

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

June 13, 2006

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Tuesday June 13, 2006, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Ray Barrett, Don Tibbetts, Linda Wilson, Beth O'Brien, Jim McNulty, Bevan Strom, Connie Grundke, Burns Nugent, Ken Hammer, Mary Stone

Directors Absent: Larry Dersh

Others Present: Milt Johns, Patty Fox, Janet Price (9:59 A.M. – 10:13 A.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp

CALL TO ORDER

Ray Barrett, President of the Corporation, chaired 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 Linda Wilson led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Cheryl Walker of the Laguna Woods Globe was acknowledged as present, and the Channel 6 Camera Crew were acknowledged as present by way of remote cameras.

RESIDENTS FORUM

- Jerry Sheinblum (3488-C) announced the time change for the next CCA Townhall meeting at Clubhouse Three on June 15 at 9:00 A.M. for the Fraud Fest
- Pamela Grundke (2214-B) announced the next Resident's Voice Meeting on June 15 at 6:30 P.M. at CH One re: Mutual Management, and indicated that the Voice is not soliciting money for legal advice
- Len Peverieri (76-P) commented on establishing a resident hotline
- Harold Eisenberg (873-B) commented on Security issues
- Ruth May (671-B) commented on cost of restoring piping

APPROVAL OF AGENDA

The agenda was approved as submitted.

APPROVAL OF MINUTES

The Minutes of the Regular Meeting of May 9, 2006 were approved as amended by moving the "moment of silence" statement prior to the Pledge of Allegiance.

OLD BUSINESS

Susan Smith, Chair of the Nominating Committee announced that the Committee is now interviewing and accepting applications to fill four vacancies on the Board.

Director Connie Grundke made a motion to remove from the table the motion to approve the real estate sign policy. The motion was seconded and carried unanimously.

The Secretary of the Corporation, Director Beth O'Brien, read a proposed resolution on real estate signage. Director O'Brien moved to approve the resolution. Director Mary Stone seconded the motion.

By a unanimous vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-06-48

WHEREAS, to protect the aesthetic integrity of Laguna Woods Village, and further to prevent the diminishment of the surrounding beauty of the Community, it is necessary to establish architectural guidelines with respect to real estate signage;

NOW THEREFORE BE IT RESOLVED, June 13, 2006 that the Board of Directors of this Corporation hereby adopts the following policy regarding the temporary placement of real estate signs in windows:

1. Sign Location: To be displayed in the manor window
2. Maximum Number: One per residence
3. Maximum Sign Area: The smaller of 6 square feet or 20% of the window area
4. Maximum Character Size: 12 inches
5. Sign Copy: Pertaining only to the sale, rent or lease of the manor
6. Sign Material: Wood, metal, or rigid poster board
7. Sign Illumination: None permitted
8. Permit Requirement: None

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 Stone made a motion to remove from the table the motion to approve the new election procedures. Director Linda Wilson seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution on the election procedures. Director O'Brien moved to approve the resolution. The motion was seconded.

Mutual Member Iris Gorin (828-Q) addressed Director O'Brien on the procedures.

By a unanimous vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-06-49

WHEREAS, California Civil Code § 1363.03 becomes operative on July 1, 2006 and requires the adoption of rules regarding election procedures, appointment of inspectors of election, voting by secret ballot, proxy and ballot instructions, publication of election results, and retention of ballots; and

WHEREAS, California Civil Code § 1363.03 (e) requires the mailing of ballots not less than 30 days prior to the deadline for voting, which language impacts and supersedes timing requirements contained in Articles V and VIII of the United Laguna Hills Mutual By-Laws; and

WHEREAS, the United Ad Hoc Elections Committee has evaluated California Civil Code § 1363.03 and (a) identified changes that are required to the existing procedure and (b) developed a proposed election policy; and Legal Counsel has reviewed questions and issues regarding the policy;

NOW THEREFORE BE IT RESOLVED June 13, 2006 that the Board of Directors of this Corporation hereby adopts the United Membership Elections Standard Operating Procedure as attached to the official minutes of this meeting; and

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

NEW BUSINESS

Director Linda Wilson made a motion to rescind the opposition to AB 2100 (Laird) Reserve Funding as recommended by the GRF Government and Public Relations Committee, and send a letter to Sacramento, under the President's signature, and offer support for the Bill based on the changes per the current terms. Director O'Brien seconded the motion and the motion carried unanimously.

CHAIRMAN'S REMARKS

President Barrett thanked the Ad-Hoc GRF Bylaw Committee for its accomplishments, and requested that the membership assist the Mutual by turning in their neighbors whose contractors may be violating the Mutual's rules pertaining to disposing of construction debris in the Mutual's trash receptacles.

GENERAL MANAGER'S REPORT

Mr. Milt Johns updated the Board on current GRF projects involving the Emergency Access Road, Home Depot slope repair, and Gate 12 East.

Ms. Janet Price entered the meeting at 9:59 A.M.

FINANCE REPORT

Director Connie Grundke reported on the Treasurer's Report and the Finance Committee.

Director Grundke provided an update on the status of the preliminary Reserve Study noting that it was just received and that it had not been reviewed.

Mutual Member Maxine McIntosh (68-C) addressed Director Grundke on the perimeter wall at Building 947.

Ms. Janet Price left the meeting at 10:13 A.M.

CONSENT CALENDAR

By way of consensus, the consent calendar was approved and the following actions were taken:

Maintenance and Construction Committee:

RESOLUTION 01-06-50

RESOLVED, June 13, 2006 that the request of Mrs. Ellen Zucker of 172-E Avenida Majorca to extend and enclose the patio of her manor is hereby denied.

RESOLUTION 01-06-51

RESOLVED, June 13, 2006 that the request of Mr. Robert Zabroski of 260-A Calle Aragon to install a washer and dryer inside the closet of Bedroom Two is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration, including any damage resulting to Mutual Property, are the responsibility of the Mutual member(s) at 260-A; and

RESOLVED FURTHER, that the Mutual Member must submit for review plans detailing all plumbing and electrical changes. The plans must be verified and approved by the City of Laguna Woods thereby indicating 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 number(s) must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-06-52

RESOLVED, June 13, 2006 that the request of Ms. Nancy Iredale of 261-D Calle Aragon to remodel the existing bathroom 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 261-D; and

RESOLVED FURTHER, that prior to the issuance of a permit, detailed site-specific construction plans, inclusive of plumbing and electrical plans, prepared, wet stamped and signed by a California licensed architect must be submitted to the Permits and Inspections Office for approval; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-06-53

RESOLVED, June 13, 2006 that the request of Ms. Marie Love of 343-D Avenida Sevilla to install a washer and dryer inside the closet of Bedroom Two is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration, including any damage resulting to Mutual Property, are the responsibility of the Mutual member(s) at 343-D; and

RESOLVED FURTHER, that the Mutual Member must submit for review plans detailing all plumbing and electrical changes. The plans must be verified and approved by the City of Laguna Woods thereby indicating 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 number(s) must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-06-54

RESOLVED, June 13, 2006 that the request to install a washer and dryer inside the closet of Bedroom Two at 535-D Via Estrada is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration, including any damage resulting to Mutual Property, are the responsibility of the Mutual member(s) at 535-D; and

RESOLVED FURTHER, that the Mutual Member must submit for review plans detailing all plumbing and electrical changes. The plans must be verified and approved by the City of Laguna Woods thereby indicating 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 number(s) must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-06-55

RESOLVED, June 13, 2006 that the request of Mr. and Mrs. Jack Siegman of 607-A Avenida Sevilla to extend the patio and construct a garden room is hereby denied.

RESOLUTION 01-06-56

RESOLVED, June 13, 2006 that the request of Mr. Feng Hsiao of 742-D Avenida Majorca to retain the unauthorized satellite dish installed on the roof of the building is hereby denied; and

RESOLVED FURTHER, that the Board hereby directs the Mutual Member to remove the unauthorized satellite dish installation within 30 days of the Board's decision on the matter.

RESOLUTION 01-06-57

RESOLVED, June 13, 2006 that the request of Ms. Rita Christie of 2002-D Via Mariposa West to reduce the height of her patio wall 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 2002-D; and

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

RESOLVED FURTHER, that prior to the issuance of a permit, detailed site-specific construction plans, including elevations, must be submitted to the Permits and Inspections office for approval; and

RESOLVED FURTHER, that the member is required to finish the wall with stucco, inclusive of the top edge, rather than capping the wall with brick.

Landscape Committee Recommendation:

514-B	Approval of request for tree removal at the Mutual's expense
602-B	Denial of request for landscape modifications
640-Q	Denial of request for clearing of shrubbery
640-B	Denial of request to trim back trees and shrubs
686-D	Approval of request for tree removals (4) at the Mutual's expense
798-A	Approval of request for relandscaping at the Mutual's expense
884-N	Approval of request for landscape modifications at Mutual's expense
2050-C	Denial of request for tree removals (2)
2053-B	Denial of request for tree removals (2)

Finance Committee Recommendation:

No recommendations were made.

COMMITTEE REPORTS and SERVICES

Director Don Tibbetts reported from the Maintenance & Construction Committee.

The Secretary of the Corporation read a proposed resolution on approving a supplemental appropriation to affix fencing to the perimeter wall near Building 947. Director Don Tibbetts moved to approve the motion. Director Jim McNulty seconded the motion. Discussion ensued.

By a unanimous vote of 9-0-0 the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-06-58

WHEREAS, a security breach occurred near Building 947 when someone cut the barbed wire atop the wall separating the alleyway behind the Willow Tree (Vons) Center and Laguna Woods Village; and

WHEREAS, the perimeter wall, constructed in the early 1960's, falls under the City of Laguna Woods jurisdiction, and which according to the current Municipal Code, repairs can only be made to the barbed wire, and any alteration must be made to conform to City standards;

NOW THEREFORE BE IT RESOLVED, June 13, 2006 that the Board of Directors hereby authorizes a supplemental appropriation of \$52,700 from the Unappropriated Expenditures Fund to affix 940 linear feet of ornamental Shepherd's Crook fencing to the current perimeter wall near Building 947; and

RESOLVED FURTHER, that additional funds may be appropriated to prune, remove, and replace current vegetation as necessary; and

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

By way of consensus the Board directed staff to temporarily install motion sensor lights near Building 947 to illuminate the inside of the wall.

Mutual Member Mary Wall (239-D) addressed Director Tibbetts on the cost of installing a refrigerator alteration.

Director Mary Stone reported from the Damage Restoration Policy Ad Hoc Committee.

The Secretary of the Corporation read the following resolution on a Damage Restoration Policy:

RESOLUTION 01-06

WHEREAS, over the past five years, costs associated with repair by outside services of units and buildings damaged within United Laguna Hills Mutual have increased significantly; and

WHEREAS, presently, the Mutual pays the insurance deductible when the source of the damage is not caused by actions of the member, lessee or guest; and

WHEREAS, Article 11(a), Section (2) and Article 12 of the General Conditions of the Occupancy Agreement specifically state that any restoration and repair of redecoration, alterations, additions, fixtures or improvements installed by the Member or any predecessor of the Member shall be made by the Member, at the Member's expense;

NOW THEREFORE BE IT RESOLVED, August 8, 2006 that the Board of Directors of this Corporation hereby approves the Restoration Policy (Exhibit

One, attached to the official minutes of this meeting), which states that Members are responsible for repairs and/or replacement of upgrades, redecoration, and improvements to the Unit. The Mutual will provide an allowance for standard restoration and that Members continue to be responsible for damage they cause; 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 O'Brien moved to approve the resolution. Director Ken Hammer seconded the motion. Discussion ensued.

Mutual Members Maxine McIntosh (68-C) commented on the policy regarding resident caused damage; Mary Wall (239-D) commented on water heater damage; and Iris Gorin (828-Q) commented on HOA insurance.

Director McNulty made a motion to table the motion to satisfy the statutory thirty-day notification requirements. Director Wilson seconded the motion and the motion carried unanimously.

Director Ken Hammer reported from the Landscape Committee.

Mutual Member Pamela Grundke (2214-B) commented on balcony clutter policies; and Mary Wall (239-D) inquired about the cost of the relandscape/retrofit program.

Director Linda Wilson reported from Resident Relations Information Services.

President Barrett reported from the United Looks Ahead Committee.

Director McNulty reported from the Joint Ad Hoc GRF Bylaw Committee and announced the vote count taken at the May 31, 2006 Corporate Members Meeting, and thanked the Committee Members for their work.

Mutual Members Maxine McIntosh (68-C) commented on the timeline for HUD approval; Iris Gorin (828-Q) commented on HUD approval; and Pamela Grundke (2214-B) on behalf of the Resident's Voice, thanked those Directors who voted in favor of the proposed Bylaw changes.

Director O'Brien reported from the Election Procedures Ad Hoc Committee.

Director O'Brien made a motion to direct staff to request proposals for outsourcing the election process at a cost not to exceed \$25,000 to be expended from the appropriate operating budget. Director Wilson seconded the motion. Discussion ensued.

Mutual Member Iris Gorin (828-Q) commented on the Inspector's role during an election.

By a unanimous vote of 9-0-0 the motion carried.

The Directors reported from the GRF Committees to which they are assigned.

Mutual Members Maxine McIntosh (68-C) addressed Director Bevan Strom on her CAC report; Pamela Grundke (2214-B) commented on eminent domain; Jerry Sheinblum (3488-C) commented on elder abuse; Ken Bennett (942-A) and Jerry Sheinblum (3488-C) commented on disarming the Security Guards; Denny Welch (5517-1C) announced the free OCTA train rides from the Laguna Niguel train station.

DIRECTORS' FORUM

- Director Grundke commented on GRF security service levels
- Director Hammer encouraged the residents to direct concerns through the Property Services department prior to contacting the Directors directly
- Director Tibbetts welcomed back Cheryl Walker
- Director Stone announced the Golf Cart/Car Workshop on June 30
- Director Wilson commented on an Eminent Domain proposition on the November County Ballot
- Director O'Brien thanked Staff for cul-de-sac 209 carport repairs, and encouraged the residents to volunteer their services as an Inspector of Election

MEETING RECESS

The regular meeting recessed for lunch at 12:06 P.M. and reconvened into Executive Session at 12:57 P.M.

During its May Regular Executive Session, the Board approved the Regular Executive Session Minutes of March 14, 2006; discussed personnel, contractual, and litigation matters; and heard five (5) Disciplinary Hearing matters, imposed fines totaling \$900, and reaffirmed previous fines totaling \$680 for violations of the Mutual's rules and regulations.

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

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:08 P.M.

Elizabeth M. O'Brien, Secretary

UNITED MEMBERSHIP ELECTIONS STANDARD OPERATING PROCEDURE

1. Definitions

- a. Election Records - tabulated ballots, voided ballots, voided Pre-addressed Return Envelopes, Eligible Voter List(s), tally sheets, returned ballot packages, ballots received after the election deadline, and any other used and unused ballots
- b. Member in Good Standing – a Member who is:
 - i. Not more than thirty (30) days delinquent in payment of any Carrying Charges or Special Assessments due to the Corporation.
 - ii. Not subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Association’s governing documents.
 - iii. Not subject to any suspension of common area privileges or other membership rights as a result of any disciplinary proceeding conducted in accordance with the Association’s governing documents.
 - iv. Not found to be in current violation of any of the Association’s governing documents, including Rules and Regulations and Architectural Guidelines.
- c. Secretary – an elected member of the Board of Directors who has been appointed as Secretary by the Board.
- d. SOP – This United Membership Elections Standard Operating Procedure.
- e. Submit – deliver a document to the Secretary through the Assistant Secretary at the Corporate address: 24351 El Toro Road, Laguna Woods, California.

2. Appointment of Nominating Committee

- a. NOMINATING COMMITTEE. The Nominating Committee shall consist of five (5) or seven (7) Members of the Corporation. (By-Laws: Art. VIII Sec. 1)
- b. APOINTMENT OF COMMITTEE MEMBERS. Any Member in good standing who is not currently a Director on either the United or Golden Rain Foundation Board may be recommended for Membership on the Nominating Committee upon the submission of his or her name to the Secretary not later than the appointed hour of the second regular meeting of the Board of Directors following the organizational meeting provided in Section 6 of Article VI. . . [During the first regular Board meeting of each calendar year], the Board shall determine the number of members who shall serve on the Nominating Committee and members of the committee shall be appointed by the Board from among those persons so recommended and they shall serve until their successors are appointed... (By-Laws: Art. VIII Sec. 2)

- c. Members of the Nominating Committee shall not be candidates for or related to candidates for the United Mutual or GRF Board of Directors. Additionally, Members of the Nominating Committee shall not be Inspectors of Election or related to Inspectors of Election.

3. Nomination Process

- a. All candidates seeking to run in any Election of Directors shall meet the following criteria:
 - i. All candidates must be Members of record as defined by the Corporation's governing documents.
 - ii. All candidates must be members in good standing as defined under Section 1.b. of this SOP.
 - iii. All candidates must reside within United Mutual a minimum of nine (9) months out of each year.
- b. The Nominating Committee, from time to time, shall prepare, revise and maintain at the principal office of the Corporation a list of Members who, in its opinion, are qualified, willing and able to serve as Directors of the Corporation. (By-Laws: Art. VIII Sec. 3 (a))
- c. At least eighty (80) days before each annual meeting of the Members, the Nominating Committee shall nominate candidates for election as Directors by submitting the names of candidates to the Secretary and shall advise each potential candidate by hand delivery within twenty-four (24) hours [thereafter] whether such member has or has not been nominated. (By-Laws: Art. VIII Sec. 3(b), revised)
- d. Any Member in good standing who was not selected as a candidate by the Nominating Committee may self-nominate at least seventy (70) days before each annual meeting of the Members by submitting a written declaration to the Secretary of the Corporation that states his or her intention to run for the Board of Directors. (see Civil Code §1363.03(a)(3)) **EXCEPTION:** Should Civil Code§1363.03 be amended at any time in such a way that nomination by petition as provided for in California Corporations Code Section 7521 (b) is allowed, the previous statement shall be replaced by the following: "Any Member in good standing may nominate himself or herself by submitting a petition signed by Members representing one hundred (100) current memberships to the Secretary of the Corporation at least seventy (70) days before the annual meeting."
- e. Each candidate, [whether nominated by committee, petition, or self,] shall submit to the Secretary a statement of background and qualifications not to exceed two hundred fifty (250) words in length not less than [sixty-five (65)] days prior to the annual meeting. The Secretary shall forward all such statements to each Member with the ballot required by Section 9 of Article V. For purposes of filling vacancies on the Board by the Members, the Nominating Committee shall nominate candidates to fill any vacancy or vacancies at least ten (10) days before the mailing of the notice of meeting of

the Members to fill such vacancy or vacancies. (By-Laws: Art. VIII Sec. 3(c) revised)

- i. Resolution U-93-29 establishes the following guidelines for the preparation of the statement of candidate's background and qualifications:
 1. The statement shall be similar to the information provided to the nominating committee on the initial resumé form;
 2. The form may include: Education, Business Background, Civic & Social, and community activities;
 3. "Activities" shall be: organized events, clubs, hobbies or any unique activity;
 4. Date and place of birth shall be considered optional information;
 5. Statement of personal philosophy on community affairs (optional).

Prior to distribution of the candidate statements to the membership, each candidate shall review his or her statement and initial the final statement before the ballot package is printed to ensure that the information has not been altered or redacted.

- f. Any candidate or spouse of a candidate who has a direct or indirect financial interest in any business organization or who is a director, officer or employee of any business, or agency of any county, state or federal government (other than a charitable organization), incorporated or otherwise, which engages in business transactions with the Corporation, shall disclose such relationship to the Nominating Committee at the time of their interview before said Nominating Committee.
 - i. Failing to disclose such relationship shall, when ascertained, immediately disqualify the candidate, or if ascertained after the candidate shall be elected as a Director to the Board of Directors of the Corporation, shall immediately disqualify the Director from further service on the Board thereby creating a vacancy to be filled by the Board of Directors as provided in Section 4(e) of Article VI. (Bylaws, Art. VIII Sec. 3(d))
- g. Candidates must disclose the fact that they have significant outside time consuming commitments such a[s] full time or significant employment responsibilities to care for other[s] or extensive travel plans which could impact on the time available to conduct Board Business. (Bylaws, Art. VIII Sec. 3(e))

4. Eligibility to Vote

- a. Only persons approved for Membership by the Board of Directors and to whom a membership certificate has been issued (or the Member's successor trustee) shall be entitled to vote. (see By-Laws, Art. II Sec. 4)

- b. No Member shall be eligible to vote who is shown on the books of account of the Corporation to be more than thirty (30) days delinquent in payment of any Carrying Charges or Special Assessments due to the Corporation under his or her Occupancy Agreement or otherwise, and who has been given notice thereof and the opportunity for a hearing concerning the delinquency and loss of voting rights. (By-Laws: Art. V Sec 8(a)(i))
- c. Single Memberships in which two or more Members have a joint or undivided interest shall have only one (1) vote. (By-Laws: Art. V Sec. 8(a)(ii))
- d. Record Date for Written Request to Action Without a Meeting. The record date for determining the Members entitled to vote by ballot on corporate action without a meeting shall be twenty (20) days before the day on which the first written ballot is mailed or solicited. (By-Laws: Art. V Sec. 10(d))

5. Candidate Equal Access to Association Media

- a. No member shall be provided access to association media within thirty (30) days of an association election for the purpose of campaigning for an election at the association's expense. For purposes of this paragraph, "association media" means the association's website and/or association cable channel. The term "within thirty (30) days of an association election" shall mean the thirty (30) days prior to and the thirty (30) days following the date the first election ballot material is sent to the membership for the election of the Board of Directors.
- b. In each election for the Board of Directors, the association shall hold a forum ("Meet the Candidates") for the nominees within a Golden Rain Foundation (GRF) facility prior to the date that the ballot materials are sent to the Membership. Meet the Candidates will be for the purpose of allowing the Membership to meet and ask questions of all nominees. All nominees standing for election shall be invited to attend the forum and must appear in person so that all candidates participating in "Meet the Candidates" are on an equal footing.
- c. Golden Rain Foundation (GRF) meeting rooms shall be available to candidates free of charge for campaign purposes only if all candidates running for the Board of Directors are invited to participate in the meeting or campaign function. (Civil Code § 1363.03 (a)(2))
- d. Any time a ballot measure is required to be sent to the Membership for approval which is unrelated to the election of directors, such as amending the Bylaws or the Occupancy Agreement, the association shall hold a town hall meeting - not a formal membership meeting, but an informal gathering of members in which members can express their points of view.

6. Appointment of Inspectors of Election

- a. The Board of Directors shall appoint one (1) or three (3) Inspectors of Election. An Inspector of Election shall, at the Board's discretion, be a

member of the association in good standing as defined under Section 1.b of this SOP, an independent third party that specializes in the administration of elections with whom the Board executes a contract, or a combination of the two. (see Civil Code 1363.03 (c)(2))

- b. An Inspector of Election shall be not be a member of the United or GRF Board of Directors, a candidate for either Board of Directors, or related to a candidate for either Board of Directors. Additionally, an Inspector of Election shall not be a member of the Nominating Committee or related to a member of the Nominating Committee. (Civil Code 1363.03 (c)(2))
- c. Inspectors of Election shall not be employees of the managing agent; however, employees of the managing agent may assist the Inspector(s) of Election with their duties except for the counting and tabulation of the votes.
- d. Inspectors of Election who are members of the association must be prepared to commit to a substantial workload during preparation of the ballots for mailing and between the time the returned ballots are received and the time when they are counted and tabulated at an open meeting.
- e. If the Board contracts with an independent third party as an Inspector of Election pursuant to Section 6.a of this SOP, the provisions for verifying voter eligibility contained in Section 7.e of this SOP may be adapted to meet the requirements of an electronic processing system used by the contractor.

7. Duties of Inspectors of Election

- a. Determine the number of memberships entitled to vote and the voting power of each membership. (Civil Code § 1363.03 (c)(3)(a))
 - i. Eligible Voter List:

Thirty days prior to the mailing of ballots the Inspectors of Election shall approve an Eligible Voter List that identifies all Members who are eligible to vote pursuant to Section 4 of this SOP.
- b. Determine when the polls shall close. (Civil Code § 1363.03 (c)(3)(f))
 - i. The Inspectors of Election shall determine the date that ballots must be received in accordance with California Civil Code Section 1363.03 (e), which states "Ballots...shall be mailed not less than 30 days prior to the deadline for voting." The deadline shall be incorporated into the voter instructions and adopted by the Board of Directors in the form of a resolution.
- c. Oversee the Mailing of the Ballot Package
 - i. Obtain certification from the preparer of the ballot packages that all necessary items were enclosed in each Ballot Package Mailing Envelope and that the envelopes were properly addressed to all members on the Eligible Voter list.
 - ii. Ensure that Ballot Package Mailing Envelopes are sent by first class mail to ensure that all members receive ballots in a timely manner.

- iii. Obtain a statement from the post office indicating the number of ballot packages mailed.
- d. Receive ballots. (Civil Code 1363.03 (c)(3)(C))
 - i. Ballot Return Instructions
 1. The ballot itself is not signed by the voter, but is inserted into the Secret Ballot Envelope, which is sealed. The Secret Ballot Envelope is then inserted into the Pre-Addressed Return Envelope, which is also sealed. In the upper left hand corner of the Pre-Addressed Return Envelope, the voter shall both print and sign his or her name, address, and the unit number that entitles him or her to vote. (see Civil Code § 1363.03 (e)(1))
 2. The Pre-Addressed Return envelope is addressed to the inspector or inspectors of election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector or inspectors of election. The member may request a receipt for delivery. (see Civil Code § 1363.03 (e)(2))
 - a. Return by Mail
 - i. The Pre-addressed Return Envelope shall be addressed to a restricted-access post office box used solely for the receipt and storage of voted ballots. Ballots shall be released only at a specified time on the ballot return deadline date and only to the Inspectors of Election.
 - ii. A second post office box may be used for ballot packages returned as undeliverable.
 - iii. Members who desire a receipt for delivery of a mailed ballot shall mail the ballot by Certified Delivery – Return Receipt Requested at the Member’s expense.
 - b. Return by Hand Delivery
 - i. Ballots returned by hand shall be deposited by the Member into a locked and secure ballot box located in the lobby of the Community Center, 24351 El Toro Road, Laguna Woods.
 - ii. At the request of the voting Member, the management staff shall provide a receipt for the hand delivered ballot.
 - iii. Inspectors shall retrieve Pre-addressed Envelopes from the locked ballot box daily and date stamp them.

3. All Pre-addressed Return Envelopes received shall remain sealed until they are opened and tabulated in public. The association shall reserve a secure room at the Community Center (24351 El Toro Road, Laguna Woods) for use by the Inspector(s) of Election.
- e. Verify voter eligibility.
 - i. Count and record the number of Pre-addressed Return Envelopes received from the post office.
 - ii. Count and record the number of Pre-addressed Return Envelopes received by hand delivery.
 - iii. Order the Pre-addressed Return Envelopes by address, which corresponds with the Eligible Voter List. This process may be automated (i.e. barcodes).
 - iv. Void (but do not open) any Pre-addressed Return Envelope, which does not contain information that identifies the member as an eligible voter. (See Section 7.d.i.1 above)
 - v. Void (but do not open) any Pre-addressed Return Envelope that is a duplicate vote.
 1. Revocation. No written ballot may be revoked after deposit in the mails or delivery to the Corporation. (Bylaws, Art. V Sec. 9(e))
 2. If a voter returns two Pre-addressed Return Envelopes, the Inspectors of Election shall determine which ballot to count. Usually the original ballot should be counted and the other Pre-addressed Return Envelope should be voided.
 - vi. Resolve any challenged ballots. If possible, this should be done before any ballot envelopes are opened and counting begins.
 - vii. Record and explain the reason for each voter eligibility decision made.
 - viii. Prior to the counting and tabulation of ballots, the Inspectors of Election may open the Pre-addressed Return Envelope after each voter's eligibility is established and remove (but not open) the Secret Ballot Envelope. Secret Ballot Envelopes shall be thoroughly mixed together to preserve the ballot secrecy. Observers shall not be permitted to handle any Secret Ballot Envelopes or ballots.
 - ix. The sealed ballots at all times shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote, at which time custody shall be transferred to the association. (Civil Code 1363.03(h))
 - f. Count and tabulate the votes.

SECRET BALLOT ENVELOPE
(Do not write your name or any identifying information on this envelope.)

3-5/8" x 6-1/2" (No. 6-1/2 envelope)

ii. Sample Pre-addressed Return Envelope

Name _____
Address _____

Signature _____

United Mutual Inspectors of Election

3-7/8" x 8-7/8" (No. 9 envelope)

iii. Sample Ballot Package Mailing Envelope

United Mutual Inspectors of Election

John Doe

4-1/8" x 9-1/2" (No. 10 envelope)

9. Sample Election Notice and Voting Instructions

UNITED LAGUNA HILLS MUTUAL
ANNUAL ELECTION OF DIRECTORS

The 200__ Annual Meeting of Members will be held at Clubhouse 3 at 9:30 A.M. on Tuesday, October ____, 200__ to announce the results of the Election of Directors. The purpose of the Election of Directors is to fill ____ (__) positions, each for terms of three years.

Enclosed is a _____ colored ballot bearing the names of the candidates and the year in which their terms of office will expire. **Only a Member or Trustee of record is eligible to vote.**

Fifteen percent (15%) of the voting power of the Corporation, or 949 Member responses, is required to establish a quorum for the election. If the voting Member would simply like to

establish a quorum for the election on this ballot without actually voting for any candidate, he or she may do so by marking the oval next to "WITHHOLD" on the ballot.

VOTING INSTRUCTIONS: Please follow carefully or your vote will not be counted:

- Vote for up to ____ candidates by completely filling in the oval to the right of the candidate's name. **PLEASE USE A BLACK PEN OR #2 PENCIL ONLY.** Do not mark an " X " or " √ " or your vote may not count.
- Do not write your name or address on the ballot or on the Secret Ballot Envelope, or your vote will not be counted.
- Place the ballot in the envelope marked "Secret Ballot Envelope".
- Seal the Secret Ballot Envelope.
- Place the Secret Ballot Envelope in the Pre-addressed Return Envelope.
- Legibly print your name and manor address in the upper left hand corner of the Pre-addressed Return Envelope. **YOU MUST ALSO SIGN THE ENVELOPE ON THE INDICATED LINE.**
- Return the ballot through the U.S. Postal Service or by depositing it into the locked ballot box located in the lobby of the Community Center, 24351 El Toro Road, Laguna Woods.

Members who desire a receipt for a mailed ballot may return the ballot Certified Delivery – Return Receipt Requested at their own expense. Members who return the ballot at the Community Center may request a receipt from management staff.

If the ballot becomes damaged it may be returned to the Community Services Office for a replacement. Please call (949) 597-4369 for assistance.

A public meeting to allow the Membership to Meet the Candidates will be held and broadcast by Channel 6:

LIVE: [DATE], 200__ 10:00 AM
REPLAY: [DATE], 200__ 8:00 PM

10. Sample Unmarked Ballot

**UNITED LAGUNA HILLS MUTUAL
OFFICIAL BALLOT
FOR THE ELECTION OF DIRECTORS**

Vote for **NO MORE THAN** _____ **() CANDIDATES** whose terms will expire in 200__.

- Candidate 1
- Candidate 2

- Candidate 3
- Candidate 4
- Candidate 5

Selecting 'WITHHOLD' below will authorize this ballot to be used for quorum purposes only without casting a vote. A quorum of fifteen percent (15%) of the voting power, or 949 Member responses, is required to conduct an election of directors.

- WITHHOLD

**The Annual Meeting of the Members will be held on Tuesday,
_____, 200_____.**

**THE BALLOT MUST BE RECEIVED BY THE INSPECTOR(S) OF ELECTION BY
5:00 PM ON _____ 200_____.**