

UNITED LAGUNA WOODS MUTUAL

RESOLUTION 01-11-181

TO IMPLEMENT THE DESIGNATION OF BUILDINGS AS “SMOKE-FREE”

WHEREAS, the members/shareholders (each, a “Member”) of United Laguna Hills Mutual (“United”) have an interest in their health, safety and welfare while within United’s common interest development (the “Development”), including when in the separate interest dwelling units located within the Development (each, a “Manor”) in which the Members, their co-occupants and tenants, if applicable, reside; and

WHEREAS, certain Members have requested that United’s Board of Directors (the “Board”) designate the buildings in which their Manors are located as “smoke-free”, to reduce those Members’, their co-occupants’ and tenants’, if applicable, exposure to second hand smoke; and

WHEREAS, the Board has determined that in addition to addressing health concerns related to second-hand smoke raised by Members as referenced above, prohibiting smoking in buildings at the Development will reduce the risk of fires related to accidents stemming from the use of smoking tobacco, marijuana and other substances, and reduce maintenance and repair costs for building components needed due to wear and tear to those components caused by smoke; and

WHEREAS, the Board has consulted with United’s legal counsel on the legality of prohibiting smoking at the Development and the Board has determined that upon certain conditions and requirements being met, that multi-dwelling unit buildings at the Development can be permanently designated as “smoke-free” on a going forward basis; and

WHEREAS, the Board recognizes that Members, their co-occupants and tenants, if applicable, have a right to privacy within their respective Manors and a right to freely use and occupy the Manors (in accordance with the terms of the Occupancy Agreement for their Manor), that Members signed their Occupancy Agreement with the understanding that smoking was not prohibited in their Manor, and that legal precedent does not exist as to whether the Board can unilaterally prohibit smoking in Manors; and

WHEREAS, the Board has determined that it will designate a building containing Manors as non-smoking if all of the then Members subject to an Occupancy Agreement for a Manor in that building, agree in writing before a notary public, that the building should be non-smoking and if certain other requirements are met; and

WHEREAS, the Board has tasked United's legal counsel with drafting documents related to implementing and managing the designation of buildings at the Development as non-smoking that provide for such designation in a systematic, fair and reasonable manner; and

WHEREAS, United's legal counsel has drafted those documents, the Board has reviewed those documents, and the Board believes those documents and the procedures and requirements described in those documents meet the Member needs and business requirements of United; and

WHEREAS, those documents consist of (i) the "Procedure for Designation of a Building as Smoke-Free", (ii) the "Petition for Designating a Building as Smoke-Free", (iii) the "Petition Agreement Form" and (iv) the "Smoke-Free Amendment to Occupancy Agreement" (collectively, the "Designation Documents"), all of which are attached to this Resolution and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED, on September 30, 2011, that the Board has determined that the Designation Documents, and the procedures and requirements described thereunder, shall be immediately effective upon adoption by the Board, to provide for a systematic, fair and reasonable manner to designate buildings at the Development as non-smoking.

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.

RESOLUTION 01-14-117

DESIGNATION OF BUILDINGS AS “SMOKE-FREE” ADDENDUM

WHEREAS, on September 30, 2011, United’s Board of Directors (“Board”) determined and resolved pursuant to Resolution 01-11-181 that certain documents, including (i) the “Procedure for Designation of a Building as Smoke-Free”, (ii) the “Petition for Designating a Building as Smoke-Free”, (iii) the “Petition Agreement Form” and (iv) the “Smoke-Free Amendment to Occupancy Agreement” (collectively, the “Designation Documents”), as well as the procedures and requirements described thereunder, were in effect to provide for a systematic, fair and reasonable manner to designate certain buildings within United’s common interest development (the “Development”) as non-smoking; and

WHEREAS, the Board, after consulting legal counsel, determined that “upon certain conditions and requirements” being met, multi-dwelling unit buildings at the Development can be permanently designated as smoke-free on a going forward basis; and

WHEREAS, in addition to the procedures, conditions and requirements set forth in Resolution 01-11-181, the “certain conditions and requirements” shall also include, without limitation, the requirement that Members seeking a smoke-free designation of the building in which his/her/its Manor is located agree to and execute a “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free,” which must be signed and notarized by each and every existing Member subject to an Occupancy Agreement for a Manor in that building, as well as recorded in the Orange County Recorder’s Office. Further, the individual Member shall reimburse United for the recordation fee and expenses incurred in preparation of the required legal documents to designate the building as “Smoke-Free.”

NOW, THEREFORE, BE IT RESOLVED, September 9, 2014, the Board resolved to include the “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free”, which shall be signed before a notary public and recorded in the Official Recorder’s Office of Orange County, as a Designation Document and further resolved to require **each** the executing Member to reimburse United for the cost to record same and the cost to prepare the legal documents, for a total fee of \$150.

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.