

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

September 14, 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, September 14, 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: Jerry Storage, Patty Kurzet, Janet Price (10:20 A.M. – 11:20 A.M.)
Executive Session: Jerry Storage, 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 Gerson 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.

President McNulty clarified the misconception that United's Director Election has been cancelled and if members have thrown out, misplaced, or destroyed their ballots, a new one can be replaced by contacting Martin and Chapman.

Ms. Claire Webb entered the meeting at 9:33 A.M.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as submitted.

President McNulty announced that legal counsel advised the Board that it is not necessary for residents to speak to every resolution, and that all discussions on issues should be held at the committee level or under member comments. The exception to this could be if a resolution topic was brought directly to the Board without first having gone through the Committee process.

Members Connie Grundke (2214-B), Charlene Sydow (646-A), and Maxine McIntosh (68-C) presented their concerns with disallowing membership participation during Board meetings.

Without objection, the motion was withdrawn and the Board agreed to take further action at its next meeting.

Director Allen made a motion to limit time for residents to speak on resolutions, and encouraged residents to attend the committee meetings. Director Rubin seconded the motion and discussion ensued.

Director Copley made a motion to allow residents from other Mutuals to speak. Director Wilson seconded the motion and discussion ensued.

President McNulty ruled the motions out of order since they were not on the agenda as posted.

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

- Connie Grundke (2214-B) commented on the red curbs in the cul-de-sacs which eliminated additional parking.
- Pamela Grundke (2214-B) commented on the Nominating Committee asking candidates of their affiliation with the Resident's Voice.
- Charlene Sydow (646-A) commented on posting minutes on the website and the 6-month lease restriction resolution.
- Dottie Fredericks (776-Q) commented on the Nominating Committee asking candidates of their affiliation with the Resident's Voice.
- Mike Straziuso (4006-2E) announced a free informational seminar on charitable giving, available to the residents on September 30, 2010 at Clubhouse 3 at 2:00 P.M.
- Kay Margason (510-C) commented on allowing members to speak at Board meetings and improving the community.
- Maureen Mehler (415-B) commented on the 6-month leasing resolution.

RESPONSE TO MEMBER COMMENTS

- President McNulty responded to comments made about the 6-month leasing resolution and the Nominating Committee.
- Director Beldner responded to comments made about parking and the 6-month leasing resolution.
- Director Allen responded to comments made about additional parking.
- Director Wilson commented on a study performed on carport parking.

APPROVAL OF MINUTES

The Board reviewed the minutes of the July 26, 2010 Special Business Planning Meeting – Version 2, the minutes of the Regular Board Meeting of August 10, 2010, and the minutes of the August 20, 2010 Special Business Planning Meeting – Version 3 and approved them without objection.

CHAIR'S REMARKS

President McNulty commented on the Board's investigation on Third Mutual's lawsuit against PCM, Inc. and stated that their attorney Dave Feingold is satisfied with PCM's cooperation on the discovery process; announced that a special board meeting will be held on Friday October 22, 2010 at 10:00 in lieu of the Regular Board Meeting in October; thanked the retiring Board members Linda Wilson, Paul Vogel, and Marty Rubin for their services and contribution to the Community; and encouraged residents to find out the truth in rumors.

Ms. Price entered the meeting at 10:20 A.M.

NEW BUSINESS

The Secretary of the Corporation, Director Linda Wilson, read a proposed resolution approving the 2011 Business Plan. Director Wilson moved to approve the resolution. Director Vogel seconded the motion.

Member Maxine McIntosh (68-C) commented on the sum for reserve expenditures.

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

RESOLUTION 01-10-174

UNITED LAGUNA HILLS MUTUAL 2011 BUSINESS PLAN RESOLUTION

RESOLVED, September 14, 2010, that the Business Plan of this Corporation for the year 2011 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$32,230,095 is required by the Corporation to meet the United Laguna Hills Mutual operating expenses and reserve contributions for the year 2011, from which will be deducted \$151,752 derived from prior years' surplus. In addition, the sum of \$15,154,570 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2011. Therefore, a total of \$47,232,913 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$7,790,067, of which \$6,926,081 is planned from the Replacement Fund and \$863,986 from the Contingency Fund; and

RESOLVED FURTHER, that all sums paid into the Replacement Reserve shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2011 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2011; 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 2011 Replacement Reserves. Director Wilson moved to approve the resolution. Director Gerson seconded the motion.

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

RESOLUTION 01-10-175

**UNITED LAGUNA HILLS MUTUAL
2011 REPLACEMENT RESERVES RESOLUTION**

WHEREAS, Civil Code §1365.2.5 requires specific reserve funding disclosure statements for common interest developments; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the Corporation's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$5,500,000, while meeting its obligations to repair and/or replace major components; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

The Secretary of the Corporation read the following proposed resolution approving a policy granting fractional membership interests in a manor:

RESOLUTION 01-10-

WHEREAS, United Laguna Hills Mutual (**United**) is primarily, and has historically been an owner-occupied community; and

WHEREAS, United's Board of Directors believes it is in the best interests of United's Members, in terms of the ~~market values of United's Manors and the~~ preservation and protection of United's development, that United remain a primarily owner-occupied community; and

WHEREAS, United's Board of Directors has recently become aware ~~of the fact~~ that a number of applications for fractional Membership in United have likely been submitted for stock issuance in a number of proposed Members' names with the intent of circumventing United's subleasing restrictions, allowing a proposed sublessee of a Manor to become a Member of United and sublease the Manor for no finite term, and certainly in excess of six months; and

WHEREAS, United's Board has also become aware that applications for fractional Membership in United have likely been submitted for stock issuance in a number of proposed Members' names with the sole intent of the proposed Member, who has no intention to reside in a Manor at United, being able to inappropriately use and enjoy the recreational facilities which United's Members/Manor occupants are entitled to use (the "Recreational Facilities").

NOW THEREFORE BE IT RESOLVED, November 9, 2010, that the Board of Directors of United has adopted the following operating rule regarding the granting of fractional membership interests in a manor to prevent any such circumvention of United's leasing restrictions and/or the inappropriate use of the Recreational Facilities by non-occupants of a Manor.

**UNITED LAGUNA HILLS MUTUAL
OPERATING RULE REGARDING THE GRANTING OF FRACTIONAL
MEMBERSHIP INTERESTS IN A MANOR**

1. APPLICATION FOR FRACTIONAL MEMBERSHIP INTEREST

If a person applies for fractional Membership in United, that person must have a bona fide intent to reside in a Manor at United for six or more months per calendar year. In applying for fractional Membership in United, the applicant must provide, in addition to any other information as may be requested by United, a sworn statement or affirmation, under penalty of perjury, describing in detail:

- (a) the nature of the relationship of the applicant to the other owners of the applicable Certificate of Membership;
- (b) the length of time that the applicant has known the other owners of the applicable Certificate of Membership;
- (c) all consideration provided by the applicant in return for the proposed fractional interest in the applicable Membership, and documentation evidencing such consideration;
- (d) the fractional interest that the applicant proposes to own along with a statement that (i) the applicant is a proposed owner of the applicable Membership interest, (ii) the applicant is not a sublessee or tenant of the applicable Member's Manor, (iii) the applicant will not be paying rent or providing consideration of any other kind or form as a result of the proposed occupancy of the Manor leasehold interest related to the Membership and (iv) the applicant will be occupying the Manor for at least six months during each 12-month period and is not seeking Membership as a means of gaining access and use rights to the Recreational Facilities.

2. TRANSFER DOCUMENT OR INSTRUMENT

In addition, the applicant must provide United with a copy of the document or instrument signed by the applicant and the transferor of Membership that purports to transfer a fractional Membership interest in United to the applicant.

3. BOARD DISCRETION

The Board of Directors of United may deny any application for fractional Membership in United if the Board determines, in its sole discretion, that the applicant is:

- (a) not related by blood, marriage or domestic partnership to an owner of the applicable Membership;
- (b) proposed to own less than a significant percentage interest in the applicable Certificate of Membership; and/or
- (c) not an actual proposed owner of the applicable Certificate of Membership, but a person who is attempting, along with the owner of the applicable Certificate of Membership, to (i) circumvent the six (6) month maximum occupancy limitation applicable to the sublessees of United's Manors and/or (ii) obtain inappropriate access and use rights to the Recreational Facilities.

4. FALSE INFORMATION

If it is determined that either the applicant or an owner of the applicable Certificate of Membership provided false information to United during the application process, and/or it is determined that false information was provided to United in an attempt to allow the applicant, who is actually a tenant or sublessee of the applicable Member's Manor, or a proposed tenant or sublessee of the applicable Member's Manor, to obtain a fractional Membership interest in United to circumvent United's leasing restrictions and/or it is determined that false information was provided to United in an attempt to allow the applicant, who does not plan to reside in the applicable Member's Manor, to inappropriately access and use the Recreational Facilities, the Board may, in its sole discretion, after a noticed hearing with the owner of the applicable Certificate Membership, terminate that Member's Certificate of Membership and initiate an unlawful detainer (eviction) action against that Member.

5. BOARD APPROVAL

Notwithstanding the foregoing, a Member may, upon written approval by United's Board of Directors, have a co-occupant who resides in his/her Manor along with the Member and who provides compensation to the Member for residency in the Member's Manor. In such event, both the resident Member and the qualified/approved co-occupant **with** ~~of~~ the Member shall have the right to access and use the Recreational Facilities.

6. RECREATIONAL FACILITIES

If a Member subleases his/her Manor, the Member's rights to access and use the Recreational Facilities shall be assigned to the Member's sublessee(s) during the term of such sublease, and the Member shall not **be** allowed to access or use the Recreational Facilities during the term of the Sublease.

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of this Corporation to carry out the purposes of this Resolution.

Director Wilson moved to approve the resolution. Director Vogel seconded the motion and discussion ensued.

Without objection, the Board made minor changes to the resolution.

Member Maxine McIntosh (68-C) addressed the Board on the resolution.

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

OLD BUSINESS

The Secretary of the Corporation read a proposed resolution that was postponed from the previous meeting to satisfy the 30-day notification requirements approving a policy implementing a missing appliance fee. Director Wilson moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

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

RESOLUTION 01-10-176

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.

GENERAL MANAGER'S REPORT

Mr. Storage reported on the ongoing projects in the Community that impact United residents; announced that Broadband Services has moved across the street; announced that there is a newsletter on the website for residents to receive by way of email which promotes more communication with GRF and the residents and encouraged the membership to sign up; and explained how Staff time and costs are distributed among the four corporations.

CONSENT CALENDAR

Without objection, the Board approved the Consent Calendar as submitted and the Board took the following actions:

Maintenance and Construction Committee:

RESOLUTION 01-10-177

RESOLVED, September 14, 2010, that the request of Mr. and Mrs. John Gorman of 59-E Calle Cadiz to perform a front patio extension at their manor is hereby approved; and

RESOLVED FURTHER, that all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 59-E; 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; and

RESOLVED FURTHER, that the patio extension is installed as per United Mutual Standards Sections 22- *Patio Slab Extensions*; and

RESOLVED FURTHER, that all landscape, irrigation, and drainage modifications associated with the alteration are to be completed by the Landscape Division at the expense of the Mutual Members(s) at 59-E.

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 01-10-178

RESOLVED, September 14, 2010, that the request of Ms. Barbara Gladney of 218-F Avenida Majorca to create a patio opening 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 218-F; 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 the finished opening must match the existing stucco finish on the subject patio wall. Wood trim around the opening is not allowed; 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 01-10-179

RESOLVED, September 14, 2010, that the request of Mrs. Alice Miller of 311-D Avenida Castilla to create two patio wall openings 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 311-D; and

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

RESOLVED FURTHER, that the finished openings must match the existing stucco finish on the subject patio wall. Wood trim around the opening is not allowed.

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 01-10-180

RESOLVED, September 14, 2010, that the request of Mr. Bruce Afkami of 381-A Avenida Castilla to install planter walls in the front and side of his manor is hereby approved; and

RESOLVED FURTHER, that all costs and maintenance associated with the alteration are the responsibility of the Mutual member(s) at Manor 381-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; and

RESOLVED FURTHER, that any required landscape, irrigation, and/or drainage revisions are to be performed by the Mutual at the Mutual member(s) expense; and

RESOLVED FURTHER, that the proposed planter walls are to be built per Mutual Standard 33 Planter Walls; 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 01-10-181

RESOLVED, September 14, 2010, that the request of Mr. Chung Tse Leng of 387-C Avenida Castilla to retain a white wooden fence at the front patio of his manor is hereby approved; and

RESOLVED FURTHER, that all costs and maintenance for the alteration, present and future, are the responsibility of the Mutual Member(s) at Manor 387-C; and

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

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 01-10-182

RESOLVED, September 14, 2010, that the request of Mr. Harold Midence of 421-B Avenida Castilla to install a bathroom addition 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 421-B; and

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

RESOLVED FURTHER, that detailed site specific plans, wet-stamped and signed by a California licensed architect or engineer must be submitted to the Permits and Inspections office located in the Laguna Woods Village Community Center prior to issuance of a permit. These plans must detail the required structural and plumbing modifications necessary to ensure that the structural integrity of the building and the integrity of the building's plumbing system are maintained upon completion of the bathroom addition; 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.

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 01-10-183

RESOLVED, September 14, 2010, that the request of Mr. Albert Malen of 440-C Avenida Sevilla to install a cast iron mailbox at his manor is hereby approved; and

RESOLVED FURTHER, that all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 440-C; 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; and

RESOLVED FURTHER, that all landscape, irrigation, and drainage modifications associated with the alteration are to be completed by the Landscape Division at the expense of the Mutual Members(s) at 440-C;

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 01-10-184

RESOLVED, September 14, 2010, that the request of Mr. Paul Woodward of 443-E Avenida Sevilla to retain a white vinyl fence at his manor is hereby approved; and

RESOLVED FURTHER, that all costs for repair and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 443-E; and

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

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

RESOLUTION 01-10-185

RESOLVED, September 14, 2010, that the request of Ms. Susan Moody and Mr. Larry Horstmeyer of 608-A Avenida Sevilla to retain a white vinyl fence at their manor is hereby approved; and

RESOLVED FURTHER, that all costs for repair and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 608-A; and

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

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

RESOLUTION 01-10-186

RESOLVED, September 14, 2010 that the request of Ms. Carol Cragg of 667-C Via Mendoza for the Mutual to refrain from painting over the mural on the atrium block wall during the 2010 Exterior Paint Program is hereby approved; and

RESOLVED FURTHER, that the Mutual shall apply over the mural, at the expense of the Member, a clear coat material that will provide protection to the structural and aesthetic integrity of the atrium block wall to an equal or greater extent as that provided by the application of paint products to the building; and

RESOLVED FURTHER, that all costs for repair and maintenance associated with the subject mural, including the (sealer) are the responsibility of the Mutual Member at 667-C, and

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

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 01-10-187

RESOLVED, September 14, 2010 that the request of Mr. and Mrs. Robert Johnson of 896-Q Ronda Sevilla to perform a patio wall extension, and window to sliding glass door modification at 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 896-Q; 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 alteration are to be completed by the Landscape Division at the expense of the Mutual member(s) at 896-Q; and

RESOLVED FURTHER, that the patio slab extension be performed as per United Mutual Alteration Standard Section 22-*Patio Slab Extensions*; and the patio block wall as per Section 8- *Block Walls*; 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 01-10-188

WHEREAS, by way of Resolution 01-10-128, the Board of Directors of this Corporation approved a policy prohibiting alteration lattice panels on block walls, and that retention or installation of lattice panels on block walls would be considered on a case-by-case basis through the Variance Request process; and

WHEREAS, Ms. Luz Teegarden of 2210-E Via Mariposa East requested a variance to retain the white vinyl lattice on the block wall at her manor;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that due to the professional installation, good condition, and the fact that removal of the white vinyl lattice on the block wall would create a visual imbalance for the wall and surrounding area, the request of Ms. Luz Teegarden of 2210-E Via Mariposa East to retain the white vinyl lattice on the block wall is hereby approved; and

RESOLVED FURTHER, that all costs and maintenance for the alteration, present and future, are the responsibility of the Mutual Member(s) at Manor 2210-E; and

RESOLVED FURTHER, that should removal of the alteration be required to perform repair and maintenance to the block walls on which it is installed, the Member will be held responsible for removing the alteration and all costs associated with its removal and reinstallation, if any; and

RESOLVED FURTHER, that alternately, if the alteration can remain in place during the performance of maintenance services, should the alteration be damaged due to the maintenance services performed by the Mutual, the Mutual shall not be held responsible for costs associated with its repair or replacement and all related costs will be the responsibility of the Member; and

RESOLVED FURTHER, that a required Mutual permit for the white vinyl lattice on the block wall must be obtained through the Permits and Inspections Office located in Laguna Woods Village Community Center; 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:

- 332-A Uphold previous decision to approve request for hedge installation at the Mutual Members' expense
- 733-A Denial of request for turf removal
- 789-Q Denial of request for tree removal
- 2037-A Approval of request for tree removal at the Mutual's expense
- 2037-B Approval of request for paved patio, benches & solar lighting with conditions
- 2146-B Denial of request for plant replacements

Finance Committee Recommendations:

RESOLUTION 01-10-189

WHEREAS, Member ID 947-372-03 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-372-03; 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 01-10-190

WHEREAS, Member ID 947-387-33 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-387-33; 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 01-10-191

WHEREAS, Member ID 947-388-27 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, September 14, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-388-27; 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.

RESOLUTION 01-10-192

WHEREAS, Member ID 947-401-85 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, September 14, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-401-85; 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 01-10-193

WHEREAS, Member ID 947-413-83 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, September 14, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-413-83; 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 01-10-194

WHEREAS, Member ID 947-449-88 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-449-88; 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 a proposed resolution authorizing a supplemental appropriation in the amount of \$100,000 to fund the Board's investigation relating to the Third Mutual lawsuit against PCM, Inc. Director Wilson moved to approve the resolution. Director Vogel seconded the motion.

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

RESOLUTION 01-10-195

WHEREAS, the Board of Directors of this Corporation has engaged in an investigation pertaining to Third Mutual's legal action against PCM, Inc., et. al, for which the costs were not budgeted; and

WHEREAS, the Board desires separate tracking of the expenses related to this legal matter in the interest of transparency;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$100,000 from the Contingency Fund to fund the Board's investigation relating to the Third Mutual vs. PCM, Inc., et. al; lawsuit; 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 approving the Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies:

RESOLUTION 01-10

WHEREAS, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent

assessment accounts and enforcement of liens placed upon such delinquent properties;

NOW THEREFORE BE IT RESOLVED, October 22, 2010, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2011; and

RESOLVED FURTHER, that Resolution 01-09-220 adopted September 8, 2009 is hereby superseded and cancelled; 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.

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

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$20,000 for the purpose of implementing systems for increased management oversight by United Mutual. Director Wilson moved to approve the resolution. Director Miller seconded the motion.

By a vote of 9-1-0 (Director Beldner opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-10-196

WHEREAS, both the United Mutual Board and the managing agent recognize the need for, and the benefits associated with, performance standards that can be objectively used by the Board to evaluate the overall performance of its managing agent; and

WHEREAS, the Management Agreement between the parties establishes the contractual obligation of the Board to provide this oversight of its managing agent; and

WHEREAS, the United Laguna Hills Mutual Board of Directors established the Managing Agent Oversight Criterion via Resolution 01-09-125, adopted June 9, 2009; and

WHEREAS, it has been determined that enhancements to the oversight criterion will provide increased service to the membership, coupled with increased accountability standards and open communication between the Board and the membership;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors of this Corporation hereby requests development of enhanced reporting capability and creation and implementation of a point-of-service satisfaction survey at a cost not to exceed \$20,000 to be funded from the Contingency Fund; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of this Corporation to carry out the purpose of this Resolution.

Ms. Price left the meeting at 11:20 A.M.

Director Harold Allen reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read the following proposed resolution approving a new Mutual Alteration Standard Section 18 Gutters & Downspouts:

RESOLUTION 01-10

WHEREAS, by way of Resolution U-00-61 the Board of Directors of this Corporation revoked Alteration Standard Section 18 Gutters & Downspouts, but now recognizes the need to re-establish a standard to address the proper installation and maintenance of gutters and downspouts;

NOW THEREFORE BE IT RESOLVED, October 22, 2010, that the Board of Directors of this Corporation hereby approves the new Mutual Alteration Standard Section 18 Gutters & Downspouts, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution U-96-62, adopted May 14, 1996 is hereby amended; 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.

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

The Secretary of the Corporation read the following proposed resolution approving the revisions to United Mutual Alteration Standard Section 11 – Doors, Exterior:

RESOLUTION 01-10

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, the Maintenance and Construction 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, October 22, 2010, 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 Resolution 01-08-142 adopted August 12, 2008 is hereby superseded and cancelled; and Resolution U-96-62, adopted May 14, 1996 is hereby amended;

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 Gerson seconded the motion and discussion ensued.

Member Catherine Martinez (811-N) addressed the Board on the building paint color.

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

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$100,000 to retain an engineering consultant and contractor to research, plan, design and construct improvements and/or mitigation measures for cul-de-sac 67. Director Wilson moved to approve the resolution. Director Chyba seconded the motion and discussion ensued.

Members Naomi McCabe (711-B) addressed the Board on the appropriation.

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

RESOLUTION 01-10-197

WHEREAS, during the rain storms in January 2010, flooding occurred in cul-de-sac 67; and

WHEREAS, on February 9, 2010, the Board of Directors of this Corporation authorized a supplemental appropriation in the amount of \$20,000 funded from the Contingency Fund to retain a civil engineering consultant to survey the drainage of the areas that contributed to the flooding in cul-de-sac 67 and to recommend reasonable improvements and/or mitigation measures that may reduce the likelihood of flooding in the future; and

WHEREAS, the civil engineering consultant's draft report of the survey of the drainage of the areas that contribute to the flooding in cul-de-sac 67 has been received and is under review by Staff;

NOW THEREFORE BE IT RESOLVED, September 14, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$100,000 funded from the Contingency Fund, to be used in conjunction with the remaining unused funds from Resolution 01-10-36, to retain an engineering consultant and contractor to research, plan, design and construct improvements and/or mitigation measures that will reduce the likelihood of flooding in cul-de-sac 67 in the future; 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 Gerson reported from the Landscape Committee.

The Secretary of the Corporation read the following resolution approving the revised Mutual's bench policy:

RESOLUTION 01-10-

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, by way of Resolution 01-09-249, the Board of Directors approved the thermoplastic coated metal mesh bench in dark green as its bench standard style and color for benches purchased by the Mutual; and

WHEREAS, the Landscape Committee recommended that a bench standard should be established for any benches installed in the Water Wise Gardens;

NOW THEREFORE BE IT RESOLVED, October 22, 2010, that the Board of Directors hereby approves the Heritage Bench style made of recycled plastic slats and a heavy-duty cast aluminum frame in green for use exclusively for

all Water Wise Gardens, ***and the seat height of the bench shall be at least 18"***; and

RESOLVED FURTHER, that for all other areas the standard style and color for benches donated to the Mutual or purchased by the Mutual shall be the thermoplastic coated metal mesh benches in dark green; and

RESOLVED FURTHER, that for those thermoplastic benches that are donated or purchased by the Mutual, 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 such benches shall be installed on either a concrete pad (if along sidewalk) or on concrete anchors in the grass or other areas (if the location is not along sidewalk); and

RESOLVED FURTHER, that Resolution 01-08-122, adopted July 8, 2008 and Resolution 01-09-249, adopted October 13, 2009 are hereby superseded and cancelled; 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 Miller seconded the motion and discussion ensued.

Without objection, the Board agreed to add the following language in the fourth paragraph: ***"and the seat height of the bench shall be at least 18"***.

Members Maxine McIntosh (68-C) and Rhoda Lindner (2013-C) addressed the Board on the proposed policy.

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

Director Barbara Copley reported from the Governance Ad Hoc Committee.

Director Arlene Miller reported from the Standards Sub-Committee.

Director Paul Vogel reported from the Long Range Planning Task Force.

Director Arlene Miller reported from the Resident Relations Information Services.

GRF HIGHLIGHTS

Director Beldner reported on the Golf Building Ad Hoc Committee.

DIRECTORS' FORUM

- Director Beldner commented on construction materials improperly disposed of in the trash bins.
- Director Miller thanked the remaining audience members in attendance.
- Director Rubin expressed his sentiments with working with the Board during his term.
- Director Gerson thanked Directors Vogel, Rubin, Wilson for their service on the Board and for assisting her with the learning curve.
- Director Allen commended Staff on their cooperation with and assistance to him with his job as a Board Member.

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 12:05 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 August 10, 2010 the Board reviewed and approved the minutes of the Special Executive Session meeting of July 6, 2010, the minutes of the Special Executive Session meeting of July 7, 2010, the minutes of the Regular Executive Session meeting of July 13, 2010, the minutes of the Special Executive Session meeting of July 15, 2010, the minutes of the Special Executive Session meeting of July 20, 2010, the minutes the Special Executive Session meeting of July 27, 2010, and the minutes of the Special Executive Disciplinary Committee meeting of July 29, 2010.

The Board heard five (5) regular disciplinary hearings and imposed fines totaling \$1,700 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 August 4, 2010, the Board discussed contractual matters.

During its Special Executive Session meeting of August 11, 2010, the Board discussed litigation matters.

During its Special Executive Session meeting of August 19, 2010, the Board discussed litigation matters.

During its Special Executive Disciplinary Committee meeting of August 23, 2010, the Board discussed disciplinary matters.

During its Special Executive Session meeting of August 25, 2010, the Board discussed litigation matters.

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

The Traffic Committee of the Board met in Executive Session on August 18, 2010 to discuss member disciplinary issues.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:06 P.M.

Linda Wilson, Secretary

**United Laguna Hills Mutual
 2011 RESERVES PLAN
 Replacement Reserve 30-Year Funding Plan**

Baseline (Threshold): \$ 5,500,000
 Indexed for projected inflation

Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2010	\$ 73.00	\$ 5,538,948	\$ 282,997	\$ 205,000	\$ 3,526,969	\$ 17,562,757
2011	\$ 70.00	\$ 5,311,320	\$ 293,219		\$ 6,926,081	\$ 16,241,215
2012	\$ 70.00	\$ 5,311,320	\$ 268,145		\$ 7,148,557	\$ 14,672,123
2013	\$ 70.00	\$ 5,311,320	\$ 251,074		\$ 5,961,362	\$ 14,273,155
2014	\$ 70.00	\$ 5,311,320	\$ 248,594		\$ 5,446,859	\$ 14,386,210
2015	\$ 70.00	\$ 5,311,320	\$ 246,107		\$ 5,957,248	\$ 13,986,389
2016	\$ 70.00	\$ 5,311,320	\$ 243,447		\$ 5,461,531	\$ 14,079,625
2017	\$ 73.00	\$ 5,538,948	\$ 243,543		\$ 5,864,694	\$ 13,997,422
2018	\$ 76.00	\$ 5,766,576	\$ 244,374		\$ 5,832,916	\$ 14,175,456
2019	\$ 79.00	\$ 5,994,204	\$ 238,030		\$ 7,141,717	\$ 13,265,973
2020	\$ 82.00	\$ 6,221,832	\$ 227,577		\$ 6,744,989	\$ 12,970,392
2021	\$ 85.00	\$ 6,449,460	\$ 231,120		\$ 5,976,515	\$ 13,674,457
2022	\$ 88.00	\$ 6,677,088	\$ 238,489		\$ 6,770,122	\$ 13,819,912
2023	\$ 91.00	\$ 6,904,716	\$ 230,170		\$ 8,239,371	\$ 12,715,427
2024	\$ 94.00	\$ 7,132,344	\$ 209,266		\$ 8,647,129	\$ 11,409,908
2025	\$ 97.00	\$ 7,359,972	\$ 191,063		\$ 8,344,019	\$ 10,616,925
2026	\$ 100.00	\$ 7,587,600	\$ 183,690		\$ 7,828,330	\$ 10,559,885
2027	\$ 103.00	\$ 7,815,228	\$ 187,985		\$ 7,450,946	\$ 11,112,152
2028	\$ 106.00	\$ 8,042,856	\$ 204,975		\$ 6,841,470	\$ 12,518,513
2029	\$ 109.00	\$ 8,270,484	\$ 230,904		\$ 6,918,459	\$ 14,101,442
2030	\$ 112.00	\$ 8,498,112	\$ 251,810		\$ 7,922,708	\$ 14,928,656
2031	\$ 115.00	\$ 8,725,740	\$ 273,573		\$ 7,317,619	\$ 16,610,350
2032	\$ 115.00	\$ 8,725,740	\$ 301,785		\$ 7,456,689	\$ 18,181,187
2033	\$ 115.00	\$ 8,725,740	\$ 319,812		\$ 8,538,192	\$ 18,688,546
2034	\$ 115.00	\$ 8,725,740	\$ 327,969		\$ 8,620,697	\$ 19,121,558
2035	\$ 115.00	\$ 8,725,740	\$ 318,755		\$ 10,539,769	\$ 17,626,284
2036	\$ 115.00	\$ 8,725,740	\$ 297,828		\$ 9,940,773	\$ 16,709,079
2037	\$ 115.00	\$ 8,725,740	\$ 273,511		\$ 10,885,501	\$ 14,822,829
2038	\$ 115.00	\$ 8,725,740	\$ 251,369		\$ 9,643,508	\$ 14,156,430
2039	\$ 115.00	\$ 8,725,740	\$ 239,716		\$ 9,642,453	\$ 13,479,434
2040	\$ 115.00	\$ 8,725,740	\$ 234,045		\$ 8,936,621	\$ 13,502,597

