes, based upon the opinion of Corporate Legal Counsel with respect to members’ inspection rights that there is no legal obligation to make available anything other than those documents that are statutorily required, as specified above; and

**WHEREAS**, the Board believes, based upon the advice of Corporate Legal Counsel that, in order to legally preserve the attorney client privilege, it is essential that the contents of any communications to or from the corporation’s attorneys or prospective attorneys, whether oral or written, including but not limited to legal opinions, not be disclosed to third parties other than the Directors, Board authorized advisors, and agents.

**NOW THEREFORE BE IT RESOLVED**, August 8, 2006 that subject to compliance with the corporation’s obligations under the above-referenced California Corporations Code and California Civil Code Sections, as well as the Common Interest Development Open Meeting Act codified at California Civil Code Section § 1363.05, et seq., the Board of Directors on behalf of the corporation hereby states its policy with respect to treating as confidential certain of the documents produced by the corporation, its attorneys, or its agent Professional Community Management (PCM); and

**RESOLVED FURTHER**, that during the preparation of documents to be used by the Board of Directors in the performance of their duties, PCM as agent for the corporation, shall designate as “Confidential” all documents submitted to the Boards of Directors for their review, analysis and action which relate to or deal with matters to be addressed in Executive Session, namely matters pertaining to the formation of third party contracts, personnel issues, member discipline, litigation, meeting with a member, upon the member’s request, regarding the member’s payment of assessments, and all written communications to and from Corporate Legal Counsel; and

**RESOLVED FURTHER**, that the Board of Directors of this corporation reserves the right to designate additional documents as "Confidential" or to modify the confidential designation given by the managing agent, PCM (so long as any such characterization is reasonably supported by applicable law); and

**RESOLVED FURTHER**, that thereafter, any document so designated as confidential or that the Board shall determine to be confidential shall not be copied nor distributed to the general membership, nor shall it be disclosed in whole or in part by any Directors or any person connected with this corporation through membership or otherwise, to any third party who is not also: (a) a Director of this corporation, or (b) a PCM agent or employee, or (c) a Board authorized advisor, or (d) Corporate Legal Counsel; and

**RESOLVED FURTHER**, that this policy respecting documents designated as confidential shall be equally applicable to any meetings of the Committees of the Board; and

**RESOLVED FURTHER**, that the Board of Directors encourages its members to participate in the community's governance by attending Committees and Board meetings where full discussion of corporate business may be heard (other than business that is statutorily protected by empowering the Board to meet in closed Executive Session; i.e., for personnel matters, member discipline, the formation of third party contractual matters, and matters involving litigation, and to meet with a member upon the member's request, regarding the member's payment of assessments); and

**RESOLVED FURTHER**, that the Board of Directors of this corporation hereby instructs staff to carry out the purpose of this resolution; and

**RESOLVED FURTHER**, that Resolution U-02-22 dated February 12, 2002 is hereby superseded and cancelled by the terms of this Resolution.

## **NEW BUSINESS**

By way of consensus, the discussion on the letter to the City of Laguna Woods regarding Public Use of Right of Way was deferred to the September meeting.

Director Wilson read the following proposed resolution on adopting a parking policy:

### **RESOLUTION 01-06**

**RESOLVED**, September 12, 2006 that the Board of Directors of this Corporation hereby establishes the following standards governing the parking of vehicles on property owned and managed by United Laguna Hills Mutual:

**Authorized Resident-Owned Vehicles:**

1. Standard passenger vehicles that display a Laguna Woods Village decal;
  - a. Standard passenger vehicles include automobiles, passenger vans designed to accommodate ten (10) or fewer people, golf carts, golf cars, motorcycles, and pick-up trucks having a manufacturer's rating or payload capacity of three quarter (3/4) ton or less, when used for daily transportation.
2. Authorized vehicles may park in any portion of property owned and managed by United Laguna Hills Mutual intended for parking of motorized vehicles; however, no person may park a vehicle so that it encroaches onto the sidewalk, common area not intended for parking, or other public or private right-of-way.
3. The United Mutual Board of Directors reserves the right to identify additional vehicles as authorized.

**Prohibited Vehicles:**

1. Recreational vehicles (e.g. motor homes, travel trailers, tent trailers, camper vans, boats, jet skis, off-road motorcycles).
2. Commercial-type vehicles (e.g. stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks, limousines, taxi cabs, or vehicles displaying advertising of any kind).
3. Buses or vans designed to accommodate more than ten (10) people.
4. Vehicles having more than two (2) axles.
5. Trailers.
6. Inoperable vehicles or parts of vehicles. Inoperable vehicles include those which lack current, valid DMV license or registration, or as determined to create a nuisance by the Board of Directors.
  - a. Vehicles may not be rebuilt, and major service may not be performed.
7. Aircraft.
8. Vehicles used primarily for the storage of personal property.
9. Any vehicle or vehicular equipment deemed a nuisance by the Board of Directors.
  - a. Any stored vehicle that is left standing anywhere on the common area, excluding carports, that has not been moved more than one-tenth of a mile (1/10) within a thirty-day (30) period is subject to disciplinary action.
10. Any vehicle not classified as an authorized vehicle. If a vehicle qualifies for both an Authorized and Prohibited Vehicle, then the vehicle is presumed to be a Prohibited Vehicle, unless the vehicle is expressly classified as an Authorized Vehicle, in writing, by the Board.

**Non-Resident Owned Commercial-Type Vehicles**

1. May not be parked overnight on property owned and managed by United Laguna Hills Mutual.

2. May park on property owned and managed by United Laguna Hills Mutual during the daylight hours to provide service to residents.

**Carport Use Restrictions**

1. All vehicles must be of dimensions that fit within a carport, and shall not interfere with carport use by other vehicles.
2. Carports may not be rented to non-residents, and vehicles not registered with the Corporation or regularly used by the resident owner for transportation shall be classified as non-resident vehicles.
3. Storage of bicycles, ladders, battery chargers, grocery carts, bottled water, and the like, which are owned by members of the corporation and are not unsightly, or unsuitable, as may be determined by the managing agent, is permitted.
4. Residents must first utilize their assigned carport before parking in common area spaces.

**RESOLVED FURTHER**, that the officers and agents of this corporation are hereby authorized to carry out the purposes of this resolution on its behalf; and

**RESOLVED FURTHER**, that Resolution 01-05-37 adopted April 12, 2005 and Resolution U-01-77 adopted August 14, 2001 are hereby superseded and cancelled.

Director Wilson moved to approve the resolution. Director Strom seconded the motion. Discussion ensued. By way of consensus the Board referred the resolution to the GRF Government and Public Relations Committed for recommendation to the Board.

Mutual Members Libby Marks (82-Q) and Ken Bennett (942-A) addressed the Board on the resolution.

A discussion was held relative to the disposition of the current Board vacancies.

Director Stone made a motion that the two (2) vacancies created by Ray Barrett and Connie Grundke, whose terms expire in October, remain open to be filled by the membership at the annual meeting in October. Director Hammer seconded the motion. By a vote of 6-0-0 the motion carried.

Discussion ensued on the vacancy created by Director Larry Dersh whose term expires in 2007. President O'Brien indicated that the cut-off time for inclusion of the vacancy on the ballot for the 2006 Director Election has expired.

Director Jim McNulty made a motion to fill the one (1) vacancy, by Board appointment, at the next Board meeting in September. Director Stone seconded the motion. Discussion ensued.

Mutual Members Maxine McIntosh (68-C) and Bob Miller (579-A) addressed the Board on filling the vacancy.

Director Strom amended the motion to fill the vacancy at a special meeting following the October Annual Meeting. The motion was seconded. Discussion ensued.

President O'Brien ruled the amendment out of order.

Mutual Member Rhoda Lindner (2019-C) addressed the Board on the vacancy.

By a vote of 1-5 (Director McNulty voted in favor) the main motion failed.

Director Stone made a motion to fill the one (1) year term at a special meeting following the October Annual Meeting and before the GRF Corporate Members' Annual Meeting. Director Strom seconded the motion. Discussion ensued.

By a unanimous vote of 6-0-0 the motion carried.

A discussion was held relative to establishing a Joint Ad-Hoc Community Bench Committee for the purpose to create visual continuity and aesthetic standards.

A motion was made and seconded to establish a Joint Ad Hoc Community Bench Committee and to invite the GRF and Third Board members to participate. Discussion continued.

Mutual Member Maxine Macintosh (68-C) addressed the Board on the motion.

By a unanimous vote of 6-0-0 the motion carried. By way of consensus, Directors Stone and Strom were appointed to the Ad Hoc Committee.

#### **CHAIR REMARKS**

President O'Brien commented on former Director Ray Barrett's retraction of approval of releasing the reason for his removal as an officer, and commented on the guidelines for attendance and participation by Members at a United Board Meeting.

Ms. Janet Price entered the meeting at 11:19 A.M.

#### **GENERAL MANAGER'S REPORT**

Mr. Milt Johns updated the Board on the Reverse Mortgage Legislation HR 5121, summarized the GRF Land Entitlement Specific Plan, and commented on the policies that dictate the distribution of flyers and political materials throughout the community.

#### **FINANCE REPORT**

Director Jim McNulty reported on the Treasurer's Report and the Finance Committee.

Ms. Janet Price left the meeting at 11:33 A.M.

## **CONSENT CALENDAR**

By way of consensus the consent calendar was approved and the following actions were taken:

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

#### **RESOLUTION 01-06-77**

**RESOLVED**, August 8, 2006 that the request of Mr. Jim McVicker of 59-F Calle Cadiz to retain the white paint on the manor's outside front patio block walls and fascia board is hereby denied.

#### **RESOLUTION 01-06-78**

**RESOLVED**, August 8, 2006 that the request of Mr. Jim McVicker of 59-F Calle Cadiz to install rain gutters and downspouts on the outside front patio and front porch area is hereby denied.

#### **RESOLUTION 01-06-79**

**RESOLVED**, August 8, 2006 that the request of Mr. Nicholas Onuf of 71-C Calle Aragon to remodel the manor's existing kitchen, bathroom, and bedroom closets; replace the existing Bedroom #2 window with a 4'-0" X 5'-0" white vinyl window; and enclose and convert to an office, a portion of the existing atrium is hereby approved; and

**RESOLVED FURTHER**, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual member at 71-C; and

**RESOLVED FURTHER**, that prior to the issuance of a permit, detailed site specific construction plans, inclusive of structural, plumbing and electrical plans, are to be prepared, wet stamped and signed by a California licensed architect and must be submitted to the Permits and Inspections office for approval; and

**RESOLVED FURTHER**, that 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 Permits and Inspections Office located in the Laguna Woods Village Community Center.

#### **RESOLUTION 01-06-80**

**RESOLVED**, August 8, 2006 that the request of Ms. Gail Shapiro of 5559 Via Portora #A to retain the black colored front doors of her manor at 250-A Calle Aragon is hereby denied.

**RESOLUTION 01-06-81**

**RESOLVED**, August 8, 2006 that the request of Ms. Jennifer Hein of 264-B Calle Aragon to install a light at the front patio of her manor 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 264-B; and

**RESOLVED FURTHER**, that prior to issuance of a permit, electrical plans for the patio light detailing the proposed location of the fixture, wiring and conduit must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center for approval; and

**RESOLVED FURTHER**, that 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 Permits and Inspections Office located in the Laguna Woods Village Community Center; and

**RESOLVED FURTHER**, that all conduits and the exterior switch box shall be painted to match the color of the building; and

**RESOLVED FURTHER**, that the Mutual member must remove existing installed entry light if she wishes to install the proposed dual fixture light on the patio wall. If the Mutual member elects to not remove the existing installed entry light, member must install single fixture light with a maximum of 150 watts in the proposed location and replace the existing entry light with a single fixture not to exceed 150 watts.

**RESOLUTION 01-06-82**

**RESOLVED**, August 8, 2006 that the appeal request of Mr. and Mrs. Lyle Bolton of 353-D Avenida Sevilla to retain a satellite dish installed on the metal vent pipe on the sloped roof of the building is hereby denied; and

**RESOLVED FURTHER**, that the Mutual members are hereby required to remove the unauthorized installation within thirty (30) days of the Board's decision on the matter.

**RESOLUTION 01-06-83**

**RESOLVED**, August 8, 2006 that the request of Mr. and Mrs. Robert Powell of 356-A Avenida Castilla to install a bay window in the kitchen of their manor is hereby denied.

**RESOLUTION 01-06-84**

**RESOLVED**, August 8, 2006 that the request of Mr. and Mrs. Andrew Cullinane of 831-B Ronda Mendoza to enclose the patio of their manor is hereby denied; and

**RESOLVED FURTHER**, that the Mutual Members are hereby required to remove the unauthorized construction within thirty (30) days of the Board's decision on the matter.

**RESOLUTION 01-06-85**

**RESOLVED**, August 8, 2006 that the request of Mr. Richard Guthrie of 850-P Ronda Mendoza to extend the front patio of his manor, extend the associated block wall around the proposed patio extension, switch the location of the living room sliding glass door with the living room window and install a new picture window in the living room, and change the master bedroom window to a sliding glass door is hereby approved; and

**RESOLVED FURTHER**, that all costs and maintenance of the alteration, present and future, are the responsibility of the Mutual member(s) at 850-P; and

**RESOLVED FURTHER**, that 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 Permits and Inspections office located in the Community Center; 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 member(s) at 850-P; and

**RESOLVED FURTHER**, that should any let-in brace be cut, shear panel should be installed per the Uniform Building Code; and

**RESOLVED FURTHER**, that the current Mutual member or subsequent Mutual members at manor 850-P cannot enclose the extended patio in the future.

**Landscape Committee Recommendation:**

- |        |   |
|--------|---|
| 2053-B | Approval of appeal request for removal of four (4) trees  |
| 61-B   | Approval of request for shrub removals, with conditions and denial of request for lawn conversion |
| 602-A  | Approval of request for landscaping modifications at the Mutual member's expense with conditions  |

- 2037-A Approval of request for off-schedule tree removal at the Mutual's expense
- 2038-A Approval of request for off-schedule tree removal at the Mutual's expense
- 2044-B Denial of request for tree removal
- 2063-B Denial of request for removal of three (3) trees

**Finance Committee Recommendation:**

**RESOLUTION 01-06-86**

**WHEREAS**, Member ID 947-431-47 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment in an amount exceeding \$1800; 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**, August 8, 2006 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-431-47; 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 and SERVICES**

Director Don Tibbetts reported from the Maintenance & Construction Committee.

Director Mary Stone reported from the Damage Restoration Policy Ad Hoc Committee.

Director Stone made a motion to disband the Ad Hoc Committee. Director Wilson seconded the motion. By a unanimous vote of 6-0-0, the motion carried.

Director Ken Hammer reported from the Landscape Committee.

Director Linda Wilson reported from Resident Relations Information Services.

Director Mary Stone reported from the United Looks Ahead Committee.

Director Bevan Strom reported from the Election Procedures Ad Hoc Committee.

The Directors reported from the GRF Committees to which they are assigned.

### **DIRECTORS' FORUM**

- Director Strom thanked Director Wilson for her assistance in reading the resolutions
- Director Wilson requested another pair of shoes and congratulated President O'Brien for a well run meeting
- Director Stone wished Larry Dersh a speedy recovery
- Director Tibbetts thanked Larry Dersh for his participation on the Board
- Director Hammer reminded the Membership to obey the stop signs
- Director McNulty wished Larry Dersh good luck
- President O'Brien recognized Larry Dersh for his work on the Equestrian Advisory Group

### **MEETING RECESS**

The regular meeting recessed for lunch at 12:05 P.M. and reconvened into Executive Session at 1:00 P.M.

During its July 21, 2006 Special Executive Session, the Board discussed contractual matters; and during its July 27, 2006 Special Executive Session, the Board discussed contractual issues.

The Traffic Committee of the Board met in Executive Session on June 21, 2006 to discuss member disciplinary issues.

### **ADJOURNMENT**

With no further business before the Board of Directors, the meeting was adjourned at 4:30 P.M.

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Bevan Strom, Secretary