

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

January 26, 2011

The Special Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Wednesday, January 26, 2011 at 1:30 P.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Harold Allen, Ron Beldner, Cynthia Chyba, Roger Turner, Catherine Brians, Heather Gerson, Arlene Miller (1:39 P.M.)

Directors Absent: Barbara Copley, Gail McNulty, John Dalis, Libby Marks

Others Present: Jerry Storage, Patty Kurzet, Cris Robinson (1:30 P.M. – 1:40 P.M.), Marcel Bradley, Tim Huval, Katy Howe, Wendy Panizza, Kurt Rahn, James David

CALL TO ORDER

Harold Allen, First Vice-President of the Corporation, chaired and opened the meeting, and stated that it was a Special Meeting held pursuant to notice duly given. A quorum was established and the meeting was called to order at 1:30 P.M.

Without objection, the Board agreed to discuss agenda items out of order.

The Board reviewed a letter from Sandra Gottlieb, Esq. regarding defaults under the Occupancy Agreement. Director Chyba moved to ratify the default policy. Director Gerson seconded the motion and the motion carried unanimously.

Director Gerson made a motion to establish a Land Use Ad Hoc Committee. Director Brians seconded the motion and discussion ensued. Director Allen explained the purpose of establishing the meeting and stated that this Committee would function differently than the GRF Land Use Ad Hoc Committee in that it would focus specifically on United and the needs of United residents. The motion carried unanimously.

Without objection the Board appointed Directors Brians, Gerson, Turner, and Allen with Lynn Hamm, Polly Spahr, and Marty Rubin as advisors.

Director Miller entered the meeting at 1:39 P.M.

Mrs. Robinson left the meeting at 1:40 P.M.

The Board discussed the necessity of setting priorities for completing United Mutual maintenance and landscape projects.

Mr. Storage and Staff presented a PowerPoint presentation on setting project/program priorities and understanding the process of how a project gets started and what steps are taken to carry the project to fruition. The process begins with defining the scope and cost estimates, researching and preparing subject reports with staff recommendations that are

presented to the appropriate committee and subsequently the Board for final approval or disapproval. If the project is approved by the Board, requests for bids are sent out to qualified consultants/contractors and a contract is drafted and executed. Once construction documents are then completed and governmental permits are received, then construction begins.

Currently a typical project timeline to complete a project based on the aforementioned steps is approximately 10 months, and a fast track project timeline to complete a project is about 6 months.

Staff presented a summary of the projects and reports currently in the works for all 4 corporations which absorb a lot of staff time, excluding the regular routine maintenance programs (e.g. roofing and painting programs).

Director Allen suggested that the residents should be made aware of all the staff work and time that is involved in completing a project.

Staff provided a list of projects which they established as high, normal, or low priority. The list of projects will be updated and presented at every monthly Maintenance and Construction Committee for committee members to comment and provide input on regarding the level of priority for each project.

The Board discussed what is needed and its expectations for staff to complete a project more expediently, e.g. additional staffing and/or more outsourcing. The Board agreed that this would increase service level, thus increasing assessments.

The Board directed Staff to draft a report regarding the impact of adding staff to facilitate completion of workload. The Board also recommended that the report presented by Staff today also be presented to all the Corporate Members.

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

During its Regular Meeting of January 11, 2011 the Board reviewed and approved the minutes of the Special Executive Session of December 8, 2010 and the minutes of the Regular Executive Session of December 14, 2010. The Board heard 3 disciplinary hearings and imposed fines totaling \$400 for violations of the Mutual's rules and regulations; and discussed potential litigation and other member disciplinary matters.

During its Special Executive Disciplinary Committee meeting of January 24, 2011, the Board held disciplinary hearings.

ADJOURNMENT

With no further business before the Board of Directors, the Special Open meeting was adjourned at 3:03 P.M.

Harold Allen, First Vice President