

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

**December 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 December 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, John Dalis, Marty Rubin, Mary Stone, Maxine McIntosh, Jim McNulty, Lloyd Foster, Burns Nugent

Directors Absent: None

Others Present: Cris Trapp, Patty Fox, Janet Price (10:58 A.M. - 11:09 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 Marty Rubin led the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

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

**APPROVAL OF AGENDA**

Director Jan McLaughlin made a motion to add under the Finance report "Discussion on funding the Community Civic Association Annual Mailing." Director Bevan Strom seconded the motion and the motion carried by a vote of 6-4-0 (Directors Nugent, McIntosh, Dalis, and Stone opposed.)

Director Strom made a motion to add under New Business "Communication to the Law Review Commission." Director Maxine McIntosh seconded the motion and the motion carried unanimously.

The agenda was approved as amended.

**MEMBER COMMENTS**

- Helen Ensweiler (2121-S) commented on breezeway lights out in her building
- Libby Marks (82-Q) commended the new Board for it services and wished them a Happy Holiday

- Iris Gorin (828-Q) commented on the cost to replace the Membership Certificate, and members who buy, improve manors, and resell memberships.
- Jerry Sheinblum (3488-C) announced the next CCA Townhall Meeting

The Board addressed Ms. Gorin's comments regarding replacing the Membership Certificate and members improving and reselling manors.

### **APPROVAL OF MINUTES**

Director Linda Wilson made a motion to amend the minutes of the Regular Meeting of November 13, 2007 on page 2 under Member Comments to reflect that the Board further amends the Minutes of the Regular Meeting of September 11, 2007 to read as follows: "Leslie Keane, City Manager, presented a memento in appreciation of Director Jan McLaughlin's spearheading improvements to El Toro sidewalk project, for which the City of Laguna Woods won a statewide award." Director McIntosh seconded the motion and without objection the motion carried.

Without objection, the Board revised Director Stone's comments on page 10 of the November 13, 2007 Minutes to read: "Director Stone commented on the City's building permit amnesty program."

Without objection the Minutes of the November 13, 2007 Meeting were approved as amended.

Director Wilson made a motion to amend the September 11, 2007 regular session minutes to read as follows: "Leslie Keane, City Manager, presented a memento in appreciation of Director Jan McLaughlin's spearheading improvements to El Toro sidewalk project, for which the City of Laguna Woods won a statewide award." Director Rubin seconded the motion and without objection the motion carried.

Without objection the Minutes of the September 11, 2007 Meeting were approved as amended.

### **OLD BUSINESS**

None

### **NEW BUSINESS**

The Secretary of the Corporation, Director Linda Wilson, read a proposed resolution appointing Director Bevan Strom to the City of Laguna Woods' Blue Ribbon Committee—Greening of the Woods. Director Wilson moved to approve the resolution. Director Stone seconded the motion.

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

### **RESOLUTION 01-07-151**

**WHEREAS**, the City of Laguna Woods is putting together a Blue Ribbon Committee—Greening of the Woods—to take a look at sustainability and

global warming issues citywide, and is requesting participation from the housing mutuals;

**NOW THEREFORE BE IT RESOLVED**, December 11, 2007 that the Board of Directors hereby appoints Director Bevan Strom to the City's Blue Ribbon Committee – Greening of the Woods; 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 approving that seven (7) members shall serve on the Nominating Committee. Director Wilson moved to approve the resolution. Director Rubin seconded the motion.

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

**RESOLUTION 01-07-152**

**WHEREAS**, Article VIII of the Bylaws allows for the Board of Directors to determine the number of members, five (5) or seven (7), who shall serve on the Nominating Committee;

**NOW THEREFORE BE IT RESOLVED**, December 11, 2007 that the Board of Directors hereby determines that seven (7) members shall serve on the Nominating Committee; 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.

President O'Brien announced that anyone willing to serve on the Nominating Committee should contact Director Linda Wilson or staff.

Director Strom made a motion requesting that the President compose and sign a letter to the California Law Review Commission encouraging them to support a project addressing cooperatives, specifically in regards to the Davis-Stirling Act. Director Rubin seconded the motion and discussion ensued.

Mutual Members Gail McNulty (2140-D) and Israel Gorin (828-Q) commented on the motion.

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

**CHAIR'S REMARKS**

President O'Brien announced the passing of former Board Director Larry Dersh, commented on his work with the Equestrian Center, and asked for a moment of silence on Director Dersh's behalf.

The Chair then summarized the new law pertaining to meeting agendas.

**GENERAL MANAGER'S REPORT**

Mr. Milt Johns provided updates on the GRF Needs Assessment Study, the Cable TV Franchise, and described the Community Outreach Program and its findings.

**CONSENT CALENDAR**

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

**Architectural Standards and Variances Committee:**

No Recommendations. No Meeting was held.

**Landscape Committee Recommendation:**

No Recommendations. No Meeting was held.

**Finance Committee Recommendations:**

**RESOLUTION 01-07-153**

**WHEREAS**, Member ID 947-363-23 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**, December 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-363-23; 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 01-07-154**

**WHEREAS**, Member ID 947-366-04 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**, December 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-366-04; 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 01-07-155**

**WHEREAS**, Member ID 947-411-56 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**, December 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-411-56; 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 01-07-156**

**WHEREAS**, Member ID 947-429-27 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**, December 11, 2007 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-429-27; 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.

Ms. Janet Price entered the meeting at 10:58 A.M.

### **COMMITTEE REPORTS and SERVICES**

#### **FINANCE REPORT**

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

The Secretary of the Corporation read a proposed resolution approving the United Finance Committee Charter. Director Wilson moved to approve the resolution. Director McNulty seconded the motion and discussion ensued.

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

#### **RESOLUTION 01-07-157**

#### **UNITED FINANCE COMMITTEE CHARTER**

**WHEREAS**, the United Finance Committee has been established pursuant to Article VII, Section 1 of the Bylaws of this Corporation;

**NOW THEREFORE BE IT RESOLVED**, December 11, 2007 that the board of directors of this corporation hereby assigns the duties and responsibilities of this Committee as follows:

1. To review the monthly financial statements and any other reports affecting the financial status of this corporation; to review the performance of the Managing Agent in relation to the annual operating budget and make recommendations to the board of directors as deemed necessary.
2. Review annually the adequacy of the corporation's reserves.
3. Review annually the proposed United Laguna Hills Mutual Business Plan and recommend to the Board action regarding same, including the amount of the assessment required to meet the following year's operating budget and reserve contributions.

4. Confer with the Managing Agent on financial matters of this corporation, including insurance programs as applicable.
5. Review the investment of funds of United to determine that standards set by the United Board are being complied with, and recommend to the United Board changes in such investment standards and procedures as may be deemed advisable.
6. Function as an advisory and liaison body to the Managing Agent in matters pertaining to membership occupancy and assessment delinquencies; and coordinate these matters with other standing committees having related concerns.
7. Review any unplanned reserve expenditures proposed by any other committee to determine the impact on and adequacy of related reserves, and recommend appropriate action to the United Board; and

**RESOLVED FURTHER**, that the committee shall perform such other tasks as are assigned by the United Laguna Hills Mutual President or Board of Directors; and

**RESOLVED FURTHER**, that this resolution supersedes Resolution U-02-153, adopted on November 12, 2002 is hereby superseded and cancelled.

Director Jan McLaughlin made a motion that the Board approves donating \$1,000 to the Community Civic Association to distribute, to all United Members, a pamphlet defining in detail the importance and urgent need for all members to have adequate insurance coverage to protect them from personal liability. The motion failed due to the lack of a second.

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

Ms. Price left the meeting at 11:09 A.M.

Director Lloyd Foster reported from the Architectural Standards and Variances Committee.

Director Linda Wilson reported from the Landscape Committee.

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

The Secretary of the Corporation read a proposed resolution on performing plumbing remediation on plumbing alterations as necessary to complete the plumbing system (water supply and waste line systems). Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Director Wilson amended the motion to include: "RESOLVED FURTHER, that the Board shall review the policy after the completion of the pilot program." Director Rubin seconded the motion and discussion ensued.

Without objection the amendment carried.

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

**RESOLUTION 01-07-158**

**WHEREAS**, during the execution of plumbing remediation programs on both the water supply and waste line systems, Staff anticipates the discovery of permitted and non-permitted alterations on these systems. Plumbing alterations will result in work that is in addition to the scope of work originally budgeted for the remediation programs to be completed successfully; and

**WHEREAS**, if the Mutual's current maintenance policy for alterations, as established by Resolution 01-04-28 is to be applied to plumbing alterations as it is applied to any manor alteration, then the Mutual will charge the Member(s) for any work performed on the alterations when facilitating plumbing remediation by the Mutual; and

**WHEREAS**, it is beneficial for the Mutual to have preventative maintenance and or replacement of plumbing; and

**WHEREAS**, in order to maintain the integrity of the plumbing system, it is necessary to develop a uniform policy for all alterations in the plumbing system;

**NOW THEREFORE BE IT RESOLVED**, December 11, 2007 that the Board of Directors of this Corporation hereby authorizes that plumbing remediation to be performed as necessary on the complete plumbing system (water supply and waste line systems), and all required extra work due to Member(s) alterations, permitted and non-permitted, to be charged to the Member(s) as is consistent with the aforementioned resolution; and

**RESOLVED FURTHER**, *that the Board shall review the policy after the completion of the pilot program; 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 approving the installation of dual supply connections to both hot and cold water pipes in the kitchen sink areas. Director Wilson moved to approve the resolution. Director John Dalis seconded the motion.

Mutual Member Libby Marks (82-Q) commented on the motion.

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

**RESOLUTION 01-07-159**

**WHEREAS**, any connections to epoxy coating plumbing require special techniques and materials to maintain the integrity of the coated piping; and

**WHEREAS**, the installation of dual supply connections to hot and cold water pipe in the kitchen area provides the needed attachment point for common kitchen plumbing alterations; and

**WHEREAS**, it is beneficial for the Mutual to provide for future supply connections for member plumbing alterations to protect the integrity of the epoxy coated plumbing system;

**NOW THEREFORE BE IT RESOLVED**, December 11, 2007 that the Board of Directors of this Corporation hereby directs that during execution of the epoxy coating program that dual supply connections be installed to both hot and cold water pipes in the kitchen sink area; and

**RESOLVED FURTHER**, that the estimated cost to install dual supply connections on these lines is \$75 per manor; and

**RESOLVED FURTHER**, that should the epoxy coating form of plumbing remediation be applied to every manor in United Mutual, the total cost is estimated to be \$475,000 over the life of the program, that is currently estimated to be 20 years; and

**RESOLVED FURTHER**, that these dual supply connections shall be funded from the existing annual Reserve Expenditures Plan for the Plumbing Remediation Program; 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 the following proposed resolution adopting a rule defining responsibility for second-hand smoke infiltration remediation costs:

**RESOLUTION 01-08**

**WHEREAS**, United Mutual has received numerous complaints from various residents concerning odors caused from residents smoking cigarettes in and around their manors; and

**WHEREAS**, there is emerging authority that, based on a heavy smoker's causation of an annoyance to neighbors by second-hand smoke and smoke infiltration, an association may require the smoker to abate the annoyance at the smoker's expense; and

**WHEREAS**, the cost of sealing all reasonably accessible penetrations and other openings would be paid for by the resident creating the smoking nuisance;

**NOW THEREFORE BE IT RESOLVED**, February 12, 2008 that the Board of Directors of this Corporation hereby adopts the following rules defining responsibility for remediation costs associated with second-hand smoke infiltration:

1. Remediation costs considered usual and practical would be paid for by the resident causing the second-hand smoke nuisance;
2. Remediation costs due to defects or damages to property which is the Mutual's responsibility would be paid for by United Mutual and charged to operations; and
3. Remediation costs beyond those which would be construed as reasonable would be borne by complainant

**RESOLVED FURTHER**; that the abatement costs and procedures shall be reviewed on a case-by-case basis, allowing for greater, more costly mitigation measures to be allocated to smokers whose habits are ruled to be excessive; and

**RESOLVED FURTHER**, should heavy smoking constitute a nuisance for neighbors affected by smoke infiltrating their manors, the offending member may be subject to member disciplinary action by the Board under Article 5 of the United Occupancy Agreement; 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 Wilson moved to approve the resolution. Director Strom seconded the motion and discussion ensued.

A motion was made, seconded, and carried to amend the motion to add the clause: "caused by second hand smoke" throughout the resolution.

Discussion continued on additional changes.

Director Dalis made a motion to refer the matter to the Planning and Project Development Committee. Director Wilson seconded the motion. By a vote of 8-2-0 (Directors McIntosh and Strom opposed) the motion carried.

A motion was made, seconded and carried to waive the reading of a proposed resolution approving a broken window replacement request policy. Director McIntosh made a motion to approve the resolution. The motion was seconded.

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

### **RESOLUTION 01-07-160**

**WHEREAS**, there is currently some uncertainty surrounding the financial obligations of replacing broken window glass;

**NOW THEREFORE BE IT RESOLVED**, December 11, 2007 that the Board of Directors of this Corporation hereby approves the United Mutual Broken Window Replacement Request Policy as follows:

1. When the glass in a window is broken by a member or a member's guest, tenant, tenant's guest or other invitee, the cost to secure the window and the manor and replace the glass or window is the sole responsibility of the member; and
2. When a broken window is reported, the Mutual will provide an inspector to determine the cause of the break; and
3. Repair of the broken window shall be arranged by the Mutual's agent except in cases involving alteration windows; and
4. For alteration windows, broken glass replacement is the member's responsibility after the Mutual ensures the manor is secured.

**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 adopting new exterior paint colors and guidelines. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Director Stone made a motion to amend the guidelines on page 2 of 6 “to require that adjacent doors must match in color.” The motion was seconded and discussion ensued.

By a vote 4-6-0 (Directors McIntosh, Stone, McNulty, and Nugent voted in favor) the motion failed.

By a vote of 8-2-0 (Directors Stone and McIntosh opposed), the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 01-07-161**

**RESOLVED**, December 11, 2007 that the Board of Directors of this Corporation hereby directs its staff to assume the duty of selecting paint colors for the Mutual’s building exteriors utilizing the attached paint color palette and guidelines as determined by Planning and Project Development Committee; and

**RESOLVED FURTHER**, that Resolution U-97-46, adopted April 8, 1997; Resolution 01-04-16, adopted January 13, 2004; and Resolution 01-07-46, adopted May 8, 2007 are hereby rescinded; 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 approving revisions to Mutual Alteration Standard Section 11, Doors – Exterior:

**RESOLUTION 01-08**

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution U-96-62 on May 14, 1996, which approved the United Laguna Hills Mutual Alteration Standards; and

**WHEREAS**, an Advisory Committee has recommended that the Board of Directors further amend the United Laguna Hills Mutual Alteration Standards with suggested changes;

**NOW THEREFORE BE IT RESOLVED**, February 12, 2008, that the Board of Directors of this Corporation hereby approves the revisions of United Mutual Alteration Standard Section 11, Doors - Exterior, as attached to the official minutes of this meeting; 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; and

**RESOLVED FURTHER**, that Resolution U-96-62, adopted May 14, 1996 is hereby amended, and Resolution 01-07-18 adopted February 13, 2007 is hereby superseded and cancelled.

Director McIntosh moved to approve the resolution. The motion was seconded and discussion ensued.

Director Strom amended the motion to eliminate paragraph 3.2 from the Standard. The motion was seconded and discussion ensued. By a vote of 7-3-0 (Directors Stone, McNulty, and McIntosh opposed) the amendment carried.

Director Wilson made a motion to table the resolution as amended to the February Meeting to satisfy the required statutory thirty-day notice requirements. Director McIntosh seconded the motion, and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution approving a Land Use Alteration Policy:

**RESOLUTION 01-08-**

**LAND USE ALTERATION POLICY**

**WHEREAS**, the current Land Use Alteration Policy is found to be ambiguous in part;

**NOW THEREFORE BE IT RESOLVED**, February 12, 2008 that the Board of Directors of this Corporation hereby rescinds Resolution 01-07-45, adopted May 8, 2007; and

**RESOLVED FURTHER**, that the original manor footprint shall be defined as enclosed habitable space, and does not include existing patios and balconies; and

**RESOLVED FURTHER**, that the maximum usage of 207 square feet is intended for the purpose of squaring off the building, and

**RESOLVED FURTHER**, that the maximum 207 square foot limit refers to enclosed areas and/or areas that may be enclosed in the future *with the exception of atriums*, and

**RESOLVED FURTHER**, that the maximum usage of 207 square feet be included as a guideline in the Mutual's Alteration Standards, and for

consideration of Variance Requests, for patio extensions, enclosures on patios, enclosures on extended patios, room additions and any other permanent usage of open areas owned by the corporation; 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 McIntosh moved to approve the resolution. Director McLaughlin seconded the motion and discussion ensued.

Director Strom made a motion to refer the matter back to the Architectural Standards and Variances Committee. Director Wilson seconded the motion. Without objection the motion carried.

Director Linda Wilson reported from the Resident Relations Information Services.

Director Stone made a motion to dispense with the GRF reports. Director Rubin seconded the motion, and without objection the motion carried.

### **DIRECTORS' FORUM**

- Director Rubin encouraged the residents to refer to the website for information
- Director Stone wished everyone a Happy Holiday Season
- Director Wilson wished everyone Happy Holidays
- Director Foster encouraged residents to contact Permits Department for alteration permits
- Director McLaughlin wished everyone Happy Holidays and commented on meeting attendance and community divisiveness
- Director McNulty wished Happy Holidays to all
- Director Dalis wished everyone Merry Christmas and Happy Hanukkah
- President O'Brien encouraged all to take the time to enjoy the holidays

### **MEETING RECESS**

The Regular Open Session Meeting recessed for lunch at 12:38 P.M. and reconvened back into the Regular Executive Session at 1:27 P.M.

The Traffic Committee of the Board met in Executive Session on November 21, 2007 to discuss member disciplinary issues.

During its Regular Executive Session of November 13, 2007 the Board reviewed and approved the Minutes of the Regular Executive Session of September 11, 2007 and the Special Executive Session of October 24, 2007. The Board of Directors heard four (4) Regular Disciplinary Hearings and imposed fines totaling \$600 for violations of the Mutual's rules and regulations; approved the recording of Notices of Default for Member ID 947-

420-67, Member ID 947-380-11, Member ID 947-433-21, and Member ID 947-452-55; and discussed other member disciplinary, litigation and contractual issues.

**ADJOURNMENT**

With no further business before the Board of Directors, the meeting was adjourned at 4:32P.M.

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Linda Wilson, Secretary