

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

September 11, 2007

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Tuesday September 11, 2007, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Beth O'Brien, Jan McLaughlin, Linda Wilson, Bevan Strom, Burns Nugent, John Dalis, Marty Rubin, Mary Stone

Directors Absent: Ken Hammer, Maxine McIntosh, Jim McNulty

Others Present: Milt Johns, Patty Fox, Janet Price (10:06 AM – 10:55 AM)
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 reminded the Board that a majority of votes would be 5 votes, 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 John Dalis led the Pledge of Allegiance to the Flag and spoke about the Anniversary of September 11.

ACKNOWLEDGEMENT OF PRESS

No one was present from the Laguna Woods Globe, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

MEMBER COMMENTS

- Iris Gorin (828-Q) commented on staff expenditures and obtaining a forensic audit
- Connie Grundke (2214-B) commented on staff expenditure policy and hiring a forensic auditor
- Bob Zuzak (674-A) commented on CC&Rs
- Delsie Zuzak (674-A) commented on staff expenditures
- Pamela Grundke (2214-B) commented on a violation letter she received
- Paul McElroy (862-D) commented on neighbor having numerous cats creating a nuisance to the Community
- Ralph Bloom (862-Q) commented on his neighbor's cats creating a nuisance to the Community
- Mildred Bloom (862-Q) also commented on her neighbor's cats creating a nuisance to the Community
- Barbara Copley (410-D) commented on CC&Rs
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting

- Kay Margason (510-C) encouraged the membership to attend the Board Meetings
- Leslie Keane, City Manager, presented a memento in appreciation of Director Jan McLaughlin's assistance with the City's Transportation Services

APPROVAL OF AGENDA

The agenda was approved as submitted.

APPROVAL OF MINUTES

The Report of the Special Budget Meeting Version 2 of July 25, 2007, the Report of the Special Budget Meeting Version 3 of August 8, 2007, and the minutes of the Regular Session of August 14, 2007 were approved as written.

OLD BUSINESS

No old business came before the Board.

NEW BUSINESS

The Secretary of the Corporation, Director Bevan Strom, read a proposed resolution on temporarily appointing members to the Traffic Hearing in the absence of its regular chair this month. Director Strom moved to approve the resolution. Director Wilson seconded the motion.

Mutual Member Libby Marks (82-Q) addressed the Board on the resolution.

Ms. Janet Price entered the meeting at 10:06 A.M.

Ms. Cheryl Walker of the Laguna Woods Globe entered the meeting at 10:07 A.M.

Without objection, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-07-106

WHEREAS, by way of Resolution 01-06-126 Director Linda Wilson is appointed to United Mutual's Traffic Hearing, and is unable to attend the September 19, 2007 meeting;

NOW THEREFORE BE IT RESOLVED, September 11, 2007 that the Board of Directors of this Corporation hereby temporarily appoints Director Bevan Strom in the place and stead of Director Wilson to the September 19, 2007 Traffic Hearing; 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 read a proposed resolution on temporarily appointing members to GRF Committees. Director Strom moved to approve the resolution. Director Mary Stone seconded the motion.

Mutual Member Patrica Gothard (61-Q) addressed the Board on the resolution.

Without objection the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-07-107

WHEREAS, GRF Committees are represented by two United Mutual Directors; and

WHEREAS, the GRF Maintenance and Construction Committee and the GRF Security and Community Access Committee will not be fully represented by United Mutual at the September meetings;

NOW THEREFORE BE IT RESOLVED, September 11, 2007 that the Board of Directors of this Corporation hereby temporarily appoints the following:

Director Marty Rubin in the place and stead of Director Ken Hammer at the September 17, 2007 GRF Maintenance and Construction Committee; and

Director Mary Stone in the place and stead of Director Linda Wilson at the September 20, 2007 GRF Security and Community Access Committee.

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 read a proposed resolution on approving the 2008 Business Plan. Director Wilson moved to approve the resolution. Director Stone seconded the motion.

Mutual Member Barbara Copley (510-D) addressed the Board on the resolution.

The Directors discussed the motion.

By a vote of 7-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-07-108

**UNITED LAGUNA HILLS MUTUAL
2008 BUSINESS PLAN RESOLUTION**

RESOLVED, September 11, 2007, that the Business Plan of this Corporation for the year 2008 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 \$32,761,475 is required by the Corporation to meet the United Laguna Hills Mutual operating expenses and reserve contributions for the year 2008, from which will be deducted \$227,628 derived from prior years' surplus. In addition, the sum of \$15,527,161 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 2008. Therefore, a total of \$48,061,008 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 \$5,690,290, which shall be expended from the Replacement 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 2008 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 2008; 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 read a proposed resolution on approving the 2008 Reserve Replacement Plan. Director Strom moved to approve the resolution. Director Wilson seconded the motion.

By a vote of 7-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-07-109

**UNITED LAGUNA HILLS MUTUAL
2008 REPLACEMENT RESERVES RESOLUTION**

WHEREAS, Civil Code § 1365.2.5 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 association's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 11, 2007, 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 \$3,600,000 (indexed for projected inflation), 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.

CHAIR'S REMARKS

President O'Brien commented on the upcoming election and reminded the membership to contact True Ballot if any ballots need to be replaced and to return the ballots no later than October 3, 2007 at 9:00 AM. President O'Brien also commented on the process of developing land and recording CC&Rs.

GENERAL MANAGER'S REPORT

Mr. Johns updated the Board on the completion of the Gate 15 Emergency Access Road to serve the Gate 14 area and the Laguna Audubon; announced the unveiling of the new Community logo; and commented on a forthcoming report on mitigating second-hand smoke in the manors.

Mutual Member Libby Marks (82-Q) addressed Mr. Johns on his report on the proposed mitigation of second-hand smoke.

CONSENT CALENDAR

Without objection the Consent Calendar was approved and the following actions were taken:

Architectural Standards and Variances Committee:

RESOLUTION 01-07-110

RESOLVED, September 11, 2007 that the request of Ms. Rita Symington of 475-D Calle Cadiz to extend the front patio and construct an aluminum and glass patio enclosure at her manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 475-D; and

RESOLVED FURTHER, that prior to the issuance of a permit, detailed ICBO plans, including elevations, must be submitted to the Permits and Inspections office located in the Laguna Woods Village 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 Members(s) at 475-D; 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 Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the 25 square feet for the patio extension would count towards the 207 square feet lifetime total; and

RESOLVED FURTHER, that the patio extension and block wall must be constructed in compliance with United Mutual Standard Section 8- Block Walls, and Section 22- Patio Slab Extensions.

RESOLUTION 01-07-111

RESOLVED, September 11, 2007 that the request of Ms. Eleanor Smith of 496-B Calle Cadiz to perform major remodeling at her manor to include a patio extension with room addition, modified atrium enclosure, and window additions is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 496-B; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna

Woods permits 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 detailed site specific plans, wet-stamped and signed by a California licensed architect or engineer detailing the required structural modifications necessary to ensure that the structural integrity of the building is maintained upon completion of the patio extension and room addition, inclusive of required roof tie-ins, must be submitted to the Permits and Inspections office located in the Laguna Woods Village Community Center prior to issuance of a permit; and

RESOLVED FURTHER, that a Notification to Roof Alteration form must be completed and submitted to the Laguna Woods Village Permits and Inspections office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the window in the bedroom addition must match the other windows on the same elevation.

RESOLUTION 01-07-112

RESOLVED, September 11, 2007 that the request of Mr. Aristotle Athira, agent/son for Members Mr. and Mrs. Athari of 806-O Ronda Mendoza, to retain the roof mounted satellite dish is hereby approved, due to the finding that Mrs. Azizeh Athari has a particular need due to her disability; and

RESOLVED FURTHER, that the Member would be required to remove the satellite dish at the time that GRF Broadband Services provides programming in the foreign language spoken by the Member, or when the Member no longer resides in the manor, whichever comes first.

RESOLUTION 01-07-113

RESOLVED, September 11, 2007 that the request of Mrs. Dorothy Jackson of 951-C Avenida Carmel to replace the patio cover, install mesh screen openings in the patio wall and gate, and convert the living room window to a sliding glass door at her manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration is the responsibility of the Mutual member(s) at 951-C; 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 drainage, irrigation and landscape revisions, if any, will be made by the Landscape Division at the expense of the requesting Mutual member.

Landscape Committee Recommendation:

No Recommendations at this time.

Finance Committee Recommendations:

RESOLUTION 01-07-114

WHEREAS, Member ID 947-380-11 is currently delinquent to United Laguna Hills 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 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-380-11; 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 01-07-115

WHEREAS, Member ID 947-433-21 is currently delinquent to United Laguna Hills 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 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-433-21; 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 01-07-116

WHEREAS, Member ID 947-441-84 is currently delinquent to United Laguna Hills 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 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-441-84; 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 01-07-117

WHEREAS, Member ID 947-452-55 is currently delinquent to United Laguna Hills 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 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-452-55; 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

FINANCE REPORT

In Director Jim McNulty's absence, Director Linda Wilson reported on the Treasurer's Report and the Finance Committee.

Ms. Janet Price left the meeting at 10:55 A.M.

Director Jan McLaughlin reported from the Architectural Standards and Variances Committee.

The Secretary of the Corporation read a proposed resolution on denying a request from 599-E to retain a relocated air conditioner.

Director Wilson made a motion to include the following paragraph to the resolution:

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 motion was seconded and carried without objection.

Director McLaughlin moved to approve the resolution to deny the request. Director Strom seconded the motion.

Mutual Member Ms. Carolyn Myhra of 599-E addressed the Board on her request.

The Directors discussed the motion.

Director Dalis amended the motion to relocate the air conditioner at the Mutual's expense. The motion failed due to the lack of a seconded.

By a vote of 6-1-0 (Director Dalis opposed) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-07-118

RESOLVED, September 11, 2007 that the request of Ms. Carolyn Myhra of 599-E of Avenida Sevilla to retain the air conditioner in its present location is hereby denied; and

RESOLVED FURTHER, that the Board hereby requires the Member to remove the air conditioner from its present location, or pull a permit to relocate the air conditioner within 30 days of the Board's decision; 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 Linda Wilson reported from the Landscape Committee.

Director Bevan Strom reported from the Planning and Project Development Committee.

Director Linda Wilson reported from the Resident Relations Information Services.

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

DIRECTORS' FORUM

- Director McLaughlin expressed her sentiments on living in the Community
- Director Rubin expressed his sentiments on living in the Community
- Director Stone commented on providing emergency and medical information to family and loved ones
- Director Strom commented on resales and encouraged the membership to dispense newspapers in its proper container
- Director Wilson commented on the "Vial of Life" stickers
- President O'Brien expressed her sentiments on the Anniversary of 9/11

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 11:48 A.M. and reconvened back into the Regular Executive Session at 12:51 P.M.

The Traffic Committee of the Board met in Executive Session on August 15, 2007 to discuss member disciplinary issues.

During its August 14, 2007 Regular Executive Session Meeting, the Board of Directors reviewed and approved the minutes of the Regular Executive Session of July 10, 2007; heard three (3) Regular Disciplinary Hearings and imposed fines totaling \$1,100 and reinstated a fine in the amount of \$100 for violations of the Mutual's rules and regulations; and discussed other member disciplinary, litigation and contractual issues.

During its August 29, 2007 Special Executive Session Meeting, the Board discussed contractual issues.

ADJOURNMENT

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

Bevan Strom, Secretary

**United Laguna Hills Mutual
 2008 RESERVES PLAN
 Replacement Reserve 30-Year Funding Plan**

Baseline (Threshold): **\$ 3,600,000**
 Indexed for inflation

Year	Assessment		Interest Earnings	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution			
2007	\$ 60.00	\$ 4,649,560	\$ 338,760	\$ 4,046,471	\$ 10,319,165
2008	\$ 73.00	\$ 5,538,948	\$ 358,522	\$ 5,690,290	\$ 10,526,345
2009	\$ 85.00	\$ 6,449,460	\$ 385,191	\$ 5,491,231	\$ 11,869,765
2010	\$ 97.00	\$ 7,359,972	\$ 398,153	\$ 8,347,913	\$ 11,279,977
2011	\$ 109.00	\$ 8,270,484	\$ 372,883	\$ 9,522,814	\$ 10,400,530
2012	\$ 121.00	\$ 9,180,996	\$ 341,198	\$ 10,485,023	\$ 9,437,700
2013	\$ 135.00	\$ 10,243,260	\$ 304,903	\$ 11,695,644	\$ 8,290,219
2014	\$ 149.00	\$ 11,305,524	\$ 253,346	\$ 13,409,022	\$ 6,440,067
2015	\$ 163.00	\$ 12,367,788	\$ 209,691	\$ 13,265,604	\$ 5,751,942
2016	\$ 177.00	\$ 13,430,052	\$ 196,945	\$ 13,679,961	\$ 5,698,978
2017	\$ 191.00	\$ 14,492,316	\$ 203,801	\$ 14,244,493	\$ 6,150,602
2018	\$ 191.00	\$ 14,492,316	\$ 207,791	\$ 14,919,750	\$ 5,930,958
2019	\$ 181.00	\$ 13,733,556	\$ 197,223	\$ 14,325,605	\$ 5,536,132
2020	\$ 161.00	\$ 12,216,036	\$ 214,842	\$ 11,011,638	\$ 6,955,372
2021	\$ 136.00	\$ 10,319,136	\$ 270,382	\$ 8,779,501	\$ 8,765,389
2022	\$ 111.00	\$ 8,422,236	\$ 313,371	\$ 8,046,108	\$ 9,454,888
2023	\$ 96.00	\$ 7,284,096	\$ 311,354	\$ 8,402,226	\$ 8,648,112
2024	\$ 96.00	\$ 7,284,096	\$ 285,506	\$ 8,265,680	\$ 7,952,034
2025	\$ 96.00	\$ 7,284,096	\$ 267,480	\$ 7,903,593	\$ 7,600,016
2026	\$ 96.00	\$ 7,284,096	\$ 288,613	\$ 5,991,942	\$ 9,180,783
2027	\$ 96.00	\$ 7,284,096	\$ 345,462	\$ 5,904,962	\$ 10,905,379
2028	\$ 96.00	\$ 7,284,096	\$ 401,580	\$ 6,147,423	\$ 12,443,631
2029	\$ 96.00	\$ 7,284,096	\$ 450,320	\$ 6,438,795	\$ 13,739,252
2030	\$ 96.00	\$ 7,284,096	\$ 469,213	\$ 7,950,433	\$ 13,542,128
2031	\$ 96.00	\$ 7,284,096	\$ 462,105	\$ 7,962,336	\$ 13,325,993
2032	\$ 96.00	\$ 7,284,096	\$ 443,594	\$ 8,587,826	\$ 12,465,857
2033	\$ 101.00	\$ 7,663,476	\$ 422,543	\$ 8,449,872	\$ 12,102,004
2034	\$ 106.00	\$ 8,042,856	\$ 422,183	\$ 8,122,099	\$ 12,444,944
2035	\$ 111.00	\$ 8,422,236	\$ 398,322	\$ 10,550,864	\$ 10,714,638
2036	\$ 116.00	\$ 8,801,616	\$ 374,174	\$ 8,849,508	\$ 11,040,921
2037	\$ 121.00	\$ 9,180,996	\$ 387,012	\$ 9,147,846	\$ 11,461,083

* 2007 Total Contribution includes a one-time transfer from surplus of \$97,000.

