

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

October 16, 2008

The Board of Directors of Laguna Woods Mutual Fifty, a California non-profit mutual benefit corporation, met at 2:00 P.M. on Thursday, October 16, 2008 at 24055 Paseo del Lago West, Laguna Woods, California.

Directors Present: Ruth Mervis, Chair, Janet Schwartz, Dick Gray, Richard Wurzel, Keith Wallace

Directors Absent: None

Others Present: Judie Zoerhof, Milt Johns, Kim Taylor

1. Call to Order:

Ruth Mervis, Chair, stated that it was a regular meeting of the Corporation and that a quorum was present. The meeting was called to order at 2:00 P.M.

2. Pledge of Allegiance to the Flag:

Director Schwartz led the membership in the Pledge of Allegiance to the Flag.

President Mervis announced guests, Ruth May and Marty Rhodes.

Director Ruth May and Marty Rhodes addressed the Board and Members.

3. Approval of the Minutes

The minutes of the Regular meeting of September 18, 2008 were approved as submitted.

4. President's Comments

President Mervis reported on the Guest Quarters, Sunday Brunch and stated that the next Towers Open House is scheduled for December 9.

5. Old Business

a. Approve Rules for Residents Parking in Guest Parking Area

Director Wallace read a proposed resolution approving the rules for residents parking in guest parking area. Director Wallace moved to approve the resolution. Director Wurzel seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-52

WHEREAS, Mutual Fifty has very limited Guest Parking in the parking circle directly in front of the Towers; and

WHEREAS, this space has been designated "Guest Parking" and guests who visit the Towers park for a shorter visit time than residents who have designated carport space;

NOW THEREFORE BE IT RESOLVED, October 16, 2008 that the Board of Directors hereby assigns the semi-circle of parking places directly in front of the Towers as Guest Parking only with the following exception:

On the rare occasion when a resident arrives home late at night and wishes to park in front of the Towers rather than risk the carport area in the dark, violations will not be issued if the car is moved by 9:00 a.m. the following morning;

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

b. Approve Policy of Residents to Notify Maintenance Prior to Proceeding with Contracted Work

Director Wallace read a proposed resolution approving a policy for residents to notify Maintenance before proceeding with contracted work in manors. Director Wallace moved to approve the resolution. Director Wurzel seconded the motion.

Member Herb Parker (308) commented on the resolution.

By a vote of 4-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-53

WHEREAS, the electrical wiring within the walls and the plumbing within the walls is the property of Mutual Fifty; and

WHEREAS, changes made in this plumbing or wiring can affect all of the residents by nuisance, repair costs, and complications after resale;

NOW THEREFORE BE IT RESOLVED, October 16, 2008 the Board of Directors of this Corporation hereby approves the policy that ALL work done in every unit that requires changes in plumbing or electrical wiring MUST be brought to the attention of the Maintenance Department and the necessary Permits must be obtained; and

RESOLVED FURTHER, that failure to notify the Maintenance Department of alterations shall be cause for disciplinary action which may include monetary penalties; and

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

c. Approval to Allow Two Pets in Manors

Director Wallace read a proposed resolution allowing only two pets in manors. Director Wallace moved to approve the resolution. Director Gray seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-54

WHEREAS, Mutual Fifty has an existing Pet Policy with regard to pets permitted in the Towers; and

WHEREAS, the Board has recently considered requests from individuals who wish to be allowed two small pets;

NOW THEREFORE BE IT RESOLVED, October 16, 2008 that the Board of Directors of this Corporation hereby approves the following Pet Policy:

Policy Statement

A pet must be licensed, inoculated and spayed or neutered. A copy of the license and a veterinarian's certificate verifying the aforementioned must be presented when applying for a permit. The pet must weigh no more than twenty (20) pounds with Board approved exceptions.

All dogs, cats or other household pets authorized to be kept within a dwelling unit are required to have a permit issued by the Mutual.

The pet owner is required to appoint a pet guardian who will be responsible for the care of the pet in case of an emergency or when the owner is not available. If the guardian is not available within 24 hours of the emergency, or owner's absence, the animal shelter will be notified.

An identity collar must be on the animal at all times, identifying the owner, manor, and pet's name.

The pet owner must submit a current Certificate of Insurance with their application, which provides homeowner's insurance coverage for any damage done by the pet to persons or Mutual property with a minimum coverage of \$250,000 per occurrence.

Rules for two dogs or two cats – The Pet Policy shall apply to those requesting to purchase or move-in with two pets.

Rules and Regulations

The ability of a resident to keep a pet is, as set forth above, subject to the following rules and regulations which are founded on health and safety considerations of all Mutual residents, visitors and guests.

1. No pet shall be permitted within the common area outside and/or inside the buildings unless restrained by a leash, not to exceed six (6) feet, and in the charge of a person competent to restrain and control the pet. Owners with two pets shall use the elevator to the tunnel exit exclusively and avoid the common area lounges. This request is made so that the control of multiple dogs on a leash does not cause a trip hazard.
2. Pets are only permitted in interior common areas when leaving their residence to the elevator and from the elevator to the nearest exit and must be on a leash at all times.
3. No pet shall be permitted to urinate or defecate within the common area except within the grass areas north of Tower I and west of Tower II. Fecal waste shall be removed forthwith and placed in a sealed double plastic bag by the owner or person in charge of the pet before placing in the trash chute.
4. Pet owners shall not allow their pets to obstruct or interfere with the right of other residents, guests or visitors, or annoy them by unreasonable noises at any time.
5. At the loss or demise of one pet, the owner shall maintain only one pet.
6. Pets must be kept free of fleas at all times.
7. The Mutual's staff is not responsible for the cleanup or disposal of pet refuse.
8. During housekeeping services, the pet must be restrained or out of the manor.
9. Pet litter is never to be disposed of in toilets. Pet owners will receive a service charge if toilets become clogged because of the above.
10. There will be a \$25 cleanup charge to the owner of the pet who soils the common area.
11. Visitors with pets must comply with all rules pertaining to pets in Common Area.
12. Pet owners must comply with all pet related requirements of Laguna Woods Mutual Fifty and the City of Laguna Woods.

Disciplinary Procedures:

All pet related complaints will be investigated. After due notice of hearing, and opportunity for the resident to present his or her case, the matter will be considered by the Mutual's Board of Directors. The Board may take all disciplinary action authorized by the Mutual's bylaws including, but not limited to, 1) a fine; 2) payment of the corporation's attorney fees incurred in enforcing the pet regulations; 3) removal of the pet; or 4) termination of the occupancy of the resident in Mutual Fifty.

All Guide Dogs and personal assistance animals are exempt.

RESOLVED FURTHER, that Resolution M50-07-09 dated March 15, 2007 is hereby superseded and canceled; and

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

d. Approve Policy for Clean-up of Bio-Hazardous Waste in Manors

Director Wallace read a proposed resolution approving a policy for cleaning up bio-hazardous waste in manors. Director Wallace moved to approve the resolution. Director Wurzel seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-55

WHEREAS, Blood born pathogens are considered hazardous material and can cause illness in those who clean up body fluids; and

WHEREAS, there are costs associated with this clean-up and those costs are the responsibility of the resident;

NOW THEREFORE BE IT RESOLVED, October 16, 2008 the Board of Directors of this Corporation hereby approves the rate for cleaning bio-hazardous material to be the Chargeable Service rate based on time required for clean up, including the period of time taken to disinfect the extractor, the towel replacement rate charged by the vendor, and the rate for the Bio-hazard kit;

RESOLVED FURTHER, that at the discretion of the Facilities Supervisor the clean up task may be contracted out at the expense of the resident; and

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

e. Approve Policy for Disposal of Large Items

Director Wallace read a proposed resolution approving a policy for the disposal of large items. Director Wallace moved to approve the resolution and Director Gray seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-56

WHEREAS, from time to time Residents request Staff to dispose of large items for the Resident; and

WHEREAS, the trash hauler charges Mutual Fifty for disposing of large items at the rate of \$20 per item regardless of the size of the item; and

NOW THEREFORE BE IT RE RESOLVED, October 16, 2008 that the Board of Directors of this Corporation hereby approves the policy for disposing of large items to be at the Chargeable Service rate plus any amount charged to Mutual Fifty by the trash hauler for disposal of these items;

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

f. Approval of Policy for Additional Resident Owned Door Locks

Director Wallace read a proposed resolution approving a policy with regard to the installation of individual unit door locks. Director Wallace moved to approve the resolution and Director Schwartz seconded the motion.

Members Herb Parker (308), Leon Manheimer (802), Pearl Zweibach (861), Ruth Simons (401), Mary Chabot-Wayman (860) commented on the resolution.

By a vote of 2-2-0 (Directors Wallace and Schwartz voted in favor) with President Mervis breaking the tie, the motion carried and the Board of Directors adopted the following resolution.

RESOLUTION M50-08-57

WHEREAS, Mutual Fifty's Covenants, Conditions, and Restrictions, (CC&R's) Article I, Section 22 provide that the doors and windows are the property of the Mutual member; and

WHEREAS, the CC&R's do not state that the individual members own the locks and that the Mutual has maintained control of the locks and the distribution of keys since the inception of the Towers; and

WHEREAS, Mutual Fifty Board of Directors has a duty to exercise due care for the residents safety in those areas under their control; and

WHEREAS, the CC&R's Article III, Subsection 5 provides that the Mutual or any person authorized by the Mutual may enter any Unit in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible;

WHEREAS, such entry shall be made with as little inconvenience to the Owner as practicable;

NOW THEREFORE BE IT RESOLVED, October 16, 2008 the Board of Directors hereby approves the following policy with regard to the installation of individual unit door locks;

1. The Mutual shall keep the master keys in a secured area, for the use only by authorized staff;
2. If a Mutual Member installs an additional lock (or locks), the Member shall be required to provide the Mutual with keys to all such locks, which keys should also be stored in a secured area;
3. The Mutual would be entitled to use the keys solely for the purposes set forth in the Mutual's CC&R's, Article III Subsection 5. Except in emergency circumstances, the Mutual should provide written notification to the Unit owner; and obtain the resident's written permission to enter the Unit whenever possible in the operation of their responsibilities for maintenance;
4. If a Member installs an additional lock (or locks), and fails to provide appropriate keys therefore to the Mutual, the Mutual shall take disciplinary action which may include a monetary penalty;
5. If it is necessary for the Mutual or health care providers to enter a Unit, and damage occurs because the Member has installed an additional lock or locks but has not provided the Mutual with keys therefore, the Member will be solely responsible for the cost of all repairs that are necessary.

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

6. New Business

a. Approve Installation of Hand Washing Sinks in Dining Rooms

Director Wallace read a proposed resolution approving the installation of hand washing sinks in each dining room. Director Wallace moved to approve the resolution.

Director Gray made a motion to withdraw the motion and Wurzel seconded the motion. By a vote of 4-0-0 the motion carried to withdraw the resolution.

b. Approve Reduction of Price for Sunday Brunch

Director Wallace read a proposed resolution approving a price reduction for the Sunday Brunch. Director Wallace moved to approve the resolution. Director Wallace seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-58

WHEREAS, by way of Resolution M50-08-41, adopted August 21, 2008, the Board of Directors of the Corporation approved offering a monthly brunch to Tower residents, their guests, and other members of Laguna Woods Village at a cost of \$20 per person; and

WHEREAS, the purpose of this brunch is to improve the image of The Towers in the community; and

WHEREAS, the Board of Directors found it necessary to decrease the price in order to attract more participants;

NOW THEREFORE BE IT RESOLVED, October 16, 2008, that the price of the Brunch shall be \$15.00 per adult guest and \$8.00 for children under the age of 14;

RESOLVED FURTHER, that Resolution M50-08-41, adopted August 21, 2008 is hereby amended; and

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

c. Approving Formalization of Rule Change Notification Policy

Director Wallace read a proposed resolution approving the formalization of the rule change notification policy per Civil Code §1357.130. Director Wallace moved to approve the resolution. Director Wurzel seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-59

WHEREAS, the Davis Stirling Act requires the Board of Directors of this Corporation to provide written notice of a proposed rule change to the members at least 30 days before making the rule change, and

WHEREAS, the Davis-Stirling act was written so that, in large communities such as Laguna Woods Village, the reading of a Resolution at an Open Board meeting that is broadcast on the community cable system serves as the initial notification of a proposed rule change subject to the 30-day notification requirement; and

WHEREAS, this Corporation endeavors to provide additional sources for residents to review operating rule changes being considered;

NOW THEREFORE BE IT RESOLVED, October 16, 2008, the Board of Directors of this Corporation hereby establishes the following policy for noticing proposed rule changes to the membership and method of document delivery:

- Resolutions considered by the Board affecting the membership as defined under Civil Code §1357.130 shall be read, considered, and postponed for 30 days to meet the Rule Change Notification Policy. The reading shall serve as the initial notification as required per Civil Code §1357.130.
- The managing agent, on behalf of the corporation, will endeavor to post the full text of the proposed Rule Change on the Village website after the initial notification for additional review by the Membership. The proposed Rule Change shall also be promulgated to the various Village media.
- Copies of the full text of the Rule Change notification may also be obtained in the Village Community Center (standard copy fees will apply).
- The Board is required by statute to consider comments received during the 30-day notification period. Staff shall make available all written communications from the membership to the Board in the Board's agenda package along with the proposed rule change for the Board's consideration of the submittals.

RESOLVED FURTHER, that the purpose of this resolution is to codify existing unwritten policy; 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.

d. Approve Procedures for Document Requests

Director Wallace read a proposed resolution approving the procedures for request for corporation documents. Director Wallace moved to approve the resolution. Director Wurzel seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-60

WHEREAS, California Civil Code 1365.2 requires that, under a certain time limit, homeowner associations shall fulfill requests and make available to Members copies of accounting books and records of the corporation, as well as other specified documents; and

WHEREAS, by way of email, residents periodically send service requests, as well as document requests, to individual Directors instead of through normal procedures; and

WHEREAS, the Board thoroughly discussed the legal implications of the response by Directors who receive requests for Corporate business by way of email; and

WHEREAS, based on the advice of corporate counsel, and due to the size of Laguna Woods Village, the Board of Directors of Mutual Fifty agreed upon a policy on the use of email correspondence for Corporation-related business between members of the Community and their Board of Directors; and

NOW THEREFORE BE IT RESOLVED, October 16, 2008, that the Board of Directors hereby codifies its existing policy requiring that any and all written requests for association records are made via conventional mail or in writing and delivered in person to the Administration Office at the Towers, and that any requests for corporate records will not be fulfilled by way of email requests, either by the Board of Directors or staff members; and

RESOLVED FURTHER, that any Member wishing to communicate with the Board via email, or requesting service shall be processed through the proper channels by way of Property Services; 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.

e. Approve Recording of Delinquent Assessment Lien for Member ID 932-962-39

Director Wallace read a proposed resolution approving to record a delinquent assessment lien for Member ID 932-962-39. Director Wallace moved to approve the resolution. Director Gray seconded the motion.

By a vote of 4-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION M50-08-61

WHEREAS, Member ID 932-962-39 is currently delinquent to Laguna Woods Mutual Fifty 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, October 16, 2008, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-962-39; and

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

7. Member Comments

- Pearl Zweibach (861) commented on insulated window film on the windows and emergency entrances
- Juanita Malone (459) commented on placing insulated film on the windows

8. Financial and Budget Report:

Director Wurzel presented the Treasurer's report and answered questions from the members.

9. City of Laguna Woods:

Dr. Brenda Ross reported on behalf of the City of Laguna Woods.

10. Standing Committee Reports:

- a. **Activities Committee:** Lorna Ingram reported on behalf of the Activities Committee.
- b. **Business Planning Committee:** No report was given.
- c. **Information and Orientation Committee:** Freda Sullivan reported on behalf of the Information and Orientation Committee.
- d. **Architectural Control Committee:** No report was given.

11. GRF Committees:

- a. **Community Activities Committee:** No report was given.
- b. **Finance:** No report was given.
- c. **Broadband Services Committee:** Director Wurzel reported on behalf of the Broadband Services Committee.
- d. **Government and Public Relations Committee:** Director Gray reported on current legislation.
- e. **Bus Services Committee:** Director Schwartz reported on behalf of the Bus Services Committee.
- f. **Select Audit Committee:** No report was given.

12. Golden Rain Foundation

Mr. Milt Johns reported on the October 7, 2008 Golden Rain Foundation Board Meeting.

13. Resale and Leasing Reports

Mr. Milt Johns reported on the year-to-date resale and leasing activity.

14. Discussion Items

There were no discussion items.

15. Administrator's Report

Judie Zoerhof reported that there will be a disaster drill on November 13th.

16. Directors' Forum

No comments were made under Directors' Forum.

Recess

The meeting recessed at 3:25 P.M. and reconvened into Executive Session at 3:35 P.M.

During its September 18, 2008 Regular Executive Session Board Meeting, the Board reviewed and approved the Minutes from the August 21, 2008 Regular Executive Session and considered a foreclosure date.

There being no further business to come before the Board, the meeting was adjourned at 3:55 P.M.

Keith Wallace, Secretary