

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

June 14, 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, June 14, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Gail McNulty, Arlene Miller, Harold Allen, 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, Sandra Gottlieb of Swedelson & Gottlieb

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 Miller led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Claire Webb from the Laguna Woods Globe was not present at the time the meeting started 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.

Ms. Lynn Hamm, member 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

- Connie Grundke (2214-B) commented on United's investigation into Third Mutual's lawsuit against PCM, Inc. and Associa's good-will offer to offset the legal costs.
- Marty Rubin (895-A) encouraged residents to contribute to the Laguna Woods Foundation which is used to assist residents in need.

- Mary Stone (356-C) stated that United's Management Agreement should be contracted with GRF and not PCM.
- Maxine McIntosh (68-C) thanked the Board for allowing Members to speak.

RESPONSE TO MEMBER COMMENTS

- Sandra Gottlieb responded to Ms. Stone's comment about the Management Agreement and stated that such topic is being looked into.
- Director Dalis commented on treating employees well.

APPROVAL OF MINUTES

The Board reviewed and approved without objection the minutes of the Regular meeting of May 10, 2011.

CHAIR'S REMARKS

President McNulty provided an analogy with the unrest in the Community and spoke to United's goal to move forward in a positive direction; indicated that the Board has eliminated its GRF Highlights from its agenda, unless it is related to United Mutual, and encouraged residents to attend or watch the GRF Board meetings; encouraged residents to attend the upcoming budget meetings to voice their opinion; and spoke in honor of the memory of former United and GRF Director Bea McArthur.

NEW BUSINESS

No new business came before the Board.

OLD BUSINESS

The Board waived the reading of the proposed resolution approving a smoking restriction policy on Mutual property, which was postponed from last month to satisfy the 30-day notification requirements. Director Copley moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Ms. Gottlieb stated that it is not the purpose of the Board's resolution to enforce the City Ordinance.

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

RESOLUTION 01-11-103

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.

The Board waived the reading of the proposed resolution adopting revisions to the General Requirements to all Alteration Standards, which was postponed from last month to satisfy the

30-day notification requirements. Director Copley moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Members Mary Stone (356-C) and Maxine McIntosh (68-C) spoke to the resolution.

By a vote of 7-2-1 (Directors Beldner and Allen opposed and Director Miller abstained), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-11-104

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.

GENERAL MANAGER'S REPORT

Mr. Storage commented on the construction progress of the new Golf Building and encouraged residents to follow the construction through the webcam on the Laguna Woods Village website; provided a status update on the City Centre Park and the City's plan to change the configuration of Santa Maria; and updated the membership on the ongoing GRF projects within the Community and at the Clubhouses. Mr. Storage also 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 Pass and Non-Resident Member Pass Program are under-way and applications are now being accepted; provided details of the Annual Vehicle Decal Replacement Program; announced that State Senator Mimi Walters will be holding a Town Hall meeting regarding Identity Theft and Fraud Prevention on June 17, 2011 at Clubhouse One; and announced that GRF and the PC Club will be holding free website classes on June 16, 2011 and June 22, 2011.

CONSENT CALENDAR

Without objection the Consent Calendar was approved as written.

Maintenance and Construction Committee:

RESOLUTION 01-11-105

RESOLVED, June 14, 2011, that the request of Mr. Christopher John Dwyer of 111-H Via Estrada to retain concrete stain on the patio and entry 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 111-H; 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 Member shall be noticed for a Hearing due to the rules violation.

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 01-11-106

RESOLVED, June 14, 2011, that the request of Mr. Ayman Asadi, Power of Attorney for 149-A Avenida Majorca to retain the second floor window at the 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 149-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 the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the Member shall be noticed for a Hearing due to the rules violation; 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 01-11-107

RESOLVED, June 14, 2011, that the request of Mr. David Baxter of 523-A Calle Aragon to retain a wrought iron fence and gate at 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 523-A; and

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

RESOLVED FURTHER, that the Member shall be noticed for a Hearing due to the rules violation; 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 01-11-108

RESOLVED, June 14, 2011, that the request of Mr. and Mrs. Gordon Richiusa of 603-G Avenida Sevilla to retain a window air conditioner at their 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 01-11-109

RESOLVED, June 14, 2011, that the request of Ms. Lupe Jimenez of 605-C Avenida Sevilla to install photovoltaic solar panels on the roof of her manor is hereby approved; and

RESOLVED FURTHER, that all costs and maintenance of the alteration, present and future, including replacement of broken roof shingles, are the responsibility of the Mutual member(s) at 605-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 codes, including regulations regarding installation of solar panels; and

RESOLVED FURTHER, that all costs associated with tile roof replacement above and beyond the typical costs for tile roof replacement due to the solar panel installation shall be borne by the Member(s) at 605-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.

RESOLUTION 01-11-110

RESOLVED, June 14, 2011, that the request of Ms. Gia DeSilva of 665-B Via Los Altos to retain lattice on the patio of 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 01-11-111

RESOLVED, June 14, 2011, that the request of Mrs. Melinda Holquin, Power of Attorney for 672-B Via Mendoza to retain lattice on the patio wall of the 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.

Landscape Committee Recommendation:

No meeting was held.

Finance Committee Recommendations:

RESOLUTION 01-11-112

WHEREAS, Member ID 947-391-55 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, June 14, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-391-55; 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 01-11-113

WHEREAS, Member ID 947-403-77 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, June 14, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-403-77; 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 01-11-114

WHEREAS, Member ID 947-424-49 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, June 14, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-424-49; 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.

Director Allen 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

- Director Beldner commented on the City's plan to impose a 5% tax increase and the installation of wi-fi.
- Director Brians reported from the GRF Security and Community Access and the Government and Public Relations Committee.

DIRECTORS' FORUM

- Director Dalis commented on the addition of foreign language channels.
- Director Gerson stated that Bea McArthur will be dearly missed.
- Director Miller wished everyone a Happy Father's Day.
- Director Beldner commented on coyote sightings in the Community and strongly encouraged residents to not feed the wildlife or stringent violations will be imposed, and to contact the Laguna Beach Animal Control if coyotes are seen roaming the Community.

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 10:58 A.M. and reconvened into the Regular Executive Session at 11:04 A.M.

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

During its Regular Executive Session meeting of May 10, 2011, the Board reviewed and approved, without objection, the minutes of the Regular Executive Session of April 12, 2011, the Special Executive Session of April 18, 2011, the Special Executive Session of April 21, 2011, the Special Executive Session of April 26, 2011, the Special Executive Session of May 2, 2011, and the Special Executive Session of May 4, 2011. The Board heard two (2) regular disciplinary hearings and imposed fines totaling \$800 for violations of the Mutual's rules and regulations; and discussed litigation, contractual, and other member disciplinary matters.

During its Special Executive Session meeting of May 26, 2011, the Board discussed member disciplinary and personnel matters.

During its Special Executive Session June 8, 2011, the Board discussed personnel matters.

The Traffic Committee of the Board met in Executive Session on May 18, 2011 to discuss member disciplinary issues.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:30 P.M.

Barbara Copley, Secretary