

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

July 14, 2009

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Tuesday July 14, 2009, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Lloyd Foster, Bevan Strom, Linda Wilson, Marty Rubin, Maxine McIntosh, Paul Vogel, John Dalis, Marv Rosenhaft, Mike Curtis

Directors Absent: Gail McNulty, Arlene Miller

Others Present: Milt Johns; Patty Kurzet; Bill Hart of HKC and Janet Powers of Fiore, Racobs and Powers (9:30 A.M. – 9:57 A.M.); and Janet Price (12:03 P.M. - 12:15 P.M.)
Executive Session: Milt Johns, Patty Kurzet, Luis Rosas

CALL TO ORDER

Lloyd Foster, 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 Bevan Strom led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

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

APPROVAL OF AGENDA

Director Wilson made a motion to move Agenda item 10(a) *Entertain Motion to Approve a Revised Recall Election Ballot* to after the approval of the agenda. Director Strom seconded the motion and discussion ensued. By a vote of 7-1-0 (Director Curtis opposed), the motion carried.

Without objection, the Board approved the agenda as amended.

The Secretary of the Corporation, Director Linda Wilson, read the following proposed resolution to approve a revised recall election ballot as proposed by Director Curtis.

RESOLUTION 01-09

WHEREAS, the Board of Directors of this Corporation held a Special Open Board Meeting on June 26, 2009 to approve the election ballot to recall four United Board Directors; and

WHEREAS, by way of a motion that was duly made and seconded, the Board approved the recall election ballot as presented;

NOW THEREFORE BE IT RESOLVED, July 14, 2009, that the Board of Directors of this Corporation hereby approves the revised version of the recall election ballot; and

RESOLVED FURTHER, that the Board of Directors hereby rescinds its motion to approve the previous ballot made at its June 26, 2009 Special Open Board Meeting; and

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

Director Rubin made a motion to approve the resolution. Director Wilson seconded the motion and discussion ensued.

The Directors asked questions of legal counsel of the format.

Director Curtis stated that the proposed format follows the format for state elections.

Ms. Powers reminded the membership that the board-approved recall ballot is formatted for a homeowner's association which is governed by the corporations and civil codes. She stated that there is no legal basis for applying the Election Code which governs public elections. She explained the reason for the "abstain" portion of the ballot, and that it is fair, legal, and appropriate to have the "abstain" box on the ballot which gives the membership a right to exercise its privilege and right to vote without voting "yes" or "no."

Director Rosenhaft made a motion to close debate. The motion was seconded and carried unanimously.

Members Connie Grundke (2214-B); Charlene Sydow (646-A); Mary Wall (239-D); and Harry Rockey (236-A) expressed their sentiments on how the current ballot is worded; Ron Beldner (203-C) commented on the difference between public laws and HOA laws; Rhoda Lindner (2013-C) and Ken Hammer (797-B) commented on the ballot.

By a vote of 1-7-0 (Director Curtis voted in favor) the motion to approve the revised ballot failed.

Mr. Hart and Ms. Powers left the meeting at 9:57 A.M.

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

- Harry Rockey (263-A) commented on replacing the directors to be recalled at the next director election
- Dick Sharp (887-Q) Chair of United Nominating Committee announced that the Nominating Committee is looking for candidates for the United Board
- Mary Stone (356-C) commented on the recall, stated that the cost of the election is not in the best interest of the Community; and commended each Director to be recalled for their excellent services to the Community
- Ellen Tominello (271-O) inquired on the authorization of approval of the Mutual's bills and commented in favor of the recall
- James Mathews (500-C) thanked the Board and PCM for their professional and friendly services, and commented on voting No on the Recall
- Rhoda Lindner (2013-C) commented on recycling in the community
- Connie Grundke (2214-B) commented on the Board members not acknowledging the Incentive Plan, the Directors lack of action, and the need for the recall
- Charlene Sydow (646-A) commented on the exclusion of Director Curtis from closed session meetings and the discussion of the Incentive Plan in closed session
- Robert Kahn (271-P) commented on service levels and the wording of the recall election ballot
- Lynn Hamm (747-C) commented on PCM's professionalism and commented on voting no on the recall
- Sandra Feigelman (254-A) commented on allowing PCM to receive bonuses and thanked PCM for their excellent services and commented on voting no on the recall
- Mary Wall (239-D) commented on PCM's services
- Frankie Henry (679-C) commented on the reasons for the recall
- Barbara Sanchez (2105-Q) commented on the friction caused in the community due to the recall and the need to follow procedures that have been in place for years
- Anna Kahn (271-P) thanked Director Curtis for his support
- Mike Straziuso (4006-2E) commented on the issue of the \$5.4 million payout on the Incentive Plan and the savings to the Community, and stated that the recall is affecting the entire community and is an unnecessary expenditure

President Foster announced that the 30 minute time limit for Member Comments has expired, and without objection, the Board agreed to extend the time for the remaining speakers.

- Lois Le Fevre (2140-C) commented on the unnecessary expense of the recall and voting no on recall
- Henrietta Gawronski (52-C) commented on PCM's excellent services
- Patience Pye (947-E) commented on PCM services and need for transparency
- Ron Beldner (203-C) commented on the Board's fiduciary duty to maintain confidentiality which was the reason the Board banned Director Curtis' from closed session
- Kay Margason (510-C) commented on the Board's neglect of accountability and transparency and the need for a forensic audit
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting

RESPONSE TO MEMBER COMMENTS

- Director McIntosh commented on conducting business of the Mutual and explained the Board's open board meeting procedures
- Director Dalis commented that Mr. Grundke and Ms. Sydow were on the Board when the incentive plan discussions were held during closed sessions and that they had a chance to change the budget during their time on the Board
- Director Rosenhaft encouraged residents to run for the Board and thanked Ms. Linder for her recycling report
- Director Strom commented on accrual basis accounting and addressed the comments on the Incentive Plan
- Director Curtis commented on the alleged secret Incentive Plan and its payout, and responded to Mr. Beldner's comment on his reason the Board banned him from closed sessions
- Mr. Johns addressed the comments relating to the Incentive Plan and clarified comments and repeated misstatements
- Director Wilson commented that the Incentive Plan has been a part of the Management Agreement for years and that she has known about the Plan during her term on the Board

The Board addressed Director Curtis' misinformation about the Incentive Plan.

APPROVAL OF MINUTES

The Board reviewed the Minutes of the Regular Meeting of May 12, 2009

Director Curtis made a motion that the Board includes his hand written changes to the May 12, 2009 Regular Board Meeting. Director Strom seconded the motion and discussion ensued. By a vote of 1-7-0 (Director Curtis opposed) the motion failed.

Without objection, the Board approved the Minutes of the Regular Meeting of May 12, 2009 as written.

Without objection, the Board reviewed and approved the Minutes of the Regular Meeting of June 9, 2009 as written.

Without objection, the Board reviewed, revised, and approved the Minutes of the Special Meeting of June 19, 2009 as amended.

Without objection, the Board reviewed, revised, and approved the Minutes of the Special Meeting of June 26, 2009 as amended.

CHAIR'S REMARKS

President Foster read a press release that clarified the reason why the Board found it necessary to change Inspectors of Election for the Recall Election and that there is no conspiracy, no secret story, no hidden agendas, and encouraged the membership to carefully and fairly consider the facts and evaluate what they read and make decisions accordingly.

NEW BUSINESS

The Secretary of the Corporation read a proposed resolution to approve a Unity resolution. Director Wilson moved to approve the resolution. Director Dalis seconded the motion and discussion ensued.

Director Strom amended the resolution to replace the word "resident" with the word "member" throughout the resolution. Director Wilson seconded the motion and the motion carried unanimously.

Director McIntosh made a second amendment to the resolution to change the word "support" to "respect" in the 5th paragraph. Director Curtis seconded the motion and discussion ensued.

Director Strom left the meeting at 11:30 A.M.

By a vote of 4-3-0 (Directors Curtis, McIntosh, Rosenhaft, Vogel voted in favor, and Director Strom was out of the meeting), the amendment passed.

Director Strom returned to the meeting at 11:38 A.M.

Director Curtis made a third amendment to add a paragraph: "WHEREAS, the Board of Directors wish to express dedication to trust, truth, and transparency for the members." Director Strom seconded the motion and discussion ensued.

By a vote of 1-7-0 (Director Curtis voted in favor), the amendment failed.

Members Charlene Sydow (646-A), Mary Stone (356-C), and Ellen Tominello (271-O) commented on the necessity of the resolution.

By a vote of 7-1-0 (Director McIntosh opposed) the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-09-158

WHEREAS, the Boards of Directors and every ~~resident~~ **member** of Laguna Woods Village has an ongoing vested interest in the well-being of the community and the public image it projects; and

WHEREAS, the Boards of Directors of the Golden Rain Foundation, United Mutual, Mutual 50 and Third Mutual wish to stand united as leaders of this community to defend the reputation of Laguna Woods Village and the property interests of each and every ~~resident~~ **member**;

NOW THEREFORE BE IT RESOLVED, July 14, 2009, that this Board intends to pursue proactive measures to maintain balance, productivity and civilized discourse to the governance of Laguna Woods Village; and

RESOLVED FURTHER, that this Board hereby pledges to join the three other community boards to foster a positive and truthful representation of this community; an

RESOLVED FURTHER, that this Board will express support *respect* for all democratically elected board members in Laguna Woods Village regardless of their views as long as they fulfill their duties, obey the bylaws and conduct themselves with respect and decorum, and

RESOLVED FURTHER, that this Board will work to foster democratic practices that ensure that the opinions and desires of the larger community are acknowledged, respected and observed.

The Secretary of the Corporation read a proposed resolution to rescind Resolution 01-09-157 and to approve to single source the recall election services to Martin and Chapman. Director Wilson moved to approve the resolution. Director Rubin seconded the motion and discussion ensued.

Director Curtis amended the resolution to include the words “as the Inspectors of Election” at the end of the 4th paragraph. Director Wilson seconded the motion and discussion ensued.

Director Rubin left the meeting at 11:57 A.M.

By a vote of 7-0-0 (Director Rubin was absent from the meeting), the amended motion carried.

By a vote of 7-0-0 (Director Rubin was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-09-159

WHEREAS, by way of Resolution 01-09-123, the Board agreed to contract with TrueBallot to provide election services for the United Recall; and

WHEREAS TrueBallot asked for additional funding to continue to provide said services and the Board of Directors approved an additional appropriation by way of Resolution 01-09-157; and

WHEREAS, the Board of Directors has since terminated the contract with TrueBallot and has directed the award of another contract, by way of single sourcing to Martin and Chapman (single sourcing due to the timing of the election, Martin and Chapman’s competitive pricing, and their familiarity with the Community.)

NOW THEREFORE BE IT RESOLVED, July 14, 2009, that the Board of Directors of this Corporation hereby rescinds Resolution 01-09-157, and approves to single source the recall election services to Martin and Chapman ***as the Inspectors of Election***; and

RESOLVED FURTHER, that Resolution 01-09-123 adopted June 9, 2009 is hereby amended; and

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

OLD BUSINESS

The Secretary of the Corporation read a proposed resolution formalizing a policy regarding the use of a Neighbor Awareness Form regarding alterations. Director Wilson moved to approve the resolution. Director Rosenhaft seconded the motion.

Director Rubin returned to the meeting at 11:59 A.M.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-09-160

WHEREAS, the Board of directors recognizes that many policies have been implemented by way of practice over the years but not formally documented:
and

WHEREAS, the United Mutual Architectural, Maintenance and Planning Committee recommends that the Board of Directors document specific policies:

NOW THEREFORE BE IT RESOLVED, July 14, 2009, that the Board of Directors of this Corporation hereby approves a policy that requires that a Mutual Member who submits an Application for Alteration Permit or a Variance Request for an alteration that in any way impacts neighboring manors must obtain all impacted neighbors' signatures on the Neighbor Awareness form(s) and submit the signed form(s) or an appropriate Certificate of Mailing receipt(s) to the Permits and Inspections office prior to the issuance of either a report on the subject, in the case of non-standard alterations, or a Mutual permit, in the case of standard alterations; and

RESOLVED FURTHER, that no Variance Request nor standard alteration request shall be considered, no permit shall be issued, and no construction shall begin prior to the receipt of required Neighbor Awareness form(s) or an appropriate Certificate of Mailing receipt(s); and

RESOLVED FURTHER, that should an affected neighbor(s) express concern in writing over a proposed alteration, approval of the alteration will be required by the Board prior to the issuance of a permit; 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

No comments were made.

CONSENT CALENDAR

Without objection, the Consent Calendar was approved, and the following actions were taken:

Architectural, Maintenance and Planning Committee

RESOLUTION 01-09-161

RESOLVED, July 14, 2009, that the request of Ms. Georgia Smith of 87-A Calle Aragon to retain a doggie door 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 87-A; and

RESOLVED FURTHER, that a required Mutual permit for the entry door alteration must be obtained from the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-09-162

RESOLVED, July 14, 2009, that the request of Mr. and Mrs. James Stoelker of 123-B Via Estrada to retain the non-standard painted front doors at their manor is hereby denied.

RESOLUTION 01-09-163

RESOLVED, July 14, 2009, that the request of Mr. Safa Movassaghi of 215-B Avenida Majorca to perform a bathroom remodel at his 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 215-B; and

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

RESOLVED FURTHER, that detailed site specific plans, wet-stamped and signed by a California licensed architect or engineer detailing the required plumbing modifications necessary to ensure that the integrity of the building's plumbing system is maintained upon completion of the bathroom remodel, must be submitted to the Permits and Inspections office located in the Laguna Woods Village Community Center prior to issuance of a permit.

RESOLUTION 01-09-164

RESOLVED, July 14, 2009, that the request of Mr. Tejbhan Ghanshani of 230-B Avenida Majorca to extend the front patio slab, extend the front patio block wall, and install a wood patio cover at his manor is hereby approved; and

RESOLVED FURTHER, that all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 230-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 Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the patio and block wall extensions are constructed adhering to United Mutual Standards Section 8 for *Block Walls* and 22 for *Patio Slab Extensions*; and

RESOLVED FURTHER, that all landscape, irrigation, and drainage modifications associated with the alteration are to be completed by the Landscape Division at the expense of the Mutual Members(s) at 230-B; and

RESOLVED FURTHER, that a Roof Tie-In form must be submitted to the Permits and Inspections office prior to the issuance of a Mutual permit.

RESOLUTION 01-09-165

WHEREAS, Members residing in manors 440-A, 440-B and 440-D requested that the Mutual repaint the black metal patio gates at their manors to match the trim color of the building ("Smoke White"); and

WHEREAS, the building was painted in April 2009 as part of the Mutual's 2009 Exterior Paint Program and the gates were painted black per Mutual policy;

NOW THEREFORE BE IT RESOLVED, July 14, 2009, that the request from the Members residing at Building 440 for a color change on the gates at Building 440 is hereby denied.

RESOLUTION 01-09-166

RESOLVED, July 14, 2009, that the appeal request of Mr. Dinesh Patel of 706-A Avenida Sevilla to construct a room addition on the front patio to his manor is hereby denied.

RESOLUTION 01-09-167

RESOLVED, July 14, 2009, that the appeal request of Mr. Dinesh Patel of 706-A Avenida Sevilla to install a Satellite Dish on the roof of his manor is hereby denied.

Landscape Committee Recommendation:

580-N Denial of request for tree maintenance and additional trees

Finance Committee Recommendations:

RESOLUTION 01-09-168

WHEREAS, Member ID 947-364-18 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, July 14, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-364-18; 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 01-09-169

WHEREAS, Member ID 947-403-44 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, July 14, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-403-44; 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 01-09-170

WHEREAS, Member ID 947-433-46 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, July 14, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-433-46; 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 01-09-171

WHEREAS, Member ID 947-449-88 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, July 14, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-449-88; 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.

Items Postponed from Previous Meeting

No items came before the Board.

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

Director Paul Vogel gave the Treasurer's and the Finance Committee Reports.

Ms. Janet Price entered the meeting at 12:03 P.M.

The Secretary of the Corporation read a proposed resolution authorizing the transfer of a surplus of \$375,000 from the Operating Surplus to the Replacement Fund. Director Wilson moved to approve the resolution. Director Vogel seconded the motion and discussion ensued.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-09-172

WHEREAS, according to the Davis-Stirling Act, a Common Interest Development shall not retain significant operating surplus (funds that are not needed to defray current operating costs); and

WHEREAS, at December 31, 2008, United Laguna Hills Mutual had a cumulative operating surplus of approximately \$755,000. During the preparation of the 2009 Business Plan, the Board agreed to reduce the 2009 operating budget by \$380,000 in order to reduce member assessments. The remaining amount of 2008 cumulative surplus is \$375,000;

NOW THEREFORE BE IT RESOLVED, July 14, 2009 that the Board of Directors of this Corporation hereby authorizes the transfer of surplus of \$375,000 from the Operating Surplus to the Replacement Fund; 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.

Ms. Price left the meeting at 12:15 P.M.

Director Marv Rosenhaft reported from the Architectural, Maintenance and Planning Committee.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$3,300 to plant a hedgerow at the top of the slope and install a cedar line post and rail fence with warning signs at the top and bottom of the slope in Cul de Sac 11. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

By a vote of 8-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-09-173

WHEREAS, an unauthorized walking path worn into a slope bordered by Buildings 884 and 878 and two guest parking areas in Cul De Sac 11 was discovered; and

WHEREAS, in the past the Mutual replanted areas of unauthorized pathways with plants that make it difficult for pedestrians to access or use the path, however, due to the steepness of the slope and because the path is actively being used, the Mutual should do more than just replant the area;

NOW THEREFORE BE IT RESOLVED, July 14, 2009, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$3,300 from the Contingency Fund to plant a hedgerow at the top of the slope and install a cedar line post and rail fence with warning signs at the top and bottom of the slope in Cul de Sac 11 to deter further attempts to travel the slope; 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 Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation in the amount of \$7,000 to install signage stating "No Storage" on the exterior face of the closet doors as a reminder to residents to not store any personal belongings in the water heater closet. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Director Curtis amended the motion to change the words "Personal belonging/property" with "items". Director Strom seconded the motion and discussion ensued. By a vote of 7-1-0 (Director Wilson opposed), the motion carried.

Without objection, the Board agreed to remove the number "220" in the first paragraph.

By a vote of 8-0-0, motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-09-174

WHEREAS, there are currently ~~220~~ freestanding laundry rooms in United Mutual and each has an enclosed closet attached to the laundry room which houses the water heater(s) that supplies the hot water to the laundry room washing machines; and

WHEREAS, several instances have been noted where residents have stored their ~~personal property~~ **items** in these water heater closets; and

WHEREAS, by way of resolution 01-07-59, storage of any type of material in areas not approved by the Mutual for Member storage in property owned by this Corporation shall not be permitted and shall be removed and the property restored, if necessary, at the expense of the Member; and that that the improper or unsafe storage of any item or materials that creates a substantial and material threat to the health, safety and well-being of all residents is strictly prohibited;

WHEREAS, the Orange County Fire Authority confirms that the storage of any personal belongings in any water heater closet proposes a potential fire hazard and is not to be permitted; and

NOW THEREFORE BE IT RESOLVED, July 14, 2009, that the Board of Director hereby prohibits the storage of any ~~personal belongings~~ **items** in any water heater closet, and Mutual Members in violation of this policy may result in member disciplinary action; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$7,000 from the Contingency fund to install signage stating "No Storage" on the exterior face of the closet doors as a reminder to residents to not store any ~~personal belongings~~ **items** in the water heater closet; 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 Linda Wilson reported from the Landscape Committee.

Director Marty Rubin reported from the Resident Relations Information Services.

Director Maxine McIntosh reported from the Traffic Committee.

GRF HIGHLIGHTS

Due to time constraints and without objection, the Directors waived the GRF Committee reports.

DIRECTORS' FORUM

- Director Curtis announced a meeting held at Clubhouse One about answering questions on the recall
- Director Rosenhaft commented on the upcoming meetings for residents against the recall
- Director Strom commented on Director Curtis' effort to recall four Directors
- Director Dalis thanked PCM for their hard work.

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 12:41 P.M. and reconvened back into the Regular Executive Session at 1:30 P.M.

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

During its Special Executive Session Meeting of June 23, 2009 the Board discussed contractual matters.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:17 P.M.

Linda Wilson, Secretary