

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

August 11, 2009

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Tuesday August 11, 2009, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Lloyd Foster, Bevan Strom, Marty Rubin, Maxine McIntosh, Paul Vogel, John Dalis, Gail McNulty, Arlene Miller Marv Rosenhaft, Mike Curtis

Directors Absent: Linda Wilson

Others Present: Milt Johns and Patty Kurzet
Executive Session: Milt Johns, Patty Kurzet, Luis Rosas

CALL TO ORDER

Lloyd Foster, 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 A.M.

The Directors paid a tribute to the passing of Cheryl Walker.

PLEDGE OF ALLEGIANCE

Director Marv Rosenhaft led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Amelia Rushbrook from the Laguna Woods Globe, and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as submitted.

Without objection, the Board agreed to limit the total time for Member Comments to 30 minutes, and if further time is necessary, the Board would consider allotting additional time.

MEMBER COMMENTS

- Mary Wall (239-D) commented on PCM services
- Dick Sharp (887-Q) Chair of United Nominating Committee announced that the Nominating Committee is still looking for candidates for the United Board
- Bob Zuzak (674-A) commented on the Board's goal after the HUD mortgage has matured
- Delsie Zuzak (674-A) commented on renovating Gate One
- Janet Witz (77-N) commented on the changes and unrest in the Community
- Mary Stone (356-C) commented on the inappropriateness of Director Curtis circulating publications under his title as a director

- Rhoda Lindner (2013-C) commented on the legal fee summary and the amount that has been incurred due to Director Curtis and the Recall
- Jerry Sheinblum (3488-C) announced the topic to be discussed at the next CCA townhall meeting

RESPONSE TO MEMBER COMMENTS

- President Foster briefly responded to members' comments
- Director Rubin commented on Ms. Wall's comments on problems with allowing a vendor in the community
- Director Dalis commented on Ms. Zuzak's comment on spending money to renovate Gate One
- Director McNulty commented on cutting back on water and thanked Ms. Witz for her comments
- Director Rosenhaft thanked Mr. Sharp for his Nominating Committee announcement, thanked Ms. Witz for her comments, and encouraged Ms. Zuzak to attend the next GRF M&C Committee
- Director Curtis commented on money appropriated to renovate Gate One, the extension of the annual meeting date, and commented on his duty as a director
- Director McIntosh commented on gate renovation

APPROVAL OF MINUTES

The Board reviewed the Minutes of the Special Board Business Planning Meeting for Version 1 of June 23, 2009. Without objection, the Board approved the minutes as written.

The Board reviewed the Minutes of the Regular Board Meeting of July 14, 2009 and made changes.

Director Vogel made a motion to approve the amendments. Director Strom seconded the motion. The motion carried by a vote of 7-2-0 (Directors Dalis and McNulty opposed).

A motion was made and seconded to approve the minutes as amended and the motion carried by a vote 8-1-0 (Director Dalis opposed).

The Board reviewed the Minutes of the Special Board Business Planning Meeting for Version 2 of July 27, 2009.

Director Curtis made a motion to add statements he made at that meeting. The motion failed due to the lack of a second.

A motion was made and seconded to approve the minutes as written and by a vote of 8-1-0 (Director Curtis opposed), the motion carried.

CHAIR'S REMARKS

President Foster commented on a meeting held with NCB and Premier Capital representatives, lenders in the Community, and a few officers of the Board, to discuss loans and the retention of the 6-month lease limitation in the Mutual. President Foster announced

that August 14, 2009 is the date of the Version 3 budget meeting and August 21, 2009 is the date for the counting of the Recall Ballots.

NEW BUSINESS

No new business came before the Board.

OLD BUSINESS

Director Marty Rubin provided an update on the Board's Operational Review of the Managing Agent.

GENERAL MANAGER'S REPORT

Mr. Johns commented that due to the Recall Election in United, the Regular Annual Meeting for United has been postponed. He advised of the importance of having a full complement of directors seated to vote at the GRF annual meeting. Mr. Johns explained that the ultimate rescheduling will be recommended to the Board as advised from counsel.

Mr. Johns commented that per the Management Agreement, PCM shall perform a Customer Service Quality Check Program in order to ensure that services are being delivered to the Members in accordance with the terms and spirit of Management Agreement and that PCM will enact such survey after the conclusion of the corporate elections.

CONSENT CALENDAR

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

Architectural, Maintenance and Planning Committee

RESOLUTION 01-09-187

RESOLVED, August 11, 2009 that the appeal request of Ms. Geraldine Ridgway of 25-A Avenida Castilla to retain two casement windows installed in the kitchen of her manor is hereby denied; and

RESOLVED FURTHER, that the windows shall be retrofitted with dual pane white vinyl windows in an XO configuration, at the member's expense, within 120 days of the Board's decision on the matter.

RESOLUTION 01-09-188

RESOLVED, August 11, 2009, that the request of Ms. Toni Mendell of 31-C Calle Aragon to retain a 10'-0" wide by 7'-0" tall by 2'-0" deep storage cabinet on the 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 Manor 31-C; and

RESOLVED FURTHER, that a required Mutual permit must be obtained from the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-09-189

RESOLVED, August 11, 2009, that the request of Mr. William Gibson of 172-A Avenida Majorca to install a cat door 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 Manor 172-A; and

RESOLVED FURTHER, that a required Mutual permit must be obtained through the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-09-190

RESOLVED, August 11, 2009, that the request of Mrs. Joan Utas of 190-B Avenida Majorca to perform an atrium enclosure at 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 190-B; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods building permit number must be submitted to the Mutual through the Permits and Inspections Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that built up curb mounted skylights be utilized instead of the proposed self flashing type; and

RESOLVED FURTHER, that a roof tie-in form must be completed and submitted to the Permits and Inspections office prior to issuance of a Mutual permit; and

RESOLVED FURTHER, that the existing attic access panel must be relocated so as to maintain accessibility to the attic space through the wall in which the existing attic access panel is currently located.

RESOLUTION 01-09-191

RESOLVED, August 11, 2009, that the request of Mrs. Toni Nelson of 541-D Via Estrada to shorten the Living Room and Bedroom One windows, and construct an atrium enclosure at 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 541-D; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods building permit number must be submitted to the Mutual through the Permits and Inspections Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that a roof tie-in form must be completed and submitted to the Permits and Inspections office prior to issuance of a Mutual permit.

Landscape Committee Recommendation:

- | | |
|-------|---|
| 923-B | Denial of appeal request for off-schedule trimming |
| 204-B | Approval of request at the Mutual Member's expense in accordance with the Mutual's Bench standard for donated benches |
| 430-B | Denial of request for tree removal |

Finance Committee Recommendations:

RESOLUTION 01-09-192

WHEREAS, Member ID 947-364-81 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-364-81; 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 01-09-193

WHEREAS, Member ID 947-366-83 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-366-83; 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 01-09-194

WHEREAS, Member ID 947-370-94 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-370-94; 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 01-09-195

WHEREAS, Member ID 947-387-68 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-387-68; 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 01-09-196

WHEREAS, Member ID 947-400-14 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-400-14; 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 01-09-197

WHEREAS, Member ID 947-410-45 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-410-45; 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 01-09-198

WHEREAS, Member ID 947-422-85 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-422-85; 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 01-09-199

WHEREAS, Member ID 947-437-09 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-437-09; 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 01-09-200

WHEREAS, Member ID 947-440-17 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, August 11, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-440-17; 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.

Items Postponed from Previous Meeting

No items came before the Board.

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

Director Paul Vogel gave the Treasurer's and the Finance Committee Reports.

As part of the Treasurer's report, Director Vogel reported on the breakdown of the 2009 Legal Fee Summary Report as requested by Director Curtis at the Finance Committee Meeting, and stated that the total fees incurred as of June 2009 is approximately \$113,000, a third of which includes legal fees for Director Curtis and the Recall Election.

Director Curtis argued the discrepancy between the amount presented at the June Finance meeting and the report read by Director Vogel. It was explained that the some of the expenses were not paid or accrued when the financials were prepared and that some of the fees are being charged against a reserve fund instead of operations, and that additional legal fees have been incurred in July and August.

Director Marv Rosenhaft reported from the Architectural, Maintenance and Planning Committee.

In the absence of the Secretary of the Corporation, Director McNulty read the following proposed resolution approving a bench standard for benches purchased by the Mutual:

RESOLUTION 01-09

WHEREAS, by way of Resolution 01-08-122, the Board of Directors of this Corporation approved thermoplastic coated metal mesh benches in dark green as its bench standard style and color for benches donated to the Mutual; and

WHEREAS, currently the Mutual has no approved policy regarding standard styles, colors, or anchoring benches that are purchased or maintained by the Mutual:

WHEREAS, over the years outdoor benches have deteriorated into a state where replacement is necessary;

NOW THEREFORE BE IT RESOLVED, October 13, 2009, that the Board of Directors hereby approves the thermoplastic coated metal mesh bench in dark green as its bench standard style and color for benches purchased by the Mutual; and

RESOLVED FURTHER, that the seat height of the bench shall be **at least 18"** measured from the top of grade below the bench to the top of the bench seat **and the bench shall have a back, arm rests and a seat with a rolled front edge**; and

RESOLVED FURTHER, that the Board of Directors hereby authorizes a supplemental appropriation in the amount of \$4,500 from the Contingency Fund to replace five outdoor benches in 2009; and

RESOLVED FURTHER, that such benches shall be installed on either a concrete pad (if along sidewalk) or on concrete anchors in the grass (if the location is not along sidewalk); 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 Vogel moved to approve the resolution. Director Rubin seconded the motion.

Director McIntosh made a motion to amend the resolution by adding the words "at least" and "and the bench shall have a back, arm rests and a seat with a rolled front edge" in the fifth paragraph. Director McNulty seconded the motion and discussion ensued.

Member Mary Stone (356-C) commented in favor of the resolution.

By a vote of 9-0-0, the amendment carried.

Without objection the resolution was postponed to the Old Business portion of the September Meeting to satisfy the required statutory thirty-day notice requirement.

Director McNulty read the following proposed resolution reaffirming Members' Responsibility for Damage to Alterations:

RESOLUTION 01-09-

WHEREAS, this Corporation's Board of Directors passed Resolution No. U-85-168 on or about October 22, 1985, regarding Members' responsibility for damages to alterations; and

WHEREAS, issues have arisen regarding responsibility for damages to alterations, additions, fixtures or improvements that have been installed by a

Member, or any predecessor of such Member, that may be caused, in whole or in part, by conditions for which the Corporation may be responsible; and

WHEREAS, Article XII of the standard form of Occupancy Agreement currently utilized by the Corporation provides, in pertinent part, that: “any alterations, additions, fixtures or improvements installed by the Member or any predecessor of the Member, whether within or without the dwelling unit, shall be repaired or maintained by the Member at its own expense and in a manner satisfactory to the Corporation”; and whereas further, prior versions of the Occupancy Agreement contain similar provisions; and

WHEREAS, the Application For Alteration Permit currently utilized by the Corporation for applications by Members to construct alterations provides that the Member agrees to be “responsible for all risks in connection with the alteration(s) or improvement(s) specified above, including, but not limited to, the costs of removing, altering, or replacing the same as may be necessary or appropriate to allow the corporation business;” and further provides that the Member understands and agrees that he or she is “responsible for, and bears all costs in connection with the alteration(s) or improvement(s)”; and that the “member hereby agrees to be responsible for the maintenance and repair of all additions or alterations created by the work to be performed;” and

NOW THEREFORE BE IT RESOLVED, August 11, 2009, that Resolution No. U-85-168 is hereby restated and reaffirmed by the Board of Directors of United Laguna Hills Mutual; and

RESOLVED FURTHER, that it is the intention of this Corporation that the responsibility of any Member for any alterations, additions, fixtures and improvements installed by or on behalf of that Member, or any predecessor of that Member, shall be as set forth in this Resolution, regardless of whether or not any damages to said alterations, additions, fixtures and improvements may have been caused or contributed to, in whole or in part, by conditions for which the Corporation may be responsible; and

RESOLVED FURTHER, that no act by or on behalf of this Corporation concerning any alterations, additions, fixtures and improvements is intended to be, nor shall it be interpreted to be, a waiver of any obligation of a Corporation Member as set forth herein or in this Corporation’s governing documents, as defined in Civil Code section 1351(j), including, but not limited to, the Corporation’s standard form of Occupancy Agreement; nor shall any such act be intended to be, or interpreted to be, a waiver of any obligation of a Corporation Member set forth in the Corporation’s standard form of Application for Alteration Permit; and

RESOLVED FURTHER, that Resolution U-85-168, adopted on October 22, 1985 is hereby superseded and canceled; and

RESOLVED FURTHER, that the officers, directors, and authorized agents of this Corporation be, and they are hereby, authorized and directed to take any and all steps reasonably necessary to ensure that this resolution is properly and effectively implemented, including, but not limited to, the implementation of such rules and regulations as they reasonably may deem necessary or appropriate.

Director McNulty moved to approve the resolution. Director Rosenhaft seconded the motion and discussion ensued.

Member Mary Stone (356-C) commented on the resolution.

Director McNulty called the question and the question was called by a vote of 7-2-0 (Directors Curtis and Miller opposed).

By a vote of 4-5-0 (Directors Miller, Curtis, McIntosh, Rosenhaft and Strom opposed), the motion failed.

In Director Linda Wilson's absence, Director Gail McNulty reported from the Landscape Committee.

Director Marty Rubin reported from the Resident Relations Information Services.

Director Maxine McIntosh reported from the Traffic Committee.

GRF HIGHLIGHTS

Director Dalis reported from the Bus Services Committee.

President Foster reminded the Board about the 3 minute time limitation for each Director during Directors' Forum.

DIRECTORS' FORUM

- Director Curtis encouraged the residents to watch his presentation on the recall election and to cast their votes, and commented on communicating with the Inspectors of Election.
- Director McIntosh commented on contacting the Inspectors of Election to obtain duplicates, and encouraged residents to run for the Board
- Director Vogel commented on the recall election and encouraged residents to vote "NO"
- Director Rosenhaft commented on the operational review of the management company, and congratulated Kurt Rahn's recent receipt of a Vision Award for the recycling project, and encouraged residents to come forth with any evidence of fraud and skimming.
- Director Strom reminded the membership to not water the sidewalk and commented on delinquent assessments

- Mr. Johns commented on Director Curtis' appearance on Channel 6 this morning and corrected the misinformation regarding the handling of the ballots
- Director McNulty commented on alleged violations and angry comments made against those Directors being recalled
- Director Rubin commented on the heightened awareness of emotion in the Community due to the recall election, and hoped that after the recall, the Community can come together
- Director Miller encouraged residents to run for the Board and to cast their vote for the recall election
- Director Dalis commented on Director Curtis' appearance on Channel 6 this morning
- President Foster corrected statements Director Curtis made on Channel 6 this morning, and thanked those residents who volunteered their time and efforts in supporting the vote on "No on the Recall"

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 11:39 A.M. and reconvened back into the Regular Executive Session at 12:40 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its Regular Executive Session Meeting of July 14, 2009, the Board reviewed and approved the minutes of the Special Executive Session Meeting of June 1, 2009, the minutes of the Regular Executive Session Meeting of June 9, 2009, the minutes of the Special Executive Session Meeting of June 19, 2009, and the minutes of the Special Executive Session Meeting of June 23, 2009; approved the recording of Notices of Default for Member ID 947-361-38, Member 947-363-41, Member ID 947-377-30, Member ID 947-407-44, Member ID 947-415-19, Member ID 947-419-46, Member ID 947-420-42, Member ID 947-433-21, Member ID 947-433-77, Member ID 947-434-22, Member ID 947-434-44, and Member ID 947-451-59; approved two payment plans; suspended one foreclosure sale date, held 3 Member Disciplinary hearings and imposed \$600 on violations of the rules and regulations; heard two Meet and Confers regarding delinquent assessments, and discussed other member disciplinary matters.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:34 P.M.

Lloyd Foster, President