

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

March 8, 2011

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, March 8, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Gail McNulty, Arlene Miller, Harold Allen (closed session only), John Dalis, Ron Beldner, Barbara Copley, Heather Gerson, Libby Marks, Cynthia Chyba, Roger Turner, Catherine Brians

Directors Absent: Harold Allen (open session only)

Others Present: Jerry Storage, Patty Kurzet, Sandra Gottlieb of Swedelson & Gottlieb, and Janet Price (11:12 A.M. – 11:45 A.M.)

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

CALL TO ORDER

Gail McNulty, President of the Corporation, chaired and opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established and the meeting was called to order at 9:30 A.M.

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 Turner led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Claire Webb from the Laguna Woods Globe was not present at the time the meeting started, and the Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as amended by moving the request of *2014-B for the Mutual to replace their flood damaged alteration patio carpet* from the Maintenance and Construction Consent Calendar to be discussed under the Maintenance and Construction Committee Report; and moving the requests of *917-A for a water wise garden* and *2037-B for a paved area and benches* from the Landscape Consent Calendar to be discussed under the Landscape Committee Report.

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

- Alice Chandler (14-F) commented on landscaping near her manor.
- Maxine McIntosh (68-C) thanked the Board for its land use presentation proposal held yesterday.
- Mary Stone (346-C) commented on the Board reconsidering allowing members to speak to motions, and spoke to her moisture intrusion experience and commented on the remediation process.
- Charlene Sydow (646-A) commented on the Board reconsidering allowing members to speak to motions; placing stickers on laundry room windows and doors; and spoke to United's land use proposal to GRF.
- Barbara Howard (187-A) commented on lobbying to reinstitute reverse mortgages for co-ops.
- Eugenia Francis (80-A) commented on an accomplishment of resident Erma Franklin, the Golf Building, and community outreach to protect the value of the property.
- Tony Dauer (96-C) encouraged residents to utilize the AARP tax services and Meals-on-Wheels programs; commented on ways to save water and recycling; commented on additional parking at Clubhouse One and white roofs; and announced the next Stamp and Coin Collection meeting.
- Bevan Strom (30-A) thanked the Board for its land use presentation proposal, and commented on reverse mortgages and placing stickers on laundry room windows and doors.

RESPONSE TO MEMBER COMMENTS

- President McNulty briefly responded to resident comments.
- Director Brians encouraged Ms. Howard to run for the Board.

APPROVAL OF MINUTES

The Board reviewed and approved without objection the minutes of the February 8, 2011 Regular Board Meeting.

CHAIR'S REMARKS

President McNulty announced that today is Fat Tuesday; reported that the Orange County chapter of CAI held its annual awards ceremony and announced that Ruth May, GRF Director was awarded as Speaker of the Year and Heather Gerson, United Director was awarded with the Rookie Board Member of the Year award. President McNulty commented on Director Gerson's accomplishments on the Board and services to the Community. President McNulty also read a letter in the Friends of the Village newsletter from a resident regarding "not taking the blame" for a person's actions.

NEW BUSINESS

Director Miller made a motion to allow members to speak to motions and resolutions for the March Meeting only. Director Gerson seconded the motion and discussion ensued.

Director Copley amended the motion to rescind the entire open meeting rules resolution. Director Marks seconded the motion.

Ms. Gottlieb advised that the motion to rescind the entire resolution is not appropriate at this time and should be placed on the agenda next month. The amendment was withdrawn without objection.

By a vote of 7-2-0 (Directors Beldner and Marks opposed), the original motion carried.

Director Gerson made a motion to rescind Resolution 01-09-45 (Select Audit Committee Charter) and disband the Committee because the Committee no longer exists. Director Brians seconded the motion and discussion ensued. By a vote of 10-0-0, the motion carried.

Director Allen made a motion to appoint Directors McNulty and Copley to the GRF Bylaw Ad Hoc Committee. Director Marks seconded the motion and the motion carried unanimously.

The Secretary of the Corporation, Director Barbara Copley, read a proposed resolution approving a Record Date policy. Director Copley moved to approve the resolution and Director Allen seconded the motion.

Ms. Gottlieb provided a summary of the resolution.

Director Marks left the meeting at 10:35 A.M.

Members Maxine McIntosh (68-C) and Bevan Strom (30-A) commented on the resolution.

By a vote of 8-0-0 (Director Marks was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

UNITED LAGUNA HILLS MUTUAL

RESOLUTION 01-11-45

WHEREAS, the Board of Directors (the "Board") of United Laguna Hills Mutual ("United") is required by law and by the duly enacted By-Laws of United ("By-Laws") to provide the members/shareholders (each, a "Member") notice of meetings of the Members and to distribute written ballots and/or secret ballots, as applicable, to the Members in order for the Members to vote on certain issues; and

WHEREAS, the Board is required to observe a record date, upon which the persons who are Members of United as of said record date, and whose membership/voting privileges are not suspended as of said record date, are entitled to receive notice of the meeting of the Members, written ballot, and/or a secret ballot, as applicable; and

WHEREAS, with respect to notice of Member meetings, Article V, Section 4(a) of the By-Laws requires that all notices of meetings of Members be sent not

less than twelve (12) nor more than fifteen (15) days before the date of the meeting, except for special meetings called by Members; and

WHEREAS, with respect to notice of Member meetings, Article V, Section 10(b) of the By-Laws provides that the record date for determining which Members are entitled to receive notice of a meeting of the Members is fifteen (15) days before the date of the meeting, or thirty (30) days before the date of the meeting if the meeting is a special meeting called by the Members; and

WHEREAS, with respect to eligibility for voting at Member meetings, Article V, Section 10(c) of the By-Laws provides that the record date for determining which Members are entitled to vote at a meeting of the Members is fifteen (15) days before the date of that meeting; and

WHEREAS, with respect to eligibility for voting without a meeting, Article V, Section 10(d) of the By-Laws provides that the record date for determining which Members are entitled to vote by ballot without a meeting is twenty (20) days before the day on which the first written ballot is mailed or solicited; and

WHEREAS, with respect to voting suspensions, Article V, Section 8 of the By-Laws provides that no Member shall be eligible to vote who is shown on the books of account of United to be more than thirty (30) days delinquent in payment of any regular or special assessments and who has been given notice thereof and the opportunity for a hearing concerning the delinquency and loss of voting rights;

WHEREAS, Corporations Code §7511 provides that written notice of a meeting of Members must be given not less than ten (10) [or, if the notice is provided by mail that is not first-class, certified, or registered mail, not less than twenty (20)] nor more than ninety (90) days before the date of the meeting to each Member who is a Member as of the applicable record date, which is inconsistent with the meeting notice requirements set forth in the By-Laws; and

WHEREAS, Civil Code §1363.03 requires that certain matters be voted on by the Members by secret ballot, and sets forth the procedure that is required for a secret ballot vote, which includes distributing the secret ballots to all Members no less than thirty (30) days prior to the meeting of the Members or Board at which the secret ballots will be counted, several provisions of which are inconsistent with the voting procedures set forth in the By-Laws; and

WHEREAS, The Board has determined that in practice, it is impossible or impracticable to comply with all requirements of the Corporations Code and Civil Code (collectively, the "Code"), while at the same time complying with all requirements of the By-laws; and

WHEREAS, the Board has been advised by United's legal counsel that United is obligated to comply with the Code, even when doing so is in conflict with the By-Laws and/or United's other governing documents; and

WHEREAS, the Board has determined that it is necessary to decide upon a policy that sets forth record dates that are in compliance with the Code, and in the Board's judgment, conform to the By-Laws as closely as possible.

NOW THEREFORE BE IT RESOLVED, on March 8, 2011, that the following policy pertaining to record dates is to take effect immediately upon adoption by the Board:

UNITED LAGUNA HILLS MUTUAL

RECORD DATE POLICY

A. Record Date for Notice

1. Notice of a meeting of the Members shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting, with the following qualification:
 - a. If the notice is given by mail that is not first-class, registered, or certified mail, in which case the notice shall be given no less than twenty (20) nor more than ninety (90) days before the date of the meeting.
2. Notice of a meeting of the Members shall be distributed to all persons who are Members as of the close of business of the business day prior to the day that the notice of the meeting is mailed (the "Record Date for Notice").
3. If the Record Date for Notice is more than fifteen (15) days prior to the date of the meeting of the Members, no less than ten (10) days prior to the date of the meeting, the Board will send an additional copy of the notice to all persons who were not Members as of the Record Date for Notice but who are Members as of the date that is fifteen (15) days prior to the date of the meeting of the Members.

B. Record Date for Secret Ballots

1. Secret ballots shall be distributed to the Members not less than thirty (30) days before the ballots are due, which will typically be the date of the meeting (Member or Board) at which they will be tabulated.
2. Secret ballots shall be distributed to all persons who are Members as of the close of business of the business day prior to the day that the secret ballots are mailed (the "Record Date for Secret Ballots").

3. Any person who becomes a Member following the Record Date for Secret Ballots, but no later than the date that is fifteen (15) days prior to the date of the meeting (Members or Board) at which the secret ballots will be counted, will be permitted to pick up a duplicate secret ballot from the Inspector of Election immediately preceding the close of the polls by the Inspector of Election at such meeting and cast their vote *only if* the person who was a Member as of the Record Date for Secret Ballots did not already submit a secret ballot on behalf of such Member's manor. In no event, once voted, can a secret ballot vote be extinguished, revoked and/or changed.
4. Any Member whose voting privileges are suspended as of the Record Date for Secret Ballots will not be given a secret ballot and will not be permitted to vote on the item(s) of business addressed under the particular secret ballot.

C. Record Date for Written Ballots

1. Written ballots (that are *not* secret ballots) shall be given to the members twenty (20) days prior to the date that they are due.
2. Any written ballots shall be distributed to all persons who are Members as of the close of business of the business day prior to the day that the written ballots are mailed (the "Record Date for Written Ballots").
3. Any Member whose voting privileges are suspended as of the Record Date for Written Ballots will not be given a written ballot and will not be permitted to vote on the item(s) of business addressed under the particular written ballot.

In Summary:

- The original mailings must be:
 - o For meeting notices, 10-90 days before the meeting;
 - o For secret ballots, at least 30 days before the ballots are due;
 - o For written ballots, 20 days before the date they are due.
- The record dates for the original mailings of notice of meetings, written ballots, and secret ballots shall be the close of business of the business day before the mailing.
 - o If a Member's voting rights are suspended as of said record dates, the Member shall be given notice of the meeting, but shall not be given secret ballots or written ballots.
- Additional notices/ballots must be given to Members as follows:
 - o If any person becomes a Member after the Record Date for Notice, but before the day that is 15 days prior to the meeting, the Board shall send notice to that person at least 10 days prior to the Member's meeting.

- If any person becomes a Member after the Record Date for Secret Ballots, and before the day that is 15 days prior to the meeting at which the secret ballots will be tabulated, that person will be permitted to receive a duplicate secret ballot from the Inspector of Election immediately preceding the close of the polls by the Inspector of Election and cast a vote, but only if the previous Member did not do so.

	Original Mailing	Original Record Date	Owners whose voting rights are suspended as of original record date...	Second Record Date	If there is a new Member between the original record date and the second record date...
Member Meeting Notice	10-90 days before the meeting [or 20-90 days pursuant to exception; see above]	Close of business on the business day before mailing	Still receive notice of the meeting	15 days before the meeting	United must mail the new Member the notice at least 10 days before the meeting.
Secret Ballot	At least 30 days before the ballot due date	Close of business on the business day before mailing	Do not receive secret ballot; are not permitted to vote.	15 days before the ballot due date	The new Member may pick up duplicate secret ballot materials at the meeting at which the ballots are tabulated and vote if the prior Member did not cast a vote.
Written Ballot	20 days before the ballot due date	Close of business on the business day before mailing	Do not receive written ballot; are not permitted to vote.	N/A	N/A

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

OLD BUSINESS

Director Copley made a motion to adopt the clutter and hoarding policy which was postponed from the previous meeting to satisfy the 30-day notification requirements. Director Gerson seconded the motion and discussion ensued.

Director Marks returned to the meeting at 10:40 A.M.

Members Tony Dauer (96-C) and Bevan Strom (30-A) commented on the resolution.

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

RESOLUTION 01-11-46

WHEREAS, the members/shareholders (each, a “Member”) of United Laguna Hills Mutual (“United”) have an interest in the preservation and protection of the land and improvements contained within United’s common interest development (the “Development”), including the separate interest dwelling units located within the Development (each, a “Manor”); and

WHEREAS, United has maintenance and repair responsibilities related to the Manors, excluding certain alterations to and other components of the Manors, as well as maintenance and repair responsibilities related to the areas of the Development other than the Manors; and

WHEREAS, United’s Board of Directors (the “Board”) is responsible for ensuring that United’s maintenance and repair responsibilities are carried out properly and that the Development, including, without limitation, the Manors, is maintained in a safe and clean condition to promote the general health and welfare of the “Members,” “Qualifying Residents,” “Co-occupants” and “Lessees” (used herein as defined under United’s Bylaws and collectively referred to as the “Residents”) residing at the Development; and

WHEREAS, the Board has become aware that certain Residents of the Manors have engaged in the excessive accumulation of clutter (commonly known as “hoarding”) in their Manors and that this clutter (i) is a potential health and safety risk to those Residents and the Residents of surrounding Manors, (ii) can damage or impair the improvements in the Development and (iii) may prevent United from performing certain of its maintenance and repair obligations in and adjacent to those Manors; and

WHEREAS, the Board recognizes that the Residents have a right to privacy within their respective Manors and that some Residents may have engaged or engage in hoarding due to a behavioral/psychological disorder known as “compulsive hoarding”; and

WHEREAS, the Board believes that new operating rules are necessary to reasonably limit the accumulation of clutter in the Manors to prevent damage to the Development and injury to the residents of the Development, while at the same time not intruding on the privacy of the Residents, including, without limitation, the ownership of personal property/effects, or discriminating against

any Residents whose accumulation of clutter in their Manors may be due to a behavioral/psychological disorder.

NOW THEREFORE BE IT RESOLVED, on March 8, 2011, that the following clutter and hoarding rules are to take effect immediately upon adoption by the Board:

UNITED LAGUNA HILLS MUTUAL

CLUTTER RULE

Pursuant to Article 5 of the Occupancy Agreement for each Manor, a Member may not commit or permit a nuisance in or about his/her Manor or the Development. In this context, a "nuisance" includes, without limitation, the storage of "Clutter" in a Manor. To provide for the preservation and protection of the Manors and the Development and the general health and welfare of the Residents, Clutter is not allowed in any Manor.

- (1) The definition of Clutter adopted by the Board is an excessive level of possessions maintained or kept by a Resident in his/her Manor that reasonably could and actually does:
 - (a) block or impede safe access throughout the Manor (such as blocking doors, windows or stairways, narrowing hallways and passageways, or making rooms not traversable), impairing the ability of (i) a Resident to exit a Manor quickly in the event of a fire, earthquake or other emergency, (ii) fire fighters to effectively fight a fire within the Manor, or (iii) paramedics, doctors or other medical providers to attend to a Resident in that Manor;
 - (b) create a health and safety issue in the Manor and to surrounding Manors, including, without limitation, (i) the presence of bacteria, molds, mildew or other potentially hazardous microbial or biological contaminants, (ii) the infestation of rats, mice, fleas, cockroaches and other rodents, insects and vermin, or (iii) materials that pose a threat of combustion, explosion or chemical toxicity;
 - (c) pose a threat of damage to the components of the Manor maintained by United and/or the components or surrounding Manors or other portions of the Development maintained by United, including, without limitation, (i) moisture intrusion, (ii) fire, (iii) penetration of Manor walls, floors or ceilings, or (iv) staining/marketing of improvements at the Development for which United has maintenance and repair responsibility;

- (d) impair or limit the ability of United to reasonably inspect, maintain, repair and/or replace components of the Manor, other Manors or other portions of the Development for which United has inspection, maintenance, repair and/or replacement responsibilities and/or rights;
 - (e) create an obvious and irritating odor nuisance to (i) any other Resident or (ii) any employee, representative or agent of United's managing agent during the course of performing such person's duties at the Development on behalf of United; or
 - (f) violate any health, safety, sanitation or building code requirements of any governmental agencies or bodies having jurisdiction over the Manor or the Development.
- (2) The types of possessions a Resident keeps or stores in his/her Manor from time to time that collectively can create or constitute Clutter when such possessions are kept in large quantities in an untidy or disorganized manner include without limitation:
- (a) written/printed materials, such as newspapers, magazines, books, letters, advertisements, bills, documents and mail (the content of such written/printed materials is irrelevant to United, and United only cares about the existence of written/printed materials to the extent same creates or constitutes Clutter);
 - (b) items commonly bought in large quantities, such as soap, canned foods, toilet paper, cleaning supplies and batteries;
 - (c) rubbish and refuse, such as boxes, empty food containers, food wrappers, empty glass/plastic bottles, empty food/drink cans, plastic/paper bags, used envelopes, burned out light bulbs, cigarette butts, empty cigarette packs, empty lighters, candles with wicks that have been used in their entirety, empty medicine bottles, broken electrical appliances, broken furniture, pet waste, human waste, bio-hazard waste, and other garbage and junk;
 - (d) perishable food items that are not kept within a refrigerator or freezer and become rotten or decayed; and
 - (e) clothing, cosmetics, jewelry, toys, stuffed animals, art supplies, cookware, holiday decorations, memorabilia, collections of items/objects and tools.
- (3) The Board, through certain employees and representatives of United's managing agent (the "Inspectors"), shall investigate any complaint

lodged against a Resident or Manor related to violation of this rule through an inspection of the Manor containing the alleged Clutter. The Board, the Inspectors and/or the employees, representatives or agents of United's managing agent may report a Resident and/or the Resident's Manor to local law enforcement, fire department and/or health and safety officials (collectively and individually, the "Officials") in the event a complaint is lodged against the Resident or his/her Manor related to Clutter or a violation of this rule; this report may be made to the Officials prior to and/or after an inspection of the Manor by an Inspector, as may be applicable.

- (4) In accordance with Article 17 of the Occupancy Agreement for each of the Manors at United, Residents shall be required to allow the Inspectors, upon advance notice and at reasonable times, to enter their Manor to inspect the Manor for signs of Clutter. Such inspection shall be performed in a manner least likely to invade a Resident's privacy, and shall not include an inspection of closed cupboards, closets (with the exception of utility closets) or drawers within the Manor, or a thorough inspection of the specific possessions within the Manor, but only a general inspection of the open areas of the Manor, including, without limitation, photo and/or video documentation of the condition of the open areas of the Manor, to confirm whether there is present in the Manor any of the conditions described in (1), above; with respect to any photo and/or video documentation taken within a Manor, the Member's privacy will be reasonably protected, and that photo and/or video documentation, as may be applicable, shall be used and viewed only by the Board, the Inspectors and the employees, representatives and agents of United's managing agent, as necessary, in connection with investigation into and disciplinary hearings related to potential or actual Clutter issues and enforcement of this rule. If a Resident refuses to allow an inspection of his/her Manor by an Inspector, the Member whose name is on the Occupancy Agreement for that Manor shall be called to a hearing before the Board, as described in (5), below.
- (5) Any Member who is determined to have Clutter in his/her Manor, or who refuses the Inspectors access to inspect his/her Manor for Clutter, shall be deemed to be in violation of this rule. Before any discipline is imposed by the Board upon the Member, the Member will be called to a properly noticed hearing before the Board with an opportunity to be heard regarding the allegations of Clutter in his/her Manor and discuss the inspection by the Inspectors of his/her Manor with the Inspectors and the Board.
- (6) After inspection of a Manor by an Inspector and a properly noticed hearing before the Board, as may be applicable, the Board will, in its sole and reasonable discretion, determine whether the Manor contains

Clutter. The Board will review and consider information and documentation provided by the Inspectors and any opinions and/or reports of any Officials, to the extent such opinions and/or reports exist and have been provided to the Board, in its determination of whether a Manor contains Clutter. If the Board determines that Clutter exists, the Board will notify the Member whose name is on the Occupancy Agreement for that Manor that they have fifteen (15) days after demand from United (the "Removal Period") to remove the Clutter from their Manor to ensure that none of the issues described in (1), above, exist. The Inspectors will then re-inspect that Manor after the Removal Period, upon advance notice and at a reasonable time, to confirm that the Clutter has been removed. With a determination that clutter exists, all costs incurred as a result of the clutter will be at the expense of the Member which would be added to the Member's chargeable services (accounts receivable) account and the Member will be invoiced accordingly.

- (7) Should a Member fail to remove the Clutter from his/her Manor during the Removal Period and/or fail to allow a re-inspection of his/her Manor by the Inspectors after the Removal Period, United shall have the right, after a properly noticed hearing before the Board, to (i) seek a court order to force the Member to remove the Clutter from his/her Manor, (ii) report the Member and his/her Manor to the Officials, (iii) discipline the member (including imposing monetary penalties and suspension of Membership privileges as allowed under United's governing documents) and/or (iv) cancel the Member's Certificate of Membership and initiate an unlawful detainer (eviction) action against the Member and any other Residents of the Manor.
- (8) A Member may submit a written request to the Board for an extension of the Removal Period (each such request shall be referred to as a "Request"). In order to be considered by the Board, a Request must be submitted to the Board prior to the end of the Removal Period, and any supporting documentation or information explaining why an extension of the Removal Period is necessary for the Member to appropriately remove Clutter from his/her Manor can be provided with the Request for review and consideration by the Board. There is no guarantee that the Board will approve a Request, and if the Board decides to grant an extension of the Removal Period, the length of the extension period will be established in the Board's sole discretion, and the length of such extension period may not be the same as that requested by the Member in the Request. If an extension of the Removal Period is approved, the Member will be required to remove all Clutter from his/her Manor by the end of the extension period, as may be applicable; failure by a Member to remove Clutter from his/her Manor by the end of any applicable extension period shall subject the Member to the provisions of (7), above. If a Request is not approved by the Board, the Member

submitting the Request to the Board will continue to be required to remove Clutter from his/her Manor by the end of the Removal Period, as described in (6) and (7), above. In no event will Clutter be allowed to remain indefinitely in any Manor due to the potential harm to Residents and the Development that such Clutter may lead to, as described in (1), above.

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.

The Board discussed including the hoarding policy with the annual mailings. Director Beldner recommended that resolutions of significance to United Mutual be included in the mailing packets that are issued twice per year to the Membership.

Member Bevan Strom (30-A) commented on the resolution.

Ms. Gottlieb advised that the Board can add an item to the agenda, after it is posted, upon receiving an affirmative vote by 2/3rds of the Board.

Director Marks made a motion to add to the agenda, a discussion on including a list of resolutions in the annual mailing packet. Director Gerson seconded the motion and the motion failed by a lack of a 2/3rds vote.

Without objection, the Board directed Director Gerson to add the discussion to the next Finance Committee agenda.

Director Copley made a motion to approve the revised criteria for consideration of standard additional walkway lighting which was postponed from the previous meeting to satisfy the 30-day notification requirements. Director Brians seconded the motion and discussion ensued.

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

RESOLUTION 01-11-47

WHEREAS, in 2002, by way of Resolution U-02-156, the Board approved the Common Area Lighting Request Form which sets out the criteria, based on a 2002 Lighting Study, to approve a request for common area lighting; and

WHEREAS, since the 2002 Lighting Study is considered outdated due to multiple installations in the eight years since the study, and the Maintenance and Construction Committee is reviewing a more updated lighting system report, the Committee recommends that use of the 2002 Lighting Study be discontinued and new criteria be established;

NOW THEREFORE BE IT RESOLVED, March 8, 2011, that the Board of Directors of this Corporation hereby discontinues the criteria set out in the Common Area Lighting Request Form for decisions regarding walkway lighting, and hereby approves the following criteria as a standard to consider additional walkway lighting:

- The location is not within 20 feet of another light source, including lights on buildings, laundries, carports, and/or walkways; and
- The location is a change in direction (either a T-intersection of walkways or a significant abrupt turn in the walkway); and/or
- The location is at an abrupt change in elevation (specifically a step or stairs in the walkway).

RESOLVED FURTHER, that the Board of Directors hereby authorizes use of the existing general maintenance operating budget in the amount of \$4,200 to install 6 new walkway lights; and

RESOLVED FURTHER, that reference to Common Area Lighting will be more appropriately called Walkway Lighting and a Walkway Lighting Request Form shall be created accordingly; and

RESOLVED FURTHER, that Resolution U-02-156, adopted November 12, 2002 is hereby amended as to the Walkway Lighting Request Form; 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 the following proposed resolution adopting a policy for Mutual laundry room furniture and to authorize a supplemental appropriation of \$9,200 for bench installation, and authorize an unbudgeted expenditure of \$1,300 for removal of non-standard furniture, which was postponed from the previous meeting to conform to the 30-day notification requirement:

RESOLUTION 01-11-

WHEREAS, United Mutual does not have a standard policy in place that identifies the furniture items allowed in common area laundry rooms, and over the years, residents have placed many different types of furniture in the rooms such as tables, plastic chairs, bookcases, couches, and recliners that could present potential problems due to their age and state of disrepair;

NOW THEREFORE BE IT RESOLVED, April 12, 2011, that the Board of Directors of this Corporation hereby adopts a policy prohibiting personal

furnishings to stay in the common area laundry rooms and the Mutual would provide a standard bench to be placed in each facility; and

RESOLVED FURTHER, that the Board hereby authorizes a supplemental appropriation in the amount of \$9,200 from the Replacement Fund to install additional benches in the laundry rooms; and

RESOLVED FURTHER, that Staff will coordinate the removal of all non-standard furniture from the laundry rooms with the City's bulky item trash service at a cost of \$1,300 funded as an unbudgeted operating expenditure in the General Maintenance 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.

Director Copley made a motion to postpone the resolution to the April meeting to satisfy the 30-day notification requirements. Director Gerson seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution approving the use of Swan Corp Swanstone[®] acrylic solid surface product as the Mutual standard tile tub and shower surround replacement material for all bathroom tub and shower surround wall repairs, which was postponed from the previous meeting to conform to the 30-day notification requirement:

RESOLUTION 01-11-

WHEREAS, United Mutual performs tile repairs in response to resident requests and in response to problems discovered during manor resale inspections; and

WHEREAS, environmental requirements for lead abatement became effective in 2010, and the Mutual must now execute the required steps to contain the latent lead contaminants in household items such as tile, when repairs are made, and recent testing has indicated that much of the tile currently in place in the Mutual contains lead in the glaze; and

WHEREAS, recent tile repair activity indicates that on average, there are about 10 tile repairs per year that require a full demolition of the tile in the bathroom tub or shower, and these type of repairs are seen as candidates for alternative materials that may result in reduced costs to the Mutual;

NOW THEREFORE BE IT RESOLVED, April 12, 2011, that the Board of Directors hereby adopts the use of Swan Corp Swanstone[®] Acrylic Solid Surface Product as a Mutual standard tile tub and shower surround

replacement material for bathroom tub and shower surround wall repairs that would be sufficiently extensive to require a full demolition of the wall tile to perform repairs provided the wall underneath is structurally sound; 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 Copley made a motion to postpone the resolution to the April meeting to satisfy the 30-day notification requirements. Director Gerson seconded the motion and the motion carried unanimously.

GENERAL MANAGER'S REPORT

Mr. Jerry Storage reported on the ongoing projects in the Community that impact United Mutual residents including United Mutual's lighting project, CDS 67 flooding area, and United Mutual water heater electrical upgrades. Mr. Storage provided a summary of Clubhouse projects; reported on the City's plan to change the configuration of Santa Maria from Gate 8 to Moulton Parkway to accommodate "golf cart only" traffic lanes in both directions; reported on the City's plan to construct a two-thirds acre City Centre Park between vacant GRF property in the Gate 16 area and the drive leading up to the El Toro water reservoirs; commented on the Moulton Parkway Smart Street project; and congratulated Directors Ruth May and Gerson for their CAI awards.

Ms. Janet Price entered the meeting at 11:12 A.M.

CONSENT CALENDAR

Director Miller made a motion to remove the request of *653-N Avenida Sevilla to retain the wood floors in the manor*, placing it under the Maintenance and Construction Committee Report for discussion. Director Gerson seconded the motion and the motion carried with Director Copley opposing. Without objection the Consent Calendar was approved as amended.

Maintenance and Construction Committee:

RESOLUTION 01-11-48

RESOLVED, March 8, 2011, that the request from Mr. Frank Del Ponte of 547-B Via Estrada to extend the patio and install an enclosure at his manor is hereby denied; and

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

RESOLUTION 01-11-49

RESOLVED, March 8, 2011, that the request from Ms. Sally Rosoff of 588-A Avenida Majorca for the Mutual to exclude her interior common area patio walls from the Mutual's 2011 Exterior Paint Program is hereby approved; and

RESOLVED FURTHER, that the Board hereby considers the paint applied to the walls of the patio to be an alteration; and

RESOLVED FURTHER, that all costs and maintenance for the alteration, present and future, are the responsibility of the Mutual Member(s) at Manor 588-A; and

RESOLVED FURTHER, that all costs for any future repairs to Mutual-controlled property required due to the alteration, are the responsibility of the Mutual Members(s) at Manor 588-A; and

RESOLVED FURTHER, that a required Mutual permit for the painted patio walls must be obtained through the Permits and Inspections Office located in Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the Member shall be noticed for a hearing in accordance with the Board's directive in May 2010 at which time the Board determined that if members fail to get alteration permits they would automatically be noticed of a hearing; and

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

RESOLUTION 01-11-50

RESOLVED, March 8, 2011 that the appeal request of Mr. Charles Dobyms, Sr. of 737-C Avenida Majorca to retain the satellite dish on the fascia at his manor is hereby denied; and

RESOLVED FURTHER, that the Board hereby requires the removal of the subject dish at the Member's expense within 30 days of the Board's decision on the matter; and

RESOLVED FURTHER, that the Member shall be noticed for a Hearing due to the rules violation; and

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

RESOLUTION 01-11-51

RESOLVED, March 8, 2011, that the request from Ms. Anna Dugan of 756-C Avenida Majorca for the Mutual to install a walkway light at the intersection of the sidewalk that enters Cul de Sac 66 and the walkway that leads to manor 756-C is hereby approved; and

RESOLVED FURTHER, that the cost of the installation shall be funded from the existing maintenance operating budget in the amount of \$770; and

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

Landscape Committee Recommendation:

209-D Denial of request for tree removal

Finance Committee Recommendations:

RESOLUTION 01-11-52

WHEREAS, Member ID 947-381-12 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, March 8, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-381-12; and

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

RESOLUTION 01-11-53

WHEREAS, Member ID 947-389-49 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, March 8, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-389-49; and

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

RESOLUTION 01-11-54

WHEREAS, Member ID 947-419-74 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, March 8, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-419-74; and

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

RESOLUTION 01-11-55

WHEREAS, Member ID 947-434-72 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, March 8, 2011, that the Board of Directors hereby approves the recording of a Lien for Member 947-434-72; and

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

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

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

The Secretary of the Corporation read the following proposed resolution approving a one-time credit for residents who sign up for the EZPay program:

RESOLUTION 01-11-

WHEREAS, the United Laguna Hills Mutual offers its members an option, known as EZPay, to make their monthly assessment payments electronically as a direct debit from their bank accounts; and

WHEREAS, the EZPay program is less expensive to administer, both in terms of bank fees and staff time; and

WHEREAS, the Board of Directors of this corporation wishes to promote the EZPay program in order to reduce its cost of collecting assessments;

NOW THEREFORE BE IT RESOLVED, March 8, 2011, that the Board of Directors of this Corporation hereby directs that any member who signs up for EZPay after January 1, 2011 will receive a one-time credit of \$20.00 on the first month's assessment payment made via EZPay, 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 Copley moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Ms. Price explained the EZPay program process and the savings to United Mutual.

By a vote of 4-5-0 (Directors Beldner, Marks, Copley, Miller and Brians opposed), the motion failed.

Ms. Price left the meeting at 11:45 A.M.

Director Copley reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read a proposed resolution establishing a policy directing Staff to coordinate the removal of any window sticker material found on laundry room glass surfaces and apply application of a sticker with the Community logo. Director Copley moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Member Paul Vogel (2185-O) spoke on behalf of Maxine McIntosh regarding the resolution.

Director Copley left the meeting at 11:51 A.M.

By a vote of 7-0-1 (Director Marks abstained and Director Copley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-11-56

WHEREAS, Staff was requested to inspect the freestanding laundry rooms and identify any components in need of repair, service or replacement; and

WHEREAS, upon inspection, Staff identified over 150 laundry room locations where different types of miscellaneous tape and sticker materials have been applied to the laundry room windows to help prevent people from walking into sliding glass doors and other large windows; and

WHEREAS, the sticker materials are random in color and design and have deteriorated over time and detract from the overall appearance of the laundry rooms; and United does not have a standard policy in place that identifies the types of materials that can be applied to windows in common area laundry rooms;

NOW THEREFORE BE IT RESOLVED, March 8, 2011, that the Board of Directors of this Corporation hereby establishes a policy directing Staff to coordinate the removal of any window sticker material found on laundry room glass surfaces, and approves the application of a sticker with the Community logo (Option 1- green background/white logo and lettering); and

RESOLVED FURTHER, that the Board authorizes a supplemental appropriation in the amount of \$14,400, to be funded from the Contingency Fund to clean all glass surfaces and apply the Mutual approved Community logo sticker at each Mutual common area laundry room; 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 Gerson read a proposed resolution implementing a pilot program to install LED light fixtures in a designated cul-de-sac. Director Gerson moved to approve the resolution. Director Beldner seconded the motion and discussion ensued.

Director Copley returned to the meeting at 11:54 A.M.

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

RESOLUTION 01-11-57

WHEREAS, United's lighting consultant performed a survey of the existing walkway lighting system in four cul-de-sacs in an effort to obtain a representative sample of the walkway lighting configuration for United Mutual; and

WHEREAS, a consultant identified various types of light fixtures and lamps available for walkway lighting; and provided options to enhance the walkway lighting; and

WHEREAS, the Maintenance and Construction Committee (M&C) has recommended further evaluation of walkway lighting by installing lighting in a cul-de-sac location to be determined by staff prior to a Mutual-wide program;

NOW THEREFORE BE IT RESOLVED, March 8, 2011, that the Board of Directors of this Corporation hereby implements a pilot program to install LED lights using light fixture sample C, as chosen by M&C, in a designated cul-de-sac at a cost not to exceed \$100,000, to be funded with a supplemental appropriation from the Replacement Fund; and

RESOLVED FURTHER, that the results of the pilot program will be used to evaluate the value of lighting, the engineering required, and the financial impact prior to any additional installations; and

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

The Board discussed the request from Mr. and Mrs. Robert Sonntag of 2014-B Via Mariposa West that the Mutual replace their flood damaged alteration patio carpet at their manor, at the Mutual's expense.

Director Brians made a motion to return the request back to the Maintenance & Construction Committee for further discussion. Director Turner seconded the motion and the motion carried unanimously.

Ms. Phyllis Heflin, real estate agent, addressed the Board on the request from Mr. Karim Amiri and Mr. Najib Yakub of 653-N Avenida Sevilla to retain the wood floors in their manor.

Mr. Yakub and Ms. Heflin stated that they were unaware of the hard surface flooring policy when the manor was sold.

The Board discussed the issue.

Director Copley made a motion to allow Mr. Karim Amiri and Mr. Najib Yakub to retain the wood floors, but require that they install rugs over the wood floors. Director Marks seconded the motion and discussion ensued.

Director Turner amended the motion to state that the approval be conditioned upon the following:

1. The Member is to present a doctor's certificate to the Board regarding Mr. Karim Amiri's medical conditions; and
2. The Members are responsible for any nuisance mitigation caused by the wood flooring and carpet installation; and
3. The hard surface flooring shall be removed upon the transfer of occupancy/membership.

Director Marks seconded the amended motion and discussion ensued.

By a vote of 8-1-0 (Director Brians opposed), the amendment carried.

The main motion as amended carried unanimously and the Board of Directors adopted the following resolution:

RESOLUTION 01-11-58

RESOLVED, March 8, 2011, that the request from Mr. Karim Amiri and Mr. Najib Yakub of 653-N Avenida Sevilla to retain the wood floors in the manor is hereby approved; and

RESOLVED FURTHER, that the Mutual Member(s) shall install rugs/carpet over the hard wood flooring; and

RESOLVED FURTHER, that the Members shall present a doctor's certificate to the Board regarding Mr. Karim Amiri's medical conditions; and

RESOLVED FURTHER, that the Members are responsible for any nuisance mitigation caused by the wood flooring and carpet installation; and

RESOLVED FURTHER, that the Members will be responsible to hire and pay for sound testing to be performed by a California-licensed accoustical engineer should a complaint of noise arise; and

RESOLVED FURTHER, that the hard surface flooring shall be removed upon the transfer of occupancy/membership; 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 Turner reported from the Landscape Committee.

The Board discussed the request from *917-A for the installation of a water wise garden at the Mutual's expense* and the request of *2037-B for a paved area and benches at the Mutual's expense*.

Without objection, the Board agreed on the following Landscape Committee Recommendations:

- | | |
|--------|---|
| 917-A | Conditional approval of request for water wise garden at Mutual's expense dependent upon budget funding and project scheduling |
| 2037-B | Conditional approval of request for paved area and benches at Mutual's expense dependent upon budget funding and project scheduling |

Director Copley reported from the Governance Ad Hoc Committee.

Director Miller reported from Resident Relations Information Services.

GRF HIGHLIGHTS

No highlights were given.

DIRECTORS' FORUM

- Director Beldner commented on residents driving their golf carts on sidewalks and other undesignated golf cart areas.

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 12:39 P.M. and reconvened into the Regular Executive Session at 1:20 P.M.

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

During its Regular Meeting of February 8, 2011 the Board reviewed and approved, without objection, the minutes of the Special Executive Session of January 5, 2011, the minutes of the Regular Executive Session of January 11, 2011 and the Special Executive Disciplinary Hearing Session of January 24, 2011. The Board heard 4 disciplinary hearings and imposed fines totaling \$750 for violations of the Mutual's rules and regulations; and discussed potential litigation and other member disciplinary matters.

During its Special Executive Disciplinary Committee meeting of February 28, 2011, the Board heard 3 disciplinary hearings and imposed fines totaling \$1900 for violations of the Mutual's rules and regulations.

During its Special Executive Meeting of March 2, 2011, the Board discussed legal matters.

The Traffic Committee of the Board met in Executive Session on February 16, 2011 to discuss member disciplinary issues.

ADJOURNMENT

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

Barbara Copley, Secretary