

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

**May 10, 2011**

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, May 10, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Gail McNulty, Arlene Miller, Harold Allen (9:30 A.M. – 9:50 A.M.), John Dalis, Ron Beldner, Barbara Copley, Heather Gerson, Libby Marks, Cynthia Chyba, Roger Turner, Catherine Brians

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet

*Executive Session:* Jerry Storage, Cris Robinson, Patty Kurzet, Sandy Meyer, Sandra Gottlieb of Swedelson & Gottlieb

**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.

**PLEDGE OF ALLEGIANCE**

Director Allen led the Pledge of Allegiance to the Flag.

**ACKNOWLEDGEMENT OF PRESS**

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

**APPROVAL OF AGENDA**

Without objection, the Board approved the agenda as written.

President McNulty announced that the Celebration of Life for Dick Sharp will be held on Sunday, May 15, 2011 at Clubhouse 6 and also announced that GRF is having a Special Board Meeting this morning at 10:00 A.M. to appropriate additional money to complete the Golf Building project and indicated that she plans on recessing the United Board meeting so the Board members can attend the GRF Board meeting.

Mr. Arthur Moss, Chair of the Nominating Committee, reported on the Committee's efforts to recruit qualified candidates to run the 2011 Director Election, and encouraged members to pick up an application and run for the Board.

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**

- Delsie Zuzak (674-A) commented on dirty water coming out of her hot water pipes, and commented on the need to improve the manors.
- Maxine McIntosh (68-C) commented on the land use plan, Property Services' Comment Cards, and thanked Mr. Storage for speaking at her Villager of the Month program.
- Dottie Fredericks (776-Q) encouraged residents to donate books and puzzles for the Orange County Outreach program.

Director Allen reported on the very positive ratings PCM has received for service calls in United Mutual, and announced winners of gift cards for the months of March and April from the pool of residents who had submitted a completed Satisfaction Survey.

Director Allen made a motion to recess the meeting to attend the 10:00 A.M. GRF Special Board meeting. Director Beldner seconded the motion and the motion carried by a vote of 9-1-0 (Director Chyba opposed).

The meeting recessed at 9:50 A.M. and reconvened at 10:39 A.M.

Director Allen was absent from the meeting.

- Marion Levine (438-D) praised the services provided by the Laguna Woods Village Foundation in assisting residents in need.
- Delsie Zuzak (674-A) thanked the Board for recessing the meeting to make comments at the GRF Special Board meeting.

### **RESPONSE TO MEMBER COMMENTS**

- Directors Miller and Copley responded to Ms. Zuzak's comments on black water.
- President McNulty briefly responded to each resident's comments.

### **APPROVAL OF MINUTES**

The Board reviewed and approved without objection the minutes of the Regular meeting of April 12, 2011.

### **CHAIR'S REMARKS**

President McNulty spoke to United's goal to move forward in a positive direction; commented on the Board's final report on its investigation into Third Mutual's lawsuit against PCM, Inc., et al; commented on the Board's plan to launch a long range plan; and encouraged residents to attend the upcoming budget meetings to voice their opinion.

### **NEW BUSINESS**

The Board discussed and considered a membership in the National Association of Housing Cooperatives (NAHC). Director Gerson made a motion to join for one year and request Ms. Wendy Bucknum to represent the Board. Director Turner seconded the motion and the motion carried unanimously.

## **OLD BUSINESS**

Director Copley made a motion to postpone the following proposed resolution approving a smoking restriction policy on Mutual property, which was postponed from last month, to the June Meeting to satisfy the 30-day notification requirements:

### **RESOLUTION 01-11**

**WHEREAS**, United Laguna Hills Mutual intends to do its part to protect the public health and welfare of its residents by regulating smoking in places available to and used by members and/or other residents of the Association; and

**WHEREAS**, the City of Laguna Woods passed Ordinance 7.16 that prohibits smoking in public places which includes, but is not limited to, lobbies, hallways, and other common areas in apartment buildings, condominiums, residential cooperatives, trailer parks, retirement facilities, nursing homes, and other multiple-unit residential facilities; and

**WHEREAS**, any citizen who desires to, may register a complaint for violation of Ordinance 7.16 referenced above with the City Manager and/or his or her authorized designee who will determine if enforcement is warranted based on the facts of the complaint; and

**WHEREAS**, Article 5 of the United Mutual Occupancy Agreement states that members are prohibited from doing anything in their manor that would obstruct or interfere with the rights of other members or create a nuisance and residents smoking inside their manors can cause a nuisance to their neighbors; and

**WHEREAS**, legal counsel has advised that, as a cooperative, United Mutual has the right to implement a policy to prohibit smoking throughout the Association in areas that can be utilized by all or part of the membership in its buildings, including manors as long as the policy is consistent with its governing documents; and although the United Mutual Board may have the right to enact such a rule, it would need to do so in a way that does not place an unreasonable burden on the residents, and is reasonable and effective; and

**WHEREAS**, the United Mutual Board would like to establish a policy also prohibiting smoking inside all or some of United's manors, but would have to allow for some time to phase in the restriction that does not place an unreasonable burden on the residents;

**NOW THEREFORE BE IT RESOLVED**; June 14, 2011, the Board of Directors hereby establishes a policy that offers certain portions of United owned property to be used as smoking areas to accommodate those residents who smoke; and

**RESOLVED FURTHER**, that if this restriction is enacted, the manors will be more appealing to those prospective residents who are looking for a smoke-free environment, but obviously less appealing to smokers; and

**RESOLVED FURTHER**, since United has maintenance and repair responsibilities related to the manors, such costs would likely decrease, as frequent exposure to smoke does cause cleanliness issues that are not otherwise present; 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 Beldner seconded the motion and the motion carried unanimously.

Director Copley made a motion to postpone the following proposed resolution adopting revisions to the General Requirements to all Alteration Standards, which was postponed from last month, to the June Meeting to satisfy the 30-day notification requirements:

#### **RESOLUTION 01-11**

**WHEREAS**, the Maintenance and Construction Committee recognizes the need to amend the General Requirements for all Alteration Standards;

**NOW THEREFORE BE IT RESOLVED**, June 14, 2011, that the Board of Directors of this Corporation hereby adopts the following revisions to the General Requirements of all Alteration Standards with respect to Members' Responsibility, Work Hours, and Contractors Conduct:

- Further, Member(s) are expected to provide neighboring residents an estimated timeline for construction, and advance notice of excessive construction-related noise that may occur.
- For work performed which results in excessive construction-related noise (e.g. cutting tile, jack hammering, use of power tools), permitted hours are 9:00 a.m. to 2:00 p.m., Monday through Saturday. For work that does not result in excessive noise, such as painting and carpet installation, permitted hours remain 7:00 a.m. to 6:00 p.m. Monday through Friday, and 8:00 a.m. to 5:00 p.m. on Saturday. No work whatsoever shall be permitted on Sunday.
- Member's contractor(s), their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.

**RESOLVED FURTHER**, that the General Requirements of all Alteration Standards will be modified to reflect the changes; and

**RESOLVED FURTHER**, that Resolution 01-07-47 adopted May 8, 2007 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.

Member Paul Vogel (2185-O) commented on the work hours.

Director Gerson seconded the motion and the motion carried unanimously

#### **GENERAL MANAGER'S REPORT**

Mr. Jerry Storage reported on the opportunity to move forward in a positive direction after the settlement of the Third Mutual lawsuit and United's investigation of such and commented on how PCM will bring forth transparency in the future. Mr. Storage reported on the ongoing projects in the Community that impact United Mutual residents including the Golf Building project, City Centre Park, configuration of Santa Maria from Gate 8 to Moulton Parkway to accommodate "golf cart only" traffic lanes, commencement of the Gate One construction, upgrading the Library and Clubhouse 6, and provided a summary of Clubhouse projects. Mr. Storage updated the Membership on flooding mitigation; United Mutual's lighting project; United Mutual water heater electrical upgrades; Prior-to-Paint Program; backlogged flooring and bathroom tile contracts; announced that the Annual Guest and Non-Resident Owner Pass Program is under-way and applications are now being accepted; and announced the commencement of the Annual Decal Replacement Program.

President McNulty provided a brief summary of what was discussed during the GRF Special Board Meeting this morning.

Members Pamela Grundke (2214-B) commented on what was discussed at the GRF meeting and recommended that United use its ability to stop the spending; and Maxine McIntosh (68-C) commented on the Board's representation of the residents at the GRF meeting; Kay Margason (510-C) thanked the Board for recessing the Board meeting to attend the GRF meeting.

#### **CONSENT CALENDAR**

Without objection the Consent Calendar was approved as written.

#### **Maintenance and Construction Committee:**

#### **RESOLUTION 01-11-85**

**WHEREAS**, by way of Resolution 01-11-62 the Board has prohibited personal

furnishings to stay in the common area laundry rooms; and

**WHEREAS**, residents residing near Laundry Room #202 requested a variance to such policy to retain the bookcase/library;

**NOW THEREFORE BE IT RESOLVED**, May 10, 2011, that the Board of Directors hereby approves the request from residents residing near Laundry Room #202 to retain the bookcase/library in Laundry Room #202; 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 01-11-86**

**RESOLVED**, May 10, 2011, that the request of Ms. Suzanne Demyttenaere of 77-Q Calle Aragon to replace the carpet with hardwood flooring at her manor is hereby denied; 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 01-11-87**

**RESOLVED**, May 10, 2011, that the request of Ms. Marie Mendicino of 397-C Avenida Castilla to construct a balcony room addition with transom windows at her manor is hereby denied; 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 01-11-88**

**RESOLVED**, May 10, 2011, that the request of Mr. Dale Giedd and Michael Blazina of 720-C Avenida Majorca to install a storage closet on the entry patio at their 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 720-C; 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. The building permit from the City of Laguna Woods would verify adherence to all applicable building code, including regulations regarding fuel storage (propane and the distance of combustible materials from the proposed fire pit); and

**RESOLVED FURTHER**, that any required landscape, irrigation, and drainage revisions are to be performed by the Landscape Division at the requesting Mutual member's expense; 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 01-11-89**

**RESOLVED**, May 10, 2011, that the request of Ms. Frances Anthony of 739-D Avenida Majorca for a washer and dryer installation on the patio of her manor is hereby approved; and

**RESOLVED FURTHER**, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual member(s) at Manor 739-D; and

**RESOLVED FURTHER**, that the Mutual Member must submit for review, plans detailing all plumbing and electrical changes. The plans must verify that the manor's plumbing and electrical systems can accommodate the added burden placed upon them by the washer and dryer; 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 prior to issuance of a Mutual permit; and

**RESOLVED FURTHER**, that the washer/dryer must be installed as per United Mutual Alteration Standard Section 29-Washer and Dryer Installations; and

**RESOLVED FURTHER**, that the 2" cast iron drain line shall be cleaned out by the Mutual at the Member's expense. Pictures of the cleaned drain line, taken by an outside contractor at the Member's expense, shall be provided to the Permits and Inspections Office; and

**RESOLVED FURTHER**, that the washer and dryer are to be installed in an exterior grade cabinet that is painted to match the exterior wall color of the manor; 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 01-11-90**

**RESOLVED**, May 10, 2011, that the request of Ms. Mary Mazzucca of 2044-B Via Mariposa East for the installation of an additional window in the Breakfast Room of her manor is hereby approved; and

**RESOLVED FURTHER**, that all costs for repair and maintenance associated with the subject alteration, present and future, are the responsibility of the Mutual Member(s) at Manor 2044-B; 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 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:**

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|-------|---|
| 425-A | Denial of request for tree removal                            |
| 491-A | Approval of request to retain wooden deck, with contingencies |
| 852-A | Denial of request for two tree removals                       |
| 935-A | Denial of request for tree removal                            |
| 878-P | Approval of landscape improvements, at Mutual's expense       |

**Finance Committee Recommendations:**

**RESOLUTION 01-11-91**

**WHEREAS**, Member ID 947-364-81 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-364-81; and

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

**RESOLUTION 01-11-92**

**WHEREAS**, Member ID 947-376-67 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**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-376-67; 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 01-11-93**

**WHEREAS**, Member ID 947-379-56 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-379-56; and

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

**RESOLUTION 01-11-94**

**WHEREAS**, Member 947-387-72 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**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-387-72; 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 01-11-95**

**WHEREAS**, Member ID 947-405-34 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**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-405-34; 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 01-11-96**

**WHEREAS**, Member ID 947-408-26 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**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-408-26; 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 01-11-97**

**WHEREAS**, Member ID 947-408-96 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**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-408-96; 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 01-11-98**

**WHEREAS**, Member ID 947-422-71 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**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-422-71; 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 01-11-99**

**WHEREAS**, Member ID 947-454-83 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**, May 10, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-454-83; 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.

## **COMMITTEE REPORTS and SERVICES**

### **FINANCE REPORT**

Director Heather Gerson gave the Treasurer's and the Finance Committee Reports.

The Secretary of the Corporation, Director Barbara Copley, read a proposed resolution authorizing a supplemental appropriation to cover the outstanding bills incurred for the legal investigation. Director Copley moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

By a vote of 9-0-0 (Director Allen was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 01-11-100**

**WHEREAS**, unpaid legal fees through April related to the legal investigation have exceeded the remaining balance of funds appropriated by Resolution 01-10-277;

**NOW THEREFORE BE IT RESOLVED**, May 10, 2011, that the Board of Directors hereby authorizes a supplemental appropriation in the amount of \$75,000, to be funded from the Contingency Fund, to cover outstanding bills for the legal 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.

In Director Allen's absence, Director Copley reported from the Maintenance and Construction Committee.

Director Turner reported from the Landscape Committee.

Director Copley reported from the Governance Ad Hoc Committee.

Director Miller reported from Resident Relations Information Services.

### **GRF HIGHLIGHTS**

No highlights were made.

## **DIRECTORS' FORUM**

- Director Beldner commented on the Mutual's restrictive financial requirements.
- Director Copley commented on filing for financial aide.
- Director Miller hoped everyone had a nice Mother's Day.
- Director Dalis announced the rescheduling of the Kiwanis Pancake Breakfast, commented on the Golf Building project, and suggested increasing golf fees.
- Director Brians commented on the success of the Directors' Coffee and addressed some of the requests from residents.
- Director Gerson recommended that residents attend committee meetings to address their concerns.

## **MEETING RECESS**

The Regular Open Session Meeting recessed for lunch at 11:52 A.M. and reconvened into the Regular Executive Session at 12:39 P.M.

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

During its Regular Executive Session meeting of April 12, 2011, the Board reviewed and approved, without objection, the minutes of the Special Executive Session of March 2, 2011, the Regular Executive Session of March 8, 2011, the Special Executive Session of March 15, 2011, the Special Executive Session of March 18, 2011, the Special Executive Session of March 24, 2011, the Special Executive Disciplinary Hearing Committee Session of March 28, 2011, and the Special Executive Session of April 5, 2011. The Board approved the recording of a Notice of Sale for Member ID 947-364-25. The Board heard one (1) regular disciplinary hearing and imposed fines totaling \$500 for violations of the Mutual's rules and regulations; and discussed litigation, contractual, and other member disciplinary matters.

During its Special Executive Sessions of April 18, 2011, April 21, 2011, April 26, 2011, May 2, 2011, and May 4, 2011 the Board discussed legal and contractual matters.

The Traffic Committee of the Board met in Executive Session on April 20, 2011 to discuss member disciplinary issues.

## **ADJOURNMENT**

With no further business before the Board of Directors, the meeting was adjourned at 4:02 P.M.

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Barbara Copley, Secretary