

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

August 10, 2010

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, August 10, 2010 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Gail McNulty, Marty Rubin, Arlene Miller, Ron Beldner, Barbara Copley, Paul Vogel, Heather Gerson, Libby Marks, Harold Allen, Linda Wilson, Cynthia Chyba

Directors Absent: None

Others Present: Cris Robinson, Patty Kurzet, Sandra Gottlieb of Swedelson & Gottlieb
Executive Session: Cris Robinson, Patty Kurzet, Luis Rosas

CALL TO ORDER

Gail McNulty, 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.

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 Beldner led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Claire Webb from the Laguna Woods Globe was not present, and the Channel 6 Camera Crew, by way of remote cameras, was 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

- Leleng Isaacs (932-D) commented on the projected cost of water and sewage usage in the 2010 budget.
- Pat English (558-B) commented on the 6-month lease restriction.
- Connie Grundke (2214-B) commented on the Bell City manager issue and commented on decreasing salaries.
- Dick Sharp (887-Q) commented on the attendance at the United budget meetings.
- Chandler Caldwell (421-D) commented on complaints about her dog barking.
- Sandra Blair (421-A) commented on complaints about her dog barking.

- Roy McLain (2087-E) commented on ownership of properties and irrevocable trusts.
- Maxine McIntosh (68-C) commented on the letters she received regarding the mini parks in the Community.

Ms. Claire Webb entered the meeting at 9:47 A.M.

- Bevan Strom (30-A) commented on water cost and savings.
- Pamela Grundke (2214-B) commented on slope renovations and water conservation.
- Roberta Berk (933-B) commented on securing the Aliso Creek area.
- Karen Hoffman (307-A) commented on water conservation and the appearance of the lawns around her manor.
- Mary Ann Ward (306-B) commented on the slippery pine needles and pine cones near her manor.
- Kay Margason (510-C) recommended that the residents allow staff to maintain the plants.
- Henrietta Gawronski (52-C) commented on landscaping.
- Art Moss (2130-C), Chair of the Nominating Committee, provided the Committee's final report for the upcoming election and thanked the Committee members for their service.

RESPONSE TO MEMBER COMMENTS

- Director Rubin responded to Mr. Grundke's comments about the Bell City incident and reminded him that the Board thoroughly reviews all items in the budget.
- Mrs. Robinson responded to Ms. Caldwell and Ms. Blair comments about their dog issues and stated that the matters are considered member disciplinary matters and will be discussed in closed session.
- Director Gerson responded to the turf reduction and landscaping comments.
- Director Wilson commented on slope renovation.
- President McNulty briefly responded to resident comments.
- Director Copley commented on the reason for the budget increases.
- Director Allen encouraged residents to attend the Maintenance and Construction Committee meetings to address their issues.
- Director Beldner commented on countertop replacement and responded to Mr. Grundke's comments about salaries.

APPROVAL OF MINUTES

The Board reviewed the minutes of the June 22, 2010 Special Business Planning Meeting – Version 1 and the minutes of the Regular Board Meeting of July 13, 2010 and approved them without objection.

CHAIR'S REMARKS

President McNulty commented on the Board's need to hire new corporate counsel and provided a brief description on the interview process. President McNulty introduced Ms. Sandra Gottlieb of Swedelson & Gottlieb who provided a brief summary of her firm's expertise to assist the Board with its legal needs. President McNulty commented on the Board's investigation on Third Mutual's lawsuit against PCM, Inc., announced the upcoming Special Board meeting to discuss Version 3 of the Budget, and thanked the Board members for their services on the Board.

Ms. Marcia Wilson, Social Services Manager, provided a summary of her Department's resources available to the Community to assist the residents with a comfortable, safe and healthy living.

Ms. Wilson left the meeting at 10:41 A.M.

NEW BUSINESS

No new business came before the Board.

OLD BUSINESS

Director Miller provided an update on the Management Oversight Criteria Report.

GENERAL MANAGER'S REPORT

Mrs. Robinson updated the membership on the Plan-a-Ride program and the projected savings. She also announced that PCM employees have been nominated for the California Association of Community Managers (CACM) Vision Awards as leaders in the community management industry, and updated the membership on the upcoming budget meetings. She further commented on fractional memberships that are submitted to the Board for approval and indicated that it is a method of circumventing the 6 month lease restriction, but the Board is looking into establishing a rule to determine if the ownership interest is legitimate.

CONSENT CALENDAR

Without objection, the Board approved the Consent Calendar as amended by removing two resolutions from the Maintenance and Construction Consent Calendar: *Approval of request of 592-C Avenida Majorca to perform an atrium enclosure and Denial of request of 838-A for reversal of charges billed for asbestos abatement* and placing them under the Maintenance and Construction Committee report for further discussion, and Board took the following actions:

Maintenance and Construction Committee:

RESOLUTION 01-10-150

RESOLVED, August 10, 2010, that the request of Mr. and Mrs. Robert Gregg of 57-Q Calle Cadiz to install a Mitsubishi HVAC unit mounted on a rack on the wall of the balcony of their manor 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 57-Q, including all costs incurred due to inadequate condensate drainage, including but not limited to dry rot and/or staining, and, should it become necessary for a unit and/or it's duct work to be removed to allow the Mutual access for maintenance purposes, all costs of removal and replacement will be the Member's responsibility. It is intended that the Member(s) will be given proper

and timely notice for any needed removal(s). However, this may not always be possible due to the nature of the required maintenance; and

RESOLVED FURTHER, that the unit must be located no higher than 12 inches off the balcony surface as measured to the bottom of the unit; and

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

RESOLVED FURTHER, that prior to issuance of a permit, a complete set of installation plans, including the location of the condensate drain line connection to an approved discharge location, and the method of sealing the penetration of the stucco walls, must be submitted to the Permits and Inspections office located in the Community Center. The installation must not penetrate the deck of the balcony; 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 01-10-151

RESOLVED, August 10, 2010, that the request of Ms. Rita Maza Williams of 170-A Avenida Majorca to retain the satellite dish installed on the flat roof of her manor is hereby approved; and

RESOLVED FURTHER, that all costs for installation, repair, and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 170-A; 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 01-10-152

RESOLVED, August 10, 2010, that the request of Ms. Christine Bockstiegel of 320-D Avenida Carmel to replace the Bedroom 2 window with a sliding glass door, and to install a concrete stoop and walkway at her manor 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 320-D; and

RESOLVED FURTHER, that prior to issuance of a permit, unit specific plans depicting the proposed alterations, signed and wet stamped by a California licensed architect or structural engineer, must be submitted to the Permits and Inspections Office for approval. These plans must include structural details to ensure that the structural integrity of the building will be maintained upon completion of the proposed alterations; 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 landscape, irrigation, and drainage modifications associated with the alterations are to be completed by the Landscape Division at the expense of the Mutual member(s) at 320-D; and

RESOLVED FURTHER, that the concrete stoop and walkway portion of the alteration shall be installed utilizing standard construction practices; 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 01-10-153

RESOLVED, August 10, 2010, that the request of Mr. Leo Yen of 360-B Avenida Castilla to construct a room addition on the front patio of his 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 360-B; and

RESOLVED FURTHER, that prior to issuance of a permit, unit specific plans depicting the proposed alterations, signed and wet stamped by a California licensed architect or structural engineer, must be submitted to the Permits and Inspections Office for approval. These plans must include structural details to ensure that the structural integrity of the building will be maintained upon completion of the proposed alterations; 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 any required landscape, irrigation, and drainage revisions (if any) are to be performed by the Landscape Division at the requesting Mutual member's expense; and

RESOLVED FURTHER, that the Board has, from time to time, received complaints of noise transference due to alterations within the interior of neighboring manors. For example, alterations to walls that allow noise to travel differently, alterations to plumbing that cause water noises within the shared walls, or alterations to floor coverings. Should the Board receive such a complaint concerning an alteration, the requesting member is hereby advised that they may be subject to member disciplinary proceedings and could be required to take additional noise mitigating measures, up to and including removing the alteration and restoring to original; 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 01-10-154

WHEREAS, Mr. Keith Westerfield of 798-D Via Los Altos disputed the charge of \$298.37 for restoration repairs for damage that resulted from a rain leak of an alteration master bathroom skylight, and requested that the Mutual reverses the charge; and

WHEREAS, by way of Resolution 01-10-48, the Board of Directors reaffirmed its Damage Restoration Policy and denied Mr. Keith Westerfield's request that the Mutual reverses the charge of \$298.37, and Mr. Westerfield appealed the Board's decision; and

NOW THEREFORE BE IT RESOLVED, August 10, 2010, that the Board of Directors of this Corporation hereby reaffirms its Damage Restoration Policy and denies Mr. Keith Westerfield's appeal request that the Mutual reverses the charge of \$298.37; 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 01-10-155

RESOLVED, August 10, 2010, that the request of Ms. Marie Collins of 2186-C Via Mariposa East to install a stair lift on the lower staircase leading to 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 2186-C; 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 site specific drawings detailing the installation of the stair lift rail without penetration into the deck must be submitted prior to the issuance of a permit. These drawings should also detail the installation of the new handrail; and

RESOLVED FURTHER, that there must be no gap between the stair lift track and the stairs on the wall-side; and

RESOLVED FURTHER, that the supports for the stair lift rail must not penetrate the deck below; and

RESOLVED FURTHER, that the steel plates exposed by the removal of the stair-side handrail must be finished to match the existing stair treads; and

RESOLVED FURTHER, that the stair lift must be removed and the stairs and handrail must be restored to their original condition upon the sale of the manor 2186-C; 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.

Landscape Committee Recommendation:

- 19-A Denial of request for tree removal
- 36-E Approval of request for tree and shrub removals at the Mutual member's expense
- 620-O Approval of request for stepping stones and block edging at the Mutual's expense
- 691-B Approval of request to install plantings to screen laundry room at the Mutual's expense

Finance Committee Recommendations:

RESOLUTION 01-10-156

WHEREAS, Member ID 947-371-06 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-371-06; 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 01-10-157

WHEREAS, Member ID 947-378-62 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-378-62; 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 01-10-158

WHEREAS, Member ID 947-389-39 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-389-39; 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 01-10-159

WHEREAS, Member ID 947-393-02 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-393-02; 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 01-10-160

WHEREAS, Member ID 947-403-44 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-403-44; 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 01-10-161

WHEREAS, Member ID 947-420-39 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-420-39; 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 01-10-162

WHEREAS, Member ID 947-424-26 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-424-26; 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 01-10-163

WHEREAS, Member ID 947-425-66 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-425-66; 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 01-10-164

WHEREAS, Member ID 947-434-21 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, August 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-434-21; 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 01-10-165

WHEREAS, Member ID 947-452-35 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-452-35; 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 01-10-166

WHEREAS, Member ID 947-454-70 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 10, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-454-70; 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

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

The Secretary of the Corporation read the following proposed resolution reaffirming its six (6) month sublease policy and placing a 30% cap on the total number of subleases allowable in the Mutual:

RESOLUTION 01-10-

WHEREAS, Whereas, by way of Article 7 of the General Conditions of the United Laguna Hills Mutual's Occupancy Agreement, Members are prohibited from subletting their manors without the prior written consent of the Corporation; and

WHEREAS, the General Conditions do not restrict the time period for any subletting agreement; and

WHEREAS, by way of Resolution U-84-84 (with HUD concurrence) the Board of Directors of this Corporation established a maximum subleasing term of six (6) months within any twelve (12) month period, but it did not place a limit on the number of manors that may be subleased at any given time; and

WHEREAS, most private lenders to cooperative owners/purchasers, as well as the Department of Housing and Urban Development, FHA, Fannie Mae, Freddie Mac and other governmental agencies require a certain minimum percentage of the units within a project to be owner-occupied before they will make or insure loans; and

WHEREAS, the Board of Directors of this Corporation has a fiduciary duty to preserve the value of manors in United, and if potential new members were unable to obtain loans to purchase a cooperative share in the Mutual, the value of the existing cooperative shares would likely decrease;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors of this Corporation hereby reaffirms its policy that allows a member to sublease their manor for six (6) months, whether or not consecutive, in any twelve (12) month period and hereby places a ~~30%~~ **20%**

cap (1,265 units) on the total number of subleases allowable in the Mutual, thus allowing ~~70%~~ **80%** of the Mutual to be member-occupied; and

RESOLVED FURTHER, that Resolution U-84-84, adopted June 26, 1984 is hereby superseded; 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 and Director Gerson seconded the motion. Each of the Directors provided their thoughts on the proposed policy.

Director Copley amended the motion to decrease the cap of the total number of subleases allowable in the Mutual from 30% to 20%. Director Allen seconded the motion and discussion ensued.

Ms. Gottlieb provided additional comments on the amendment.

Member Maxine McIntosh (68-C) asked Ms. Gottlieb to clarify her comments.

By a vote of 10-0-0, the amendment carried.

The Board continued to discuss the resolution as amended.

Members Pat English (558-B), Maxine McIntosh (68-C), Norma Follett (889-P), Bevan Strom (30-A), Eugenia Francis (80-A), Toni Mendell (31-C), Lynn Hamm (747-C), and Roberta Berk (933-B) presented their comments and concerns with the proposed policy.

Without objection the Board agreed to postpone the motion as amended to the September meeting to satisfy the 30-day notification requirements.

Director Harold Allen reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read the following proposed resolution implementing a Missing Appliance Fee:

RESOLUTION 01-10-

WHEREAS, Mutual Members are responsible for ensuring appliances owned by the Mutual are present in the manor at the time of resale; and

WHEREAS, currently, when the Resales Inspection reveals that the Mutual's appliance is not present in the Manor, and the Mutual did not pick up the appliance, a proration is applied to the value of the unused portion of the appliance's serviceable life as calculated from the installation date plus 60 days, including labor costs for installation; and

WHEREAS, for missing appliances that are less than 10 years old (except for dishwashers), a \$75 salvage fee is also collected due to the inability of the Mutual to take advantage of selling the used appliance in good condition, and these amounts are then collected through escrow and deposited to the Mutual's Replacement Fund; and

WHEREAS, the prorated formula was not designed to cover appliances that were discovered missing during a resale inspection, and replacing missing appliances increases administrative costs due to the need to identify, note, and collect for the missing appliance; and perform the installation with less turnaround time than for standard replacements;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors hereby implements a Missing Appliance Fee in the amount of \$75 to be added to the proration calculation for missing appliances and for the related administrative costs; 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 Vogel seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to the September meeting to satisfy the 30-day notification requirements.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to upgrade the circuit breakers and wiring for the 4500-watt water heaters. Director Wilson moved to approve the resolution. Director Vogel seconded the motion.

Members Mary Stone (356-C) and Bevan Strom (30-A) commented on the resolution.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-10-167

WHEREAS, a letter was received from the City of Laguna Woods advising of code requirements that impact manor electrical system requirements for water heaters; and

WHEREAS, according to the City, the existing electrical system for the original water heaters which are 20 amp, 2 pole 240 volt circuit breakers with 12 gauge wiring does not meet the current code requirements for the 4500-watt water

heaters that are currently being installed as part of the water heater replacement program; and

WHEREAS, in order to address the code requirements, the circuit breakers and wiring for 6,323 water heaters should be upgraded in order to continue the use of the 4500-watt water heaters;

NOW THEREFORE BE IT RESOLVED, August 10, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$2,141,700 funded from the Replacement fund to upgrade the circuit breakers and wiring for the 4500-watt water heaters over a timeframe of two years; 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 authorizing a supplemental appropriation to complete the United perimeter wall and adjacent erosion repairs project above El Toro storm drain culvert. Director Wilson moved to approve the resolution. Director Gerson seconded the motion.

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

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-10-168

WHEREAS, by way of Resolution 01-10-30 the Board of Directors of this Corporation appropriated \$50,000 for the repairs of the United perimeter wall above the El Toro storm drain culvert and the erosion adjacent to the storm drain culvert; and

WHEREAS, the lowest competitive bid to complete the construction of the project exceeds the appropriated amount by \$22,000;

NOW THEREFORE BE IT RESOLVED, August 10, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$22,000 funded from the Contingency Fund to complete the United perimeter wall and adjacent erosion repairs project; 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 authorizing a supplemental appropriation to address the existing backlog of pending bathroom tub and shower surround tile-related service orders through an outside vendor. Director Wilson moved to approve the resolution. Director Gerson seconded the motion.

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

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-10-169

WHEREAS, United Laguna Hills Mutual addresses bathroom tub and shower surround tile-related repairs and replacements utilizing in-house Staff, and there is a growing backlog for such bathroom tile-related service orders; and

WHEREAS, based on recent service request history, the recent incoming volume of tile repair and replacement service orders is 40% higher than the budgeted service level; and

NOW THEREFORE BE IT RESOLVED, August 10, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$85,000 from the Contingency Fund to address the existing backlog of pending bathroom tub and shower surround tile-related service orders through an outside vendor; and

RESOLVED FURTHER, that the work will be allocated between in-house Staff and the outside service to optimize work flow and achieve efficient backlog reduction while effectively addressing emerging work; 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 the resolution.

The Secretary of the Corporation read a proposed resolution rescinding Resolution 01-09-119 that requires Board approval of atrium enclosures at Valencia and Granada style manors. Director Wilson moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Members Toni Mendell (31-A) and Mary Stone (356-C) addressed the Board on the resolution.

With Counsel's advice, the Board agreed to revise the language to provide clarification as to the process of obtaining an atrium enclosure permit.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-10-170

WHEREAS, by way of Resolution 01-09-119 the Board of Directors of this Corporation required that any future atrium enclosures at Valencia and Granada style manors will require Board approval of a variance before a permit can be issued for such an enclosure; and

WHEREAS, since May 2009, when members were required to obtain Board approval of a variance rather than obtaining a permit through the standard permitting process, all variance requests for atrium enclosures (seven) have been submitted and approved by the Board; and no variance requests for the subject enclosures have been denied; and

WHEREAS, the Mutual continues to require a non-sleeping certificate from the City of Laguna Woods; and

WHEREAS, the Mutual continues to require Neighbor Awareness Form(s) and, in any case that a neighbor objects to the alteration, the matter will be taken before the Board for approval;

NOW THEREFORE BE IT RESOLVED, August 10, 2010, that, the Board of Directors of this Corporation hereby allows the issuance of a permit over the counter for all atrium enclosures using the pre-approved Standard Plans 232 and 299 as was standard practice prior to Resolution 01-09-119; and

WHEREAS, the Board of Directors of this Corporation hereby rescinds Resolution 01-09-119, adopted May 12, 2009 that requires Board approval of atrium enclosures at Valencia and Granada style manors; 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 denying the request of 226-A Avenida Majorca to retain the lattice installed on the block patio wall. Director Wilson moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Member Barbara Hutchison (226-A) addressed the Board on her request and Member Mary Stone (356-C) commented on the resolution.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-10-171

RESOLVED, August 10, 2010, that the request of Ms. Barbara Hutchinson of 226-A Avenida Majorca to retain the lattice installed on her block patio wall is hereby denied; and

RESOLVED FURTHER, that the Member shall be noticed for a Hearing in accordance with the Board's directive; 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 Board considered the following resolutions that were pulled from the consent calendar:

- Approval of request of 592-C Avenida Majorca to perform an atrium enclosure, and
- Denial of request of 838-A for reversal of charges billed for asbestos abatement

Director Wilson moved to approve the resolutions. Director Copley seconded the motion and discussion ensued.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolutions:

RESOLUTION 01-10-172

RESOLVED, August 10, 2010, that the request of Ms. Suzanne Mader of 592-C Avenida Majorca to perform an atrium enclosure as per Standard Plan 232 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 592-C; 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 the Board has, from time to time, received complaints of noise transference due to alterations within the interior of neighboring manors. For example, alterations to walls that allow noise to travel differently, alterations to plumbing that cause water noises within the shared walls, or alterations to floor coverings. Should the Board receive such

a complaint concerning an alteration, the requesting member is hereby advised that they may be subject to member disciplinary proceedings and could be required to take additional noise mitigating measures, up to and including removing the alteration and restoring to original; and

RESOLVED FURTHER, that a *Roof Alteration Notification* (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 officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

RESOLUTION 01-10-173

WHEREAS, Mr. Paul Dye and Ms. Suzanne Reed of 838-A Ronda Sevilla dispute the charge of \$2,580 for asbestos abatement necessitated by the Members' causing the release of asbestos-containing material contaminants into their manor, and request that the Mutual reverse the charge, asserting that the work performed by the Mutual was not required; and

NOW THEREFORE BE IT RESOLVED, August 10, 2010, that the Board of Directors of this Corporation hereby reaffirms its Damage Restoration Policy and denies Mr. Paul Dye and Ms. Suzanne Reed's request that the Mutual reverse the charge of \$2,580; 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 Copley made a motion to dispense with the remaining reports. Director Vogel seconded the motion and the motion carried unanimously.

GRF HIGHLIGHTS

No GRF highlights were given.

DIRECTORS' FORUM

No comments were made.

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 12:47 P.M. and reconvened into the Regular Executive Session at 1:00 P.M.

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

During its Regular Executive Session meeting of July 13, 2010 the Board reviewed and approved the minutes of the Regular Executive Session meeting of June 8, 2010, the minutes of the Special Executive Session meeting of June 17, 2010, the minutes of the Special Executive Session meeting of June 24, 2010, the minutes of the Special Executive Disciplinary Committee meeting of June 28, 2010, and the minutes of the Special Executive Session meeting of June 30, 2010. The Board approved the recording of a Notice of Default for Member ID 947-379-59; heard two (2) regular disciplinary hearings and imposed fines totaling \$500 for violations of the Mutual's rules and regulations; and discussed contractual, litigation and other member disciplinary matters.

During its Special Executive Session meeting of July 15, 2010, the Board discussed contractual matters.

During its Special Executive Session meeting of July 20, 2010, the Board discussed contractual matters.

During its Special Executive Session meeting of July 27, 2010, the Board discussed litigation matters.

During its Executive Disciplinary Committee meeting of July 29, 2010, the Board discussed member discipline matters.

During its Special Executive Session meeting of August 4, 2010, the Board discussed contractual matters.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:55 P.M.

Linda Wilson, Secretary