

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

November 10, 2015

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, November 10, 2015 at 9:00 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Lenny Ross, Pat English, Ming-Lee Chang, Ken Hammer, Don Tibbetts, Jan LaBarge, Tom Sirkel, Tony Dauer, Eva Lydick

Directors Absent: Juanita Skillman, Jack Bassler, Tony Dauer (Executive Session)

Staff Present: Jerry Storage, Kim Taylor, Cris Robinson
(Executive Session: Jerry Storage, Cris Robinson, Kim Taylor, Blessilda Fernandez, Pamela Bashline)

Others Present: Jeff Beaumont Esq. of Beaumont Gitlin Tashjian (Executive Session)

CALL TO ORDER

Lenny Ross, 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 9:00 AM.

PLEDGE OF ALLEGIANCE

Director Tom Sirkel led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

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

APPROVAL OF AGENDA

Director LaBarge moved to approve the agenda as written. Director Sirkel seconded the motion.

By a vote of 8-0-0 the motion carried and the agenda was approved as written.

UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM

United Mutual Members were given the opportunity to speak to items that are not on the agenda.

- Maxine McIntosh (68-C) spoke to her respect for the United Board, paint color choices for the Mutual, and the GRF Annual Election.
- Jan Blake (481-N) commented on her opposition of the GRF Recall and spoke to keeping Kathryn Freshley and Mary Stone on the GRF Board.
- Bob Hatch (5064) commented on the Laguna Woods Village Foundation and asked for community support by way of donations.

RESPONSE TO MEMBER COMMENTS

The United Mutual Directors briefly responded to Member Comments.

CHAIR'S REMARKS

President Ross commented on the Transition, Village Management Services Inc. documents, staff during the Transition, and meetings scheduled with Directors and Staff to answer questions from Staff, the United Budget for 2016, and the West Nile virus.

APPROVAL OF MINUTES

Director Dauer moved and Director English seconded the motion to approve the following minutes as written:

- September 8, 2015 – Regular Open Session
- September 25, 2015 – Special Open Session Counting of the Ballots
- October 13, 2015 – Organizational Meeting
- October 27, 2015 – Special Open Session

By a vote of 8-0-0 the motion carried.

UNFINISHED BUSINESS

(9a) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving revisions to the United Exterior Paint Palette Color Change Procedures to require agreement of a Majority of all the Member's making a request at the particular building, which was postponed in August to satisfy the 30-day notification requirement:

RESOLUTION 01-15-133

United Exterior Paint Palette Color Change Procedures

WHEREAS, the Paint Color Subcommittee of this Corporation recognizes the need to amend a portion of the United Laguna Woods Exterior Paint Palette Color Change Procedures;

NOW THEREFORE BE IT RESOLVED, November 10, 2015, that the Board of Directors of this Corporation hereby amends the Exterior Paint Program Paint Color Selection Procedure to require agreement from a majority of all member occupants of the particular building making the request instead of requiring agreement from 100% of all member occupants of the particular building making the request (as attached to these minutes); and

RESOLVED FURTHER, that Resolution 01-13-155 adopted August 11, 2013 is hereby superseded and cancelled; 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 Lydick moved to approve the resolution. Director Dauer seconded the motion.

By a vote of 8-0-0 the motion carried.

(9b) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving establishing a policy authorizing the Mutual to reinstall and reconnect alteration appliances moved by the Mutual for repair and maintenance activities:

RESOLUTION 01-15-XX

Reinstalling Alteration Appliances

WHEREAS, any appliances owned by a Mutual member are personal property and are defined as alterations to the unit; and

WHEREAS, in accordance with existing Mutual policy, to enable maintenance and repairs of Mutual property, the Mutual may move alteration appliances to enable access, and

WHEREAS, it is currently the Member's responsibility to reinstall and reconnect alteration appliances upon completion of Mutual maintenance and repair activities; and

WHEREAS, the Board of Directors, without obligation, seeks to assist its members;

NOW THEREFORE BE IT RESOLVED, January 12, 2016, the Board of Directors of this Corporation hereby establishes a policy authorizing the Mutual to reinstall and reconnect alteration appliances moved by the Mutual to enable completion of Mutual repair and maintenance activities; and

RESOLVED FURTHER, that prior to the reinstallation and/or reconnection of alteration appliances by the Mutual, the Member shall complete a Property Acknowledgement & Release form acknowledging 1) the Member's continued responsibility for the personal property, 2) waiving all claims against the Mutual for loss or damage which may be caused to the personal property by the Mutual or its agents and 3) waving all claims against the Mutual for any future loss or damage which may be caused by the personal property; and

RESOLVED FURTHER, that Resolution 01-08-241 adopted December 9, 2008 is hereby superseded and cancelled; 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 the Resolution.

Director Lydick moved to approve the resolution. Director Chang seconded the motion.

Member Barbara Copley (410-D) commented on the resolution.

By a vote of 8-0-0 the motion carried and the resolution was postponed to the January meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

NEW BUSINESS

(10a) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving the Contingency Task Force Charter:

Resolution 01-15-134

Contingency Task Force Charter

WHEREAS, the Golden Rain Foundation (“GRF”) terminated its contract with PCM, effective December 22, 2015, and is working with the housing Mutuals, including United Laguna Woods Mutual (“United”), to reorganize management;

WHEREAS, United is responsible for the operation and management of its properties and assets, separate and apart from GRF’s responsibility, as Trustee under a Trust Agreement, to operate and manage certain trust assets;

WHEREAS, the Board of Directors of United works to ensure services are sufficient to properly and adequately maintain United property and serve its members, as required under United’s Bylaws, Occupancy Agreement and the law;

WHEREAS, services are currently provided by and/or through PCM, as managing agent, at the direction of the United Board of Directors under an existing contract;

WHEREAS, the reorganization of management will require the Board to eventually terminate United’s contract with PCM and to proceed with the reorganization plan;

WHEREAS, during the reorganization plan United may experience, in the unlikely event, a lapse and/or decline of service;

WHEREAS, the Board is preparing to address any such unlikely scenario, by, among other things, investigating, gathering information and making arrangements for contingency plans to act on when required to address any lapse in services (“Contingency”);

NOW, THEREFORE, BE IT RESOLVED, on November 10, 2015 that the Board of Directors of this Corporation hereby creates a Contingency Task Force, consisting of directors (less than a majority) appointed by the Board (“Task Force”) initially Chaired by ***President Lenny Ross***;

BE IT FUTHER RESOLVED, that the following guidelines and procedures shall govern the Task Force:

1. Report to the Board on a regular basis;
2. Meet periodically, with the Chairperson giving each member at least two days’ prior written notice of the date, time and location of meetings;
3. Work with staff to collect information on services provided to United, and the staffing and equipment for same, including, without limitation, security, landscaping, janitorial, maintenance (plumbing, electrical, handyman work, etc.), insurance, ongoing service contracts, labor, etc.;
4. Work with staff to collect data on the existing procedures and/or protocol for receipt of income and the payment of expenses;

5. Identify essential services and prioritize same in level of importance, i.e., life-safety, habitability, convenience, aesthetics, etc.; and
6. Recommend plans for action to address the Contingency, if necessary.

BE IT FURTHER RESOLVED that the officers, directors and agents of this Corporation are authorized to carry out the purpose of this Resolution.

Director Lydick moved to approve the resolution. Director Sirkel seconded the motion.

By a vote of 7-1-0 (Director English opposed) the motion carried.

(10b) Director Sirkel moved to approve Andre Torng, Joe Rainey, and Anthony Liberatore as Directors, and Bevan Strom (as an Alternate in the event one of the listed Directors can no longer serve) to the Village Management Services, Inc. Board of Directors, representing United Laguna Woods Mutual. Director Hammer seconded the motion.

Andre Torng provided a preliminary timeline for Village Management Services, Inc. work.

Member Barbara Copley (410-D) commented on the motion.

By a vote of 8-0-0 the motion carried.

(10c) Director Sirkel moved to approve the final draft Bylaws for the Village Management Services, Inc. Board. Director Tibbetts seconded the motion. Discussion ensued.

By a vote of 8-0-0 the motion carried.

(10d) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving revisions to the Mutual Committee Assignments:

RESOLUTION 01-15-135

United Laguna Woods Mutual Committee Appointments

RESOLVED, November 10, 2015, that the following persons are hereby appointed to serve the Corporation in the following capacities:

Energy Committee

Jack Bassler, Chair

Don Tibbetts, Vice Chair

Ken Hammer

Tony Dauer

Ming Lee Chang

Non-voting Advisor: Bevan Strom

Executive Hearings Committee

Juanita Skillman, Chair

Ken Hammer

Lenny Ross

Finance Committee

~~Lenny Ross, Chair~~

Pat English, Chair

Juanita Skillman, Vice Chair

Lenny Ross

Eva Lydick

Ming Lee Chang

Non-voting Advisors: ~~Lou Skogen~~

Governing Documents Review Committee

Juanita Skillman, Chair

~~Eva Lydick, Vice Chair~~

Tom Sirkel, Vice Chair

~~Lenny Ross~~

Tony Dauer

Non-voting Advisor: Barbara Copley, Bevan Strom

Laguna Canyon Foundation

TBD

Laguna Woods Village Traffic Hearings

Ken Hammer

Landscape Committee

Eva Lydick, Chair

Juanita Skillman, Vice Chair

Ming Lee Chang

Non-voting Advisors: Pamela Grundke, Barbara Copley

Maintenance and Construction Committee

Don Tibbetts, Chair

Jack Bassler, ***Vice Chair***

~~Ming Lee Chang, Vice Chair~~

~~Lenny Ross~~

Jan LaBarge

Eva Lydick

Anthony Liberatore

Non-voting Advisor: Janey Dorrell

New Resident Orientation

Per Rotation List

Parking Committee

Ken Hammer, Chair

Eva Lydick, ***Vice Chair***

Tom Sirkel

~~Jack Bassler~~

Lenny Ross

~~Tony Dauer~~

Non-voting Advisors: TBD

Paint Committee

Juanita Skillman, Chair

Jan LaBarge, Vice Chair

Tony Dauer

Non-voting Advisors: Kay Anderson, Pamela Grundke, Susie Swain, Jerren Alden

Walkway Lighting Subcommittee

~~Anthony Liberatore, Chair~~

~~Jack Bassler, Vice Chair~~

Juanita Skillman

~~Ming Lee Chang~~

~~Ken Hammer~~

Non-voting Advisors: ~~Doug Rook, Collette Sigman~~

Water Conservation Ad Hoc Committee

~~Anthony Liberatore, Chair~~

Jack Bassler, ***Vice Chair***

Pat English, ***Vice Chair***

Don Tibbetts

Non-voting Advisors: TBD

Resident Advisory Committee

Juanita Skillman

Tony Dauer

Non-voting Advisors: Barbara Copley, Paula Minnehan, Kay Anderson

Contingency Task Force

Ming Lee Chang

Eva Lydick

Lenny Ross

RESOLVED FURTHER, that Resolution 01-15-92, adopted July 14, 2015 is hereby superseded and canceled.

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 Lydick moved to approve the resolution. Director Hammer seconded the motion.

Dick Rader (270-D) commented on the resolution.

By a vote of 7-0-1(Director Dauer abstained) the motion carried.

(10e) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving revisions to the GRF Committee Assignments:

RESOLUTION 01-15-136

Golden Rain Foundation Committee Appointments

RESOLVED, November 10, 2015, that, in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted September 29, 2014, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Administrative Process and Procedures Ad-Hoc Committee

Juanita Skillman
Jack Bassler
Eva Lydick

Business Planning

Pat English
Lenny Ross

Clubhouse 2 Renovation Ad Hoc Committee

Jack Bassler
Ken Hammer

Community Activities

Jan LaBarge
Ken Hammer
Tom Sirkel

Energy Committee

Eva Lydick
Jack Bassler
Ken Hammer

Finance

Pat English
Lenny Ross

Financial Reporting Study Group

Pat English
Lenny Ross

Landscape Committee

Eva Lydick
Jan LaBarge

Maintenance & Construction

Jack Bassler
Don Tibbetts

Media and Communications Committee

Jan LaBarge
Juanita Skillman

Mobility and Vehicles Committee

Ming Lee Chang
Tony Dauer

Security and Community Access

~~Eva Lydick~~
~~Anthony Liberatore~~
Ming Lee Chang
Tom Sirkel

Town Hall Meetings

~~***Juanita Skillman***~~
~~***Eva Lydick***~~
Per Rotation

RESOLVED FURTHER, that Resolution 01-15-63, adopted May 12, 2015, is hereby superseded and cancelled.

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 LaBarge moved to approve the resolution. Director Sirkel seconded the motion. By a vote of 7-0-1(Director Dauer abstained) the motion carried.

(10f) Director LaBarge moved to approve the City's request to place noise sensors at 7 United Mutual locations as part of the General Plan Noise Element. Director English seconded the motion.

By a vote of 8-0-0 the motion carried.

CONSENT CALENDAR

(11) Without objection, the Board approved the Consent Calendar as written and approved the following:

(11a) Maintenance and Construction Committee Recommendations:

B79 Approve request for a change in the exterior paint color selection to Color Group F Travertan/Omaha Tan.

B742 Deny request for postponement of fumigation of Building 742 to 2016.

852-A Deny **Appeal** request for basin replacement.

RESOLUTION 01-15-137

Variance Request

RESOLVED, November 10, 2015, that the variance request of Mr. Steven Lee Hansen of 13-B Via Castilla for a front patio extension at Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alteration being located in common area; 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 01-15-138

Variance Request

RESOLVED, November 10, 2015, that the request of Mr. Leonard Gardner Manor 197-C Avenida Majorca for a reimbursement in the amount of \$5,350 for replacement of four bedroom windows and drywall is hereby denied; and

RESOLVED FURTHER, that the denial is due to the application of the Mutual's Damage Restoration and Window Replacement policies; 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 01-15-139

Variance Request

RESOLVED, November 10, 2015, that the request of Mr. Hooshang Golshani of Manor 518-A Calle Aragon for a variance to reconfigure and widen the entry steps with white concrete baluster handrails, widen the entry walkway with pavers, and for stone veneer walls and columns at Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alteration being located in common area and due the proposed alteration's negative visual imbalance with the existing architectural design of the manor and surrounding area; 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 01-15-140

Variance Request

RESOLVED, November 10, 2015, that the variance request of Ms. Joyce Kelner of 534-C Via Estrada variance to retain non-standard paint colors for the entry doors, patio storage closet doors and atrium walls at Manor is hereby approved; and

RESOLVED FURTHER, all future costs for repair and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 534-C; and

RESOLVED FURTHER, a required Mutual Consent for Manor Alterations must be obtained through the Manor Alterations Department located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, the Mutual member is hereby noticed the Mutual may need to perform repairs and maintenance to the atrium walls, and any damage that would result to the alteration paint would be the responsibility of the member, and not the Mutual; and

RESOLVED, the Mutual member will be held responsible for all costs associated with the repair and maintenance of the subject walls in the case the walls suffer damage due to non-maintained painting of the wall; and

RESOLVED FURTHER, the member shall be noticed for a hearing due to the rules violations; 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 01-15-141

Variance Request

RESOLVED, November 10, 2015, that the request of Ms. Juli Berryhill of Manor 603-C Avenida Sevilla for a variance to install redwood fencing with a gate at Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alteration being located in common area and due to the proposed alteration's negative visual imbalance with the existing architectural design of the manor and surrounding area; 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 01-15-142

Variance Request

RESOLVED, November 10, 2015, that the request of Ms. Amy Armirani of Manor 799-C Via Los Altos for a variance to install a redwood side patio addition with an access door in the dining room at Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alteration being located in common area and due to the proposed alteration's negative visual imbalance with the existing architectural design of the manor and surrounding area; 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 01-15-143

Variance Request

RESOLVED, November 10, 2015, that the variance request of Mr. Hubert Park of 913-N Ronda Sevilla to retain a 12' sliding glass door at the Manor is hereby approved; and

RESOLVED FURTHER, all costs and maintenance of the alteration, present and future, are the responsibility of the Mutual member(s) at 913-N; and

RESOLVED FURTHER, a required Mutual Consent for Manor Alterations and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Manor Alterations Department located in the Laguna Woods Community Center; and

RESOLVED FURTHER, unit specific plans depicting the subject 12' sliding glass door in the living room signed and wet-stamped by a California-licensed architect or engineer must be submitted to the Manor Alterations Department located in the Laguna Woods Village Community Center for approval. These plans must include structural details and calculations required to ensure the structural integrity of the building is maintained upon completion of the proposed header installation; and

RESOLVED FURTHER, the Mutual member(s) 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 01-15-144

Variance Request

RESOLVED, November 10, 2015, that the variance request of Ms. Dorothy Johnson of 68-B Calle Aragon variance to bypass painting the walls facing the patio area at Manor is hereby approved; and

RESOLVED FURTHER, all future costs, maintenance and painting of the wall surfaces facing the patio area of Manor 68-B are the responsibility of the Mutual member(s) at Manor 68-B; 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 01-15-145

Variance Request

RESOLVED, November 10, 2015, that the request of Ms. Rebecca Fox of Manor 239-A Calle Aragon for a variance to extend the patio with block wall at Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alteration being located on common area; 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 01-15-146

Variance Request

RESOLVED, November 10, 2015, that the variance request of Mr. John Burns III, on behalf of Ms. Charleen Cash, regarding Manor 330-B Avenida Sevilla, for retention of washer and dryer hookups and built-in closets in the patio, is hereby approved; and

RESOLVED FURTHER, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 330-B; and

RESOLVED FURTHER, a required Mutual Consent for Manor Alteration(s) and a City of Laguna Woods permit must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Manor Alterations Department located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, the Board has, from time to time, received complaints of noise transference due to alterations within the interior of neighboring manors. For example, alterations to walls that allow noise to travel differently, alterations to plumbing that cause water noises within the shared walls, or alterations to floor coverings. The Board advises the member that should the Board receive such a complaint concerning an alteration, the requesting member may be subject to member disciplinary proceedings and could be required to take additional noise mitigating measures, up to and including removing the alteration and restoring to original; 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 01-15-147

Variance Request

RESOLVED, November 10, 2015, that the variance request of Ms. Nancy Kingsley, of Manor 530-D Via Estrada, to install a patio gate and concrete walkway at Manor, is hereby approved; and

RESOLVED FURTHER, all costs for installation, repair, and maintenance associated with the proposed alterations are the responsibility of the Mutual Member(s) at 530-D; and

RESOLVED FURTHER, required Mutual Consent for Manor Alterations must be obtained through the Manor Alterations Department located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, 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 530-D; and

RESOLVED FURTHER, the concrete walkway must be installed as per standard construction practices; and

RESOLVED FURTHER, the patio gate must be installed per United Laguna Woods Mutual Alteration Standard Section 17: Patio Gates and Courtyard Doors; 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 01-15-148

Variance Request

RESOLVED, November 10, 2015, that the request of Ms. Roberta Boyers of Manor 592-E Avenida Majorca for a variance for a front patio extension with a wrought iron fence and gate at Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alteration being located on common area; 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 01-15-149

Variance Request

RESOLVED, November 10, 2015, that the variance request of Larry and Marsha Berman, of Manor 605-A Avenida Sevilla, for a variance to install a patio extension, extended patio cover, block walls and gate at the Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alteration being located on common area; 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 01-15-150

Variance Request

RESOLVED, November 10, 2015, that the variance request of Larry and Marsha Berman, of Manor 605-A Avenida Sevilla, to modify the bedroom windows at the Manor, is hereby approved; and

RESOLVED FURTHER, all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 605-A; and

RESOLVED FURTHER, all required Mutual Consent for Manor Alteration(s) and a City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Manor Alterations office located in the Laguna Woods Village Community Center; 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 01-15-151

Variance Request

RESOLVED, November 10, 2015, that the request of Ms. Carole Lavinio of Manor 703-B Avenida Sevilla for a variance to construct a master bedroom extension, kitchen extension and front patio extension with block wall at the Manor is hereby denied; and

RESOLVED FURTHER, that the denial is due to the proposed alterations being located on common area and due to the proposed alterations' negative imbalance with the existing architectural design of the manor and surrounding area; 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.

(11b) Landscape Committee Recommendations:

- | | |
|-------|---|
| 42-D | Approve request to remove the hedge at the Mutual's expense, contingent upon the approval of all neighbors facing the carports, and further that any desired replacement hedge be installed at the member's expense |
| 146-C | Approve request of plant replacements at the Mutual Member's expense |
| 706-C | Approve request for removal of two trees, at Mutual's expense |

(11c) Finance Committee Recommendations:

RESOLUTION 01-15-152

Recording of a Lien

WHEREAS, Member ID 947-399-78 is currently delinquent to United Laguna Woods 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, November 10, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-399-78; 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 01-15-153

Recording of a Lien

WHEREAS, Member ID 947-392-87 is currently delinquent to United Laguna Woods 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, November 10, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-392-87; 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 01-15-154

Recording of a Lien

WHEREAS, Member ID 947-440-21 is currently delinquent to United Laguna Woods 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, November 10, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-440-21; 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 01-15-155

Recording of a Lien

WHEREAS, Member ID 947-377-30 is currently delinquent to United Laguna Woods 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, November 10, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-377-30; 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.

(12) GENERAL MANAGER'S REPORT

Jerry Storage provided a brief update on the ongoing projects in GRF and United Mutual.

COMMITTEE REPORTS

(13) FINANCE REPORT

Director Pat English reported from the Finance Committee, gave the United Treasurer's Report, and commented on the Resale Activities Report.

13(d) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving the 2016 Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies:

RESOLUTION 01-15-156

Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies

WHEREAS, Section 5300 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties;

NOW THEREFORE BE IT RESOLVED, November 10, 2015, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2016; and

RESOLVED FURTHER, that Resolution 01-14-142 adopted October 23, 2014 is hereby superseded and cancelled; 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 Lydick moved to approve the resolution. Director English seconded the motion and discussion ensued.

By a vote of 8-0-0 the motion carried and the Board of Directors adopted the resolution.

(14) Maintenance and Construction Committee

Director Tibbetts reported from the Maintenance and Construction Committee.

(14a) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving revisions to the Contractor Referral List:

RESOLUTION 01-15-157

**APRIL 2012 RESOLUTION 01-12-83
REVISED NOVEMBER 2015 RESOLUTION 01-15-157**

WHEREAS, a Contractor List has been compiled to assist Laguna Woods Village residents in choosing a contractor; and

WHEREAS, the Board determined to update the existing resolution for clarity; and

NOW THEREFORE BE IT RESOLVED, November 10, 2015, the Board of Directors of this Corporation hereby approves the following criteria that allow a contractor to be placed on the list:

1. A contractor must be in clear and active status with the California State Contractors License Board (CSLB). A copy of license must be filed with the Manor Alterations Department; and
2. A contractor must hold a minimum of \$100,000 general liability insurance, and worker's compensation as required by the CSLB. A current copy of the general liability insurance must be supplied and on file with the Manor Alterations Department; and
3. A contractor must have letters of recommendations from a minimum of three (3) different Laguna Woods Village residents.

RESOLVED FURTHER, that any one of the following items will cause removal from the list:

1. Expired contractor's license
2. Expired general liability, or worker's compensation insurance as required by the CSLB
3. Failure to obtain a Mutual Consent for Manor Alterations and City of Laguna Woods permit, if required, prior to commencement of work
4. Failure to comply with the requirements of the Mutual Consent for Manor Alterations

RESOLVED FURTHER, that once a contractor has been removed from the list, the contractor cannot be placed back on the list; and

RESOLVED FURTHER, that upon receipt of three (3) written complaints from residents against any one contractor in a 2-year period, the matter will be referred to the Board for consideration; and

RESOLVED FURTHER, that Resolution 01-12-83 adopted April 10, 2012, is hereby superseded and canceled; 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 Lydick moved to approve the resolution. Director Tibbetts seconded the motion and discussion ensued.

By a vote of 8-0-0 the motion carried and the Board of Directors adopted the resolution.

14(b) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving revisions to the rules for work hours in the General Requirements Section of the Alteration Standards to Permit Construction Work on Board-approved Alterations between the hours of 9:00 AM to 5:00 PM, Monday through Saturday and no work whatsoever shall be permitted on Sunday:

RESOLUTION 01-16-XXX

Revisions to General Requirements Section of the Alteration Standards

WHEREAS, the Board of Directors recognizes the need to amend the Work Hours in the General Requirements for Alteration Standards due to being too restrictive;

NOW THEREFORE BE IT RESOLVED, January 12, 2016, the Board of Directors of this Corporation hereby revises the work hours to permit construction work on Board-approved alterations at individual manors between the hours of 9:00 AM – 5:00 PM Monday through ***Friday Saturday***. No work whatsoever shall be permitted on ***Saturday and Sunday and construction is restricted to 6 months out of every 12 months of the year***, and

RESOLVED FURTHER, the remaining criteria of the General Requirements addressed in the prior resolution shall remain the same, specifically, that 1) Member(s) are expected to provide neighboring residents an estimated timeline for construction, and advance notice of excessive construction-related noise that may occur, and 2) Member's contractor(s), their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents; and

RESOLVED FURTHER, that Resolution 01-11-104 adopted June 14, 2011 is hereby superseded and cancelled; and

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

Director Lydick moved to approve the resolution. Director Tibbetts seconded the motion.

Director Dauer moved to amend the resolution to add to restrict the permit to 3 months. Director English seconded the motion. By a vote of 2-6-0 (Directors Dauer and English in favor) the motion failed.

Members Barbara Copley (410-D) and Jan Blake (481-N) commented on the amendment.

Director Lydick moved to amend the resolution to restrict the construction to 6 months out of every 12 months of the year and to not allow work on both Saturday and Sunday. By a vote of 5-3-0 (Directors Tibbetts, Chang, Hammer opposed) the amendment carried.

By a vote of 5-3-0 (Directors Tibbetts, Chang, Hammer opposed) the motion carried as amended and the resolution was postponed to the January meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

14(c) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving the New Exterior Paint Colors Palette and Authorize the Paint Colors Subcommittee to Determine the Locations on Each Building to Receive the Body or Trim Color, Effective the Beginning of the Mutual's 2016 Exterior Paint Program:

RESOLUTION 01-15-158

New Exterior Paint Color Palette

WHEREAS, by way of Resolution 01-115-117, the Board of Directors approved the Exterior Paint Color Palette, consisting of seven color groups for use on the Mutual's structures during execution of the Mutual's Exterior Paint Program, and

WHEREAS, the color groupings are sorted for availability for use on single story buildings, Seville style buildings and multiple story buildings, and (laundry buildings and carports), and

WHEREAS, the Paint Colors subcommittee reviewed feedback regarding the established color groups and recommended changes to the color palette;

NOW THEREFORE BE IT RESOLVED, November 10, 2015, that the board of Directors of the Corporation hereby establishes a new Exterior Paint Color Palette to include (7) seven color groups for single story buildings, (5) five color groups for Seville style buildings, (3) three color groups for multiple story buildings, and (2) color groups for laundry buildings and carports (see attached); and

RESOLVED FURTHER, that in order to maintain the operational and logistical efficiencies of the current program, the new Exterior Paint Color Palette will become effective with structures in the first Cul-de-sac to be painted on the Mutual's 2016 Exterior Paint Program scope and all remaining structures on the 2016 Exterior Paint Program scope and subsequent annual paint program scopes; and

RESOLVED FURTHER, that Resolution 01-15-117 adopted August 11, 2015 is hereby superseded and cancelled; 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 Lydick moved to approve the resolution. Director Tibbetts seconded the motion and discussion ensued.

Member Kay Anderson from the Paint Subcommittee answered questions from the Board.

By a vote of 8-0-0 the motion carried and the Board of Directors adopted the resolution.

14(d) Director Tibbetts moved to establish an Appliance Task Force and appoint Directors Jan LaBarge, Pat English and Eva Lydick to the Task Force. Director English seconded the motion. By a vote of 8-0-0 the motion carried.

14(e) Director Tibbetts moved to place a moratorium on variance requests and appeals concerning land use until a decision/agreement has been made by the Board. Director Dauer seconded the motion.

Member Dick Rader commented on the motion.

By a vote of 7-1-0 (Director Hammer opposed) the motion carried.

(15) Energy Committee

In Director Bassler's absence, President Ross reported from the Energy Committee.

(15a) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving the Energy Committee Charter:

RESOLUTION 01-15-159

United Laguna Woods Mutual Energy Committee Charter

NOW THEREFORE IT BE RESOLVED, November 10, 2015 the Board of Directors of the United Mutual of Laguna Woods hereby assigns the duties and responsibilities of this Committee, with the support of Staff, as follows:

1. Recommend environmentally sensitive actions that will result in energy efficiencies and economies for United Mutual for Board consideration and approval.
2. Research, discover, and evaluate technologies involving energy that uses electricity, wind, solar, or "green" as its core.
3. Through the use of media and other methods, become aware of programs offered by the Federal government, State government or Industry that reimburse or subsidize the use of alternative energy sources.
4. Interface with all other Laguna Woods corporation energy committees and government agencies to share pertinent information for joint benefit.
5. Develop awareness among the shareholders of best practices and their financial rewards.
6. Provide routine progress reports to the Board on investigation results, resident actions and comments, costs, and Committee approved projects.
7. Review vendor proposals to provide recommendations in accordance with the United Mutual approved Delegations of Commitments and Actions Matrix.

RESOLVED FURTHER, that the United Energy Committee shall perform such other duties as may be assigned by the United Board.

Director Lydick moved to approve the resolution. Director Tibbetts seconded the motion and discussion ensued.

By a vote of 8-0-0 the motion carried and the Board of Directors adopted the resolution.

(15b) Director Sirkel moved to replace United Mutual carport lighting with 6.5W and 3,000K LED Bulbs, at no cost. Director Tibbetts seconded the motion. By a vote of 7-1-0 (Director Dauer opposed) the motion carried.

(15c) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving a Supplemental Appropriation of \$2,000 to Replace United Mutual 2-Story Building Breezeway Lights with 6.5W and 3,000K LED Bulbs:

RESOLUTION 01-15-160

Breezeway Lighting Proposal

WHEREAS, the United Energy Committee recognizes the need for more energy efficient light bulbs in United Mutual common areas;

WHEREAS, at the United Energy Committee meeting of September 18, 2015 the Committee reviewed and is recommending a proposal to replace United 2-story building breezeway lights with 6.5W and 3,000K LED bulbs;

NOW THEREFORE BE IT RESOLVED, November 10, 2015, the Board of Directors of this Corporation hereby approves proceeding with the replacement of United 2-story building breezeway lights with 6.5W and 3,000K LED bulbs with an appropriation of \$2,000 funded from the Reserve 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 Lydick moved to approve the resolution. Director Sirkel seconded the motion and discussion ensued.

By a vote of 8-0-0 the motion carried and the Board of Directors adopted the resolution.

(16) Water Conservation Ad Hoc Committee

In Director Bassler's absence, no report was given.

(17) Landscape Committee

Director Lydick reported from the Landscape Committee.

(17a) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving a Supplemental Appropriation of \$250,000 for the Upgrade of the Irrigation System and to Eliminate Small Turf Areas at CDS 24:

RESOLUTION 01-15-161

Cul-de-sac 24 Project

WHEREAS, the United Landscape Committee has conducted multiple site visits to the cul-de-sac 24 area and has determined that the area has an antiquated, inefficient irrigation system, as well as multiple small patches of lawn that if eliminated would further promote water conservation; and

WHEREAS, the United Mutual Landscape and Finance Committees are recommending the Board approve the project;

NOW THEREFORE BE IT RESOLVED, November 10, 2015, that the Board of Directors of this Corporation hereby authorizes \$250,000 funded from the existing 2016 Reserve Expenditures Plan for Landscape Renovation for improvements to the cul-de-sac 24 area; 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 Lydick moved to approve the resolution. Director Chang seconded the motion and discussion ensued.

By a vote of 7-1-0 (Director English opposed) the motion carried and the Board of Directors adopted the resolution.

(17b) Acting Secretary of the Corporation, Director Lydick, read the following proposed resolution approving an Outdoor Water Use Policy for Residents:

RESOLUTION 01-15-XX

Outdoor Water Conservation in United

WHEREAS, it is increasingly important for the Corporation to conserve and manage water resources and costs; and

WHEREAS, the residents of United Mutual do not pay a water bill but it is a shared expense; and

WHEREAS, the Landscape Department adjusts the irrigation systems and rates so as to maximize the benefits to United Mutual landscaping while minimizing the use of outdoor water use,

NOW THEREFORE BE IT RESOLVED, January 12, 2015, that residents shall, under no conditions, personally irrigate landscaping in any common areas; and

BE IT RESOLVED FURTHER, that residents can continue to water their personal plantings but watering must be aligned with El Toro Water District regulations, in regards to the number of days that such plantings can be watered; for example, 2 days per week in summer and 1 day per week in winter and turn off water before rain and let soil dry before turning water on again; and

BE IT RESOLVED FURTHER, that when residents use hand-held shut-off nozzles, the water must be turned off at the spigot when personal watering is completed for the day; and

BE IT RESOLVED FURTHER, that residents who disregard these guidelines will be given a citation requesting them to comply with this regulation and that they could face disciplinary action.

BE IT 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 Lydick moved to approve the resolution. Director Chang seconded the motion.

By a vote of 7-1-0 (Director Sirkel opposed) the motion carried and the resolution was postponed to the January meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

(18) Governing Documents Review Committee

In Director Skillman's absence, Director Sirkel reported from the Governing Documents Review Committee.

(19) Parking Committee

Director Hammer reported from the Parking Committee.

(20) Report on Disciplinary Cases

Director Sirkel reported on disciplinary cases in United Mutual.

(21) Laguna Woods Village Traffic Hearings

Director Hammer reported from the Laguna Woods Village Traffic Hearings.

(22) GRF COMMITTEE HIGHLIGHTS

The Directors briefly gave highlights from GRF Committees on which they serve.

(23) DIRECTORS' FORUM

The Directors briefly made final comments.

Director Dauer stated that he is resigning from the United Board as of Friday, November 13, 2015.

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 12:20 PM and reconvened back into the Regular Executive Session at 1:00 PM.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:50 PM.

Eva Lydick, Acting Secretary

Summary of Previous Closed Session Meetings per Civil Code Section §4935

During the September 8, 2015 Regular Executive Session meeting the Board reviewed and approved the minutes of the Special Executive Session meeting of July 17, 2015, Regular Executive Session meeting of August 11, 2015, and the Special Executive Committee Session minutes of August 27, 2015 as written; held two (2) Meet and Confers; heard two (2) disciplinary hearings and imposed \$0 in fines for violations of the Mutual's rules and regulations; approved two (2) hearing requests; discussed the delinquency report; discussed and considered numerous Member disciplinary matters; discussed and considered Membership and Occupancy matters; discussed litigation matters; discussed the HELOC matter; discussed service dogs; and discussed Management restructure.

During the September 24, 2015 and the October 22, 2015 Special Closed Executive Committee Meetings the Board discussed and considered member disciplinary matters and common area damage reimbursement hearings.

During the September 11, 18, 24, 2015; the October 2, 9, 16, 2015 and the November 6, 2015 Special Closed Session All Boards meetings the Board discussed and considered contractual and legal matters.

During the Special Executive meetings of September 18, 24, 28, 2015 and the October 1, 2015 the Board discussed and considered contractual matters.

During the Special Executive meetings of October 2, 9, 16, 23, 30, 2015 the Board discussed and considered contractual and legal matters.

**United Laguna Woods Mutual
Exterior Paint Palette
Color Change Procedures
Adopted August 13, 2013
Revised October 13, 2015 Resolution 01-15-133**

A set of Exterior Paint color groups for use on residential buildings (manors) shall be approved by the United Laguna Woods Mutual Board of Directors (Board). Using the Board approved color groups Staff shall select colors for each building planned for painting. Owner occupants shall have the option to select their preferred entry door color from a Board approved list of entry door colors.

Colors shall be selected by cul-de-sac grouping and notification of color selections shall be grouped by cul-de-sac. A notification of palette color group selections for each specific building shall be sent to each member of that building approximately eight weeks in advance of the date the first building in the cul-de-sac is to receive application of the exterior paint. The notification letter shall advise members of the selected color group and provide reference information for viewing the colors on a completed building and/or swatches at a designated location. Notification will provide a contact person and telephone number for inquiries regarding the selected color group and color change request process.

Members shall be given a two-week period to review the color group selections for their building.

Members may request a change from the selected color group to a different color group for their building subject to the following rules:

- Members must submit their color group change request in writing to the Mutual within two weeks of the date of the above referenced notification letter.
- Color group change requests must include agreement from a majority of the member occupants of the particular building making the request and must be signed by that majority of the member occupants of that building for which the request is being made. Each manor will represent only one vote in the color selection decision process.
- Color group change requests not including a majority agreement as defined above will not be considered.
- Members submitting a color group change request must identify on the written request the color group they wish to change to.

- Only the Board approved color groups may be selected
- Single story buildings may select an alternate color group from the single story group listing; multiple-story buildings must select from the multiple story group listing
- Color group change requests not received within two weeks of the date of the notification letter will not be considered.
- Members may not request changes in color groups for buildings other than the building in which their manor is located.
- The Board reserves the right to make all final decisions with respect to building exterior paint color selections.

**United Laguna Woods Mutual
Exterior Paint Color Palettes
Submitted by Paint Colors Subcommittee 10/28/15**

Residential Buildings (Manors) – Single Story Buildings

<u>Group</u>	<u>Body Color</u>	<u>Trim Color</u>
A	Travertan	Omaha Tan
B	Laguna Heather	Swiss Coffee
C	Hush	Swiss Coffee
D	Shadow White	Berkshire Beige
E	Laguna Heather	Smokey Mountain
F	Berkshire Beige	Swiss Coffee
G	Coastal Fog	Swiss Coffee

Block walls surrounding patios will be painted the lighter of the trim or body color where applicable. The default color for manor entry doors will be the building's selected color group trim color. An alternative entry door color may be selected by the occupant member at each manor from the following options: the body color from the building's selected color group, or Coastal Fog, Swiss Coffee or Berkshire Beige.

Residential Buildings (Manors) – Seville Style Buildings

<u>Group</u>	<u>Body Color</u>	<u>Trim Color</u>
A	Travertan	Omaha Tan
B	Laguna Heather	Swiss Coffee
C	Hush	Swiss Coffee
F	Berkshire Beige	Swiss Coffee
G	Coastal Fog	Swiss Coffee

Block walls surrounding patios will be painted the lighter of the trim or body color where applicable. The default color for manor entry doors will be the building's selected color group trim color. An alternative entry door color may be selected by the occupant member at each manor from the following options: the body color from the building's selected color group, or Coastal Fog, Swiss Coffee or Berkshire Beige.

Residential Buildings (Manors) – Multiple Story Buildings

A	Travertan	Omaha Tan
B	Laguna Heather	Swiss Coffee
C	Hush	Swiss Coffee

Block walls surrounding patios will be painted the lighter of the trim or body color where applicable. The default color for manor entry doors will be the building's selected color group trim color. An alternative entry door color may be selected by the occupant member at each manor from the following options: the body color from the building's selected color group, or Coastal Fog, Swiss Coffee or Berkshire Beige.

Laundry Buildings and Carports

<u>Body Color</u>	<u>Trim Color</u>
Berkshire Beige	Shadow White
Hush	Shadow White

Surrounding block walls and interiors of structures will be painted in the trim color.

**BYLAWS OF VILLAGE MANAGEMENT SERVICES, INC.
A California Nonprofit Mutual Benefit Corporation**

**ARTICLE I
NAME AND PRINCIPAL OFFICE**

The name of the corporation is VILLAGE MANAGEMENT SERVICES, INC., a California nonprofit mutual benefit corporation (hereinafter referred to as the "Corporation"). The Corporation is organized under the California Nonprofit Mutual Benefit Law. The principal office for the transaction of business of the Corporation shall be 24351 El Toro Road, Laguna Woods, California 92637.

**ARTICLE II
DEFINITIONS**

Throughout the Bylaws the following terms shall have the meanings as set forth below, unless the context otherwise requires:

2.1 Board of Directors. "Board of Directors" or "Board" shall mean the board of directors of Village Management Services, Inc.

2.2 Chair of the Board. "Chair of the Board" shall mean a non-compensated member of the Board whose sole duty shall be to preside over meetings of the Board and the Members.

2.3 Corporation. "Corporation" shall mean Village Management Services, Inc., a California nonprofit mutual benefit corporation.

2.4 Chief Executive Officer/General Manager. "Chief Executive Officer/General Manager" shall mean the Chief Executive Officer and General Manager of the Corporation, who shall be a compensated employee of the Corporation and who shall be neither a member of the Board of Directors nor a resident of Laguna Woods Village.

2.5 Director. "Director" shall mean a member of the Board of Directors of Village Management Services, Inc.

2.6 Member. "Member" shall mean a member of Village Management Services, Inc., As of the date of these Bylaws, the Members are: United Laguna Woods Mutual; Third Laguna Hills Mutual; and Golden Rain Foundation of Laguna Woods.

2.7 Member Board Meeting. "Member Board Meeting" shall mean a meeting of the board of directors of a Member.

2.8 Mutual. "Mutual" shall mean United Laguna Woods Mutual, Third Laguna Hills Mutual and/or Laguna Woods Mutual Number Fifty.

ARTICLE III MEMBERS

3.1 Membership. There are a total of three (3) Members of the Corporation. As of the date of these Bylaws, the Members are: United Laguna Woods Mutual; Third Laguna Hills Mutual; and Golden Rain Foundation of Laguna Woods. There shall be one membership for each of the foregoing Members, to be represented by and through the boards of directors of their respective corporations.

3.2 Voting Rights of Members at Membership Meetings. There shall be eleven (11) votes for each membership, to be exercised and cast by each Member as follows. Whenever action by the Members is required or taken, each Member shall hold a Member Board Meeting, with each respective Member board member entitled to cast one (1) vote. The Member Board Meeting shall be held no less than two (2) days before the membership meeting at which action will be taken. At the membership meeting, each Member shall then cast its eleven (11) votes in the same number and manner, including any non-votes or abstentions, as such votes were cast by that Member's board of directors in its Member Board Meeting. Except as otherwise provided in these Bylaws, the presence at any meeting of Members entitled to cast a majority of the voting power of the Members shall constitute a quorum for the transaction of business. Unless otherwise provided herein or by law, a majority of votes cast at a membership meeting at which a quorum of Members is present shall determine the issue.

3.3 Place of Meeting of Members. Meetings of the Members shall be held at the principal office of the Corporation, or such other suitable place as proximate thereto as practicable within the County of Orange, State of California and convenient to the Members.

3.4 Annual Meetings of Members. The annual meeting of the Members shall be held in the same month of each calendar year, or as close thereto as reasonably practicable, to be set by resolution of the initial Board of Directors, and at a time and place as prescribed by these Bylaws or as selected by the Board. At each annual meeting of Members there shall be an appointment of directors to the Board of Directors, in accordance with the requirements of Article IV, Section 4.3 of these Bylaws.

3.5 Special Meetings of Members. Special meetings of the Members shall be promptly called by the Board upon (i) the vote for such a meeting by a majority of a quorum of the Board, (ii) request of the Chief Executive Officer/General Manager, or (iii) request of any one Member of the Corporation (i.e., by any such Member casting no less than a majority of its votes, at a Member Board Meeting, in favor of calling a special meeting). The notice of any special meeting shall be given within twenty (20) days after adoption of such

resolution or receipt of such request and shall state the date, time and place of such meeting and the purpose thereof. The special meeting of Members shall be held not less than thirty-five (35) days nor more than ninety (90) days after adoption of such resolution or receipt of such request. No business shall be transacted at a special meeting of Members except as stated in the notice.

3.6 Notice of Meetings It shall be the duty of the Board to send, or cause to be sent, a notice of each annual or special meeting by first-class mail, at least ten (10) but not more than ninety (90) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, forty-eight (48) hours after such notice has been deposited in a regular depository of the United States mail. At any meeting of the Members, an entry in the minutes to the effect that notice has been given shall be conclusive evidence that such notice was properly given.

3.7 Adjourned Meetings. Any meeting of the Members, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power of the Members present and represented at such meeting. When any meeting of the Members, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment, other than by announcement at the meeting at which such adjournment is taken.

3.8 Action Without Meeting. Any action, which may be taken by the vote of the Members at a regular or special meeting, may be taken without a meeting by written ballot of the Members. Ballots shall be solicited in the same manner as provided in Section 3.6 herein for the giving of notice of meetings of Members. Such ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of approvals necessary to approve the action, and (c) the time by which ballots must be received in order to be counted. Receipt within the time period specified of a number of ballots which equals or exceeds the quorum required, and a number of approvals which equals or exceeds the number of votes which would be required for approval at a meeting, constitute approval by written ballot.

3.9 Consent of Absentees. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

BOARD OF DIRECTORS

4.1 Powers and Duties. Subject to the limitations of the Articles of Incorporation, of these Bylaws, and of the California Corporations Code as to acts to be authorized or approved by the Members, and subject to the duties of directors as prescribed by these Bylaws, all the corporate powers shall be exercised by and under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. The Board of Directors shall have all powers conferred upon the Corporation as set forth in the Articles of Incorporation and these Bylaws, and shall have all powers necessary for the administration of the affairs of the Corporation, excepting only those powers expressly reserved to Members. Without prejudice to such general powers, but subject to the limitations as specifically set forth in these Bylaws, the Board of Directors is hereby vested with the following powers:

(a) Subject to the approval of Members required by Section 4.1(e)(1) herein, to select, appoint and remove all officers of the Corporation, and to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, and these Bylaws.

(b) To select, appoint and remove a Chair of the Board, who shall be a Director and whose sole duty shall be to preside over meetings of the Board and the Members.

(c) To conduct, manage and control the affairs and business of the Corporation consistent with law, the Articles of Incorporation, and these Bylaws, as the Board may deem necessary or advisable.

(d) To enforce the provisions of these Bylaws and any agreements of the Corporation.

(e) Notwithstanding anything in these Bylaws or the Articles of Incorporation to the contrary, the Board of Directors shall not take any of the following actions, except with a vote at a meeting of the Members, or by written ballot without a meeting pursuant to Section 3.8 herein, of no less than two-thirds (2/3) of the total voting power of the Members:

(1) Hire or terminate the Chief Executive Officer/General Manager, or equivalent employee of the Corporation;

(2) Enter into any contract, including a contract with any Member or Mutual, for a term in excess of three (3) years;

(3) Pay any compensation to any members of the Board for services performed in the conduct of the Corporation's business.

4.2 Number and Minimum Qualifications. The Board of Directors shall consist of nine (9) Directors. All Directors must be members of either United Laguna Woods Mutual or Third Laguna Hills Mutual and must be full-time residents of Laguna Woods Village. A Director of the Corporation may not be a current member of the board of directors of any Mutual at Laguna Woods Village or of the Golden Rain Foundation of Laguna Woods. Each Member, through its respective board of directors, may create any additional qualifications for the directors it appoints, as it deems necessary and/or prudent.

4.3 Appointment and Term of Office. Directors shall be appointed by the Members, acting through their respective boards of directors, in the same month as each annual meeting of this Corporation's Members. There shall be no general election of Directors. Rather, each Member of this Corporation shall be entitled to appoint a certain number of Directors to the Board, up to three (3) Directors. United Laguna Woods Mutual and Third Laguna Hills Mutual shall only appoint Directors who are resident-members of their respective Mutuals. Golden Rain Foundation shall appoint Directors who are resident-members of either of the aforesaid Mutuals.

At the first annual meeting of Members, United Laguna Woods Mutual, Third Laguna Hills Mutual, and Golden Rain Foundation of Laguna Woods shall each appoint three (3) qualified Directors, designating one of said Directors to serve a three-year term, one of said Directors to serve a two-year term, and the final Director to serve a one-year term. At each subsequent annual meeting, each Member shall appoint one (1) Director to serve a three-year term. With the exception of Directors appointed at the first annual meeting, all Directors shall serve a three-year term. Each Director shall hold office until his or her successor has been appointed or until his or her death, resignation, removal, or judicial adjudication of mental incompetence. The term of office of each Director appointed to fill a vacancy created by the resignation, death or removal of his or her predecessor shall be the balance of the unserved term of his or her predecessor. Any person serving as a Director may be reappointed, and there shall be no limitation on the number of terms which a Director may serve, except that no Director may serve more than two consecutive three-year terms.

4.4 Vacancies. Vacancies in the Board of Directors may be filled within thirty (30) days by special appointment by the Member responsible for electing a Director to the vacant seat, and each Director so appointed shall hold office until his or her successor is appointed at the next annual meeting of Members. A vacancy or vacancies shall be deemed to exist in the case of the disqualification, death, resignation, removal, or judicial adjudication of mental incompetence of any Director, or if the Members shall increase the authorized number of Directors but should fail at the meeting at which such increase is authorized, or at any adjournment thereof, to appoint the additional Directors so provided for, or in the case the Members fail at any time to appoint the full number of authorized Directors. If any Director tenders his or her resignation to the Board of Directors, the Member who appointed said Director shall have the power to appoint a successor to take office at such time as the resignation shall become effective. No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

4.5 Removal. A Director may be removed without cause by the Member entitled to appoint the Director to fill the subject seat.

4.6 Voting by Directors at Board Meetings; Quorum. At all meetings of the Board of Directors, the presence of two-thirds (2/3) of the Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting to another time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.7 Place of Meeting. All meetings of the Board of Directors shall be held at the principal office of the Corporation, or at such other suitable place or places within the County of Orange, State of California, as may be designated from time to time by the Board of Directors.

4.8 Organization Meeting of Board. Immediately following each annual meeting of Members of the Corporation, the Board of Directors shall hold a regular meeting for the purpose of organization and transaction of other business. No notice of such meeting to the Members or the newly elected Directors shall be necessary in order legally to constitute such meeting.

4.9 Meetings of Board. Meetings of the Board may be called by the Chair, by any two Directors, or by the Chief Executive Officer/General Manager. Regular meetings of the Board may be held at such place and day and hour as may be fixed from time to time by resolution of the Board; provided, however, that such meetings shall be held no less frequently than quarterly. Meetings of the Board shall be conducted pursuant to, and in conformity with, the Common Interest Development Open Meeting Act (Civil Code Section 4900, et seq., or any equivalent, superseding statute), and shall be open to the directors of the Mutual Members and Golden Rain Foundation, except when the Board may adjourn to, or meet solely in, executive session to consider litigation, matters relating to the formation of contracts with third parties, or personnel matters.

4.10 Notice of Board Meetings.

(a) Notice to Directors. Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by resolution of the Board, and notice of which is provided to the Members as required herein. Special meetings of the Board shall be held upon four (4) days' notice to Directors by first-class mail, or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or electronic transmission; provided, however, that notice of a meeting need not be given to any Director who has provided a waiver of notice, or signed a written consent to holding of the meeting.

(b) Notice to Members. The Members shall be given notice of all regular and special meetings of the Board pursuant to the requirements of Civil Code Section 4920, or any equivalent, superseding statute.

4.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director at any meeting of the Board shall be a waiver by him or her of personal notice of the time and place thereof. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if (1) a quorum is present and (2) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes.

4.12 Committees. The Board of Directors, by resolution, may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board. Committee members shall serve at the pleasure of the Board and may be removed by same.

4.13 Compensation. No Director shall receive any compensation for any service such Director may render to the Corporation as a Director; provided, however, that a Director may be reimbursed for out-of-pocket expenses incurred by such Director if authorized by the Board prior to any such expenses being incurred.

ARTICLE V OFFICERS

5.1. Enumeration of Officers. The officers of the Corporation shall be a Chief Executive Officer/General Manager, Treasurer, Secretary and such other officers as the Board may from time to time by resolution establish. Officers shall not be members of the Board of Directors or residents of Laguna Woods Village.

5.2. Appointment of Officers. Subject to the approval of Members required by Section 4.1(e)(1) herein with respect to the Chief Executive Officer/General Manager, the officers of the Corporation shall be appointed by the Board of Directors and each officer shall hold his or her office at the pleasure of the Board. Subject to Section 4.1(e)(1), any officer may be removed from office with or without cause, by the vote of the Board, and his or her successor appointed, at any regular or special meeting of the Board at which a quorum is present.

5.3 Special Appointments. The Board of Directors may appoint such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the Bylaws or as the Board of Directors may, from time to time, determine.

5.4 Vacancies. A vacancy in any office may be filled by the Board of Directors, subject to the approval of Members required by Section 4.1(e)(1) herein with respect to the Chief Executive Officer/General Manager.

5.5 Chief Executive Officer/General Manager. The Chief Executive Officer/General Manager shall have, subject to the control of the Board and the provisions of these Bylaws, general supervision, direction and control of the business and officers of the Corporation.

ARTICLE VI MISCELLANEOUS

6.1 Inspection of Corporate Records. The financial books of account, and the minutes of all meetings of the Members and the Board, shall be made available for inspection and copying upon the written request of any Member, or such Member's duly-appointed representative, at any reasonable time and for a purpose reasonably related to the Member's interest as a Member, in the manner provided in the Corporations Code of the State of California relating thereto.

6.2 Inspection of Bylaws. The Corporation shall keep in its principal office for the transaction of business, the original or a copy of the Bylaws as amended or otherwise altered to date, which shall be open to inspection by the Members at all reasonable times during office hours.

6.3 Inspection by Directors. Every Director of the Corporation shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties, if any, of the Corporation. This inspection by a Director may be made in person or by an agent or attorney appointed in writing by a requesting Director, and the right of inspection includes the right to copy and make extracts of documents.

6.4 Prohibition Against Hiring Residents and Members. Any resident of Laguna Woods Village or member of one of the Mutuals in Laguna Woods Village may not be hired as a full-time employee of the Corporation for compensation.

ARTICLE VII AMENDMENT

These Bylaws may be adopted, amended or repealed only with the approval of a majority of the total voting power of the Members. Whenever an amendment or new Bylaw is

adopted, it shall be placed in the book of Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

CERTIFICATE OF ADOPTION
OF BYLAWS
BY MEMBERS
OF
VILLAGE MANAGEMENT SERVICES, INC.
A California Nonprofit Mutual Benefit Corporation

IN WITNESS WHEREOF, I, the undersigned, do hereby certify that I am the duly elected, qualified and acting Secretary of VILLAGE MANAGEMENT SERVICES, INC., a California nonprofit mutual benefit corporation, and that the above and foregoing Bylaws were duly approved by the unanimous vote of the Members of VILLAGE MANAGEMENT SERVICES, INC. at a special meeting of Members held on _____, 20__.

Dated: _____, 20__.
VILLAGE MANAGEMENT SERVICES, INC., a California nonprofit mutual benefit corporation

By: _____

Print Name: _____

Title: _____

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of the shareholders (as holders of leasehold interests in a Manor located within United Laguna Woods Mutual, a stock cooperative), as shareholders with an entitlement to the exclusive right to occupy a manor, which is property in a common interest development (as defined by California Civil Code), and the corporation that manages them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

For purposes of this notice, “association” shall refer to “United Laguna Woods Mutual”, also referred to as “United” or the “Association”.

Any and all references to “shareholders” in this notice refer to holders of membership certificates issued by United, who are also holders of leasehold interests in a Manor, (or “Members”, as such term is defined in the Bylaws of United Laguna Woods Mutual).

Any and all references to a “Manor” in this notice shall refer to a dwelling unit owned by United.

Any and all references to “property” and “shareholder’s separate interest” in this notice refer to a leasehold interest and the right to exclusively occupy a Manor pursuant to an Occupancy Agreement and a membership certificate.

Any and all references to a “membership certificate” or “stock certificate” refer to a certificate for membership issued by United, which conveys to the holder a leasehold interest in and the right to exclusively occupy a Manor and membership in United.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay Association (United) assessments may result in the loss of a shareholder's property (leasehold interest in a Manor as evidenced by a stock certificate) through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. If a shareholder defaults under his or her Occupancy Agreement by failing to pay assessments when due, United also has the right, but not the obligation, to terminate the shareholder’s stock certificate, which may result in the eviction of the occupants of the Manor.

For liens recorded on and after January 1, 2006, the Association (United) may not use judicial or nonjudicial foreclosure to enforce the lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than One Thousand Eight Hundred Dollars (\$1,800). For delinquent assessments or carrying charges in excess of One Thousand Eight Hundred Dollars (\$1,800) or more than 12 months delinquent, the Association (United) may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the Association (United) records a lien against the shareholder's separate interest. The shareholder's separate interest (a leasehold interest in a Manor as evidenced by a stock certificate) may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive) If a shareholder defaults under his or her Occupancy Agreement by failing to pay assessments when due, United also has the right but not the obligation to terminate the shareholder’s stock certificate pursuant to the procedures set forth in the governing documents, including without limitation, the Bylaws and Occupancy Agreement, which may result in the eviction of the occupants of the Manor by an unlawful detainer action or other proceedings which may apply to the eviction of tenants.

In a judicial or nonjudicial foreclosure, the Association (United) may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The Association (United) may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a shareholder or a shareholder's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The Association (United) must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the Association (United) fails to follow these requirements, it may not record a lien against the shareholder's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the Association (United). (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on a shareholder's separate interest (the leasehold interest in a Manor as evidenced by a stock certificate), the Association (United) must provide the shareholder with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the shareholder. A shareholder has a right to review the Association's (United's) records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against a shareholder's separate interest (the leasehold interest in a Manor as evidenced by a stock certificate) in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide a shareholder with certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the Association (United) may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When a shareholder makes a payment, he or she may request a receipt, and the Association (United) is required to provide it. On the receipt, the Association (United) must indicate the date of payment and the person who received it. The Association (United) must inform shareholders of a mailing address for overnight payments. (Section 5655 of the Civil Code)

A shareholder may, but is not obligated to, pay under protest any disputed charge or sum levied by the Association (United), including, but not limited to, a monthly carrying charge, assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an Association (United) may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth

in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the shareholder. Binding arbitration shall not be available if the Association (United) intends to initiate a judicial foreclosure.

A shareholder is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

A shareholder of a separate interest (the leasehold interest in a Manor as evidenced by a stock certificate) that is not a timeshare may request the Association (United) to consider a payment plan to satisfy a delinquent assessment. The Association (United) must inform shareholders of the standards for payment plans, if any exist. (Section 5665 of the Civil Code)

The Board of Directors must meet with a shareholder who makes a proper written request for a meeting to discuss a payment plan when the shareholder has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the Association (United), if they exist. (Section 5665 of the Civil Code)

YEAR 2016 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

The following is a statement (the "Policy Statement") of the specific procedures, policies and practices employed by United Laguna Woods Mutual, a California nonprofit mutual benefit corporation ("United") in enforcing lien rights or other legal remedies for default in payment of assessments against its members ("Shareholders"). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 5310(a)(7) and incorporates by reference the disclosure provided by United pursuant to California Civil Code Section 5730.

The collection of delinquent assessments is of vital concern to all Shareholders of United. Such efforts ensure that all Shareholders pay their fair share of the costs of services and facilities provided and maintained by United. Shareholders' failure to pay assessments when due creates a cash-flow problem for United and causes those Shareholders who make timely payment of their assessments to bear a disproportionate share of the community's financial obligations.

Assessments are the separate debt of shareholders. United may employ single collection recourses or combinations thereof as allowed by law. In addition to any other rights provided for by law or described in the governing documents, including, but not limited to the Articles of Incorporation, Bylaws and each Shareholder's Occupancy Agreement ("Governing Documents"), the Board has the right to collect delinquent assessments as stated herein.

WE SINCERELY TRUST THAT ALL SHAREHOLDERS, IN THE SPIRIT OF COOPERATION AND IN RECOGNITION OF THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION, AND REIMBURSEMENT FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN YOUR BEST INTEREST AND THE BEST INTEREST OF THE COMMUNITY AS A WHOLE TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

REGARDLESS OF WHETHER A LIEN IS RECORDED AGAINST YOUR LEASEHOLD INTEREST DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL SHAREHOLDERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

Delinquency reports are made available monthly by United's managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments United employs the following collection and lien enforcement procedures. The policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of United's Board of Directors.

Pursuant to United's Governing Documents, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies:

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "fees" in United's Bylaws, are referred to in this paragraph and

throughout this Policy Statement as “assessments.” Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder’s responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein.

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of Two Hundred Dollars (\$200) (the “Administrative Collection Fee”), which is charged by United’s managing agent to cover staff’s costs to prepare the files for delivery to United’s collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United’s Board, and may be collected by United’s collection agent on United’s behalf, and remitted to United’s managing agent, or may be directly collected by United’s managing agent. **IT IS THE SHAREHOLDER’S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE.** All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder’s designee at his or her address as shown on the books and records of United unless otherwise required by law. However, it is the Shareholder’s responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder’s mailing address.

3. Late Charges; Interest. Assessments not received by the sixteenth (16th) day of the month will incur a late fee in the amount of Twenty Dollars (\$20.00), which amount is consistent with statutory authority. Further, both state law and United’s governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder’s delinquent account is referred to United’s collection agent for collections.

4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder. If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the

Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 5660 by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder's rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 ("IDR"), and the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR"). Notwithstanding the provisions of this paragraph, United may cause a pre-lien letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder's leasehold interest, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and/or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

6. Enforcement of a Lien. United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United

shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

United may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the owner's separate interest for the delinquent assessment. In any action to collect delinquent assessments, late charges, or interest, the prevailing party will be entitled to costs and reasonable attorney's fees.

7. Inspection of Books and Records. A Shareholder is entitled to inspect United's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5200, *et seq.*

8. Application of Payments. Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys' fees.

9. Account Sent to United's Collection Agent In Error. In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

10. Payment Under Protest. A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

11. Right to Dispute the Debt. A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for delivery to United pursuant to Civil Code Section 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.

12. Right to Request Alternative Dispute Resolution ("ADR"). A Shareholder has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 *et seq.* before United may initiate foreclosure against the Shareholder's leasehold interest, except that binding arbitration shall not be available if United intends to initiate a judicial foreclosure.

13. Payment Plan Requests. Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or United's collection agent, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may

incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved by the Board, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved.

14. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United, or to pursue any other discipline set forth in United's governing documents, including but not limited to a termination of the Shareholder's rights under the Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

15. Release of Lien. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and fees and costs of collection, including attorneys' fees, must be paid in full to United.

16. No Right of Offset. There is no right of offset. A Shareholder may not withhold assessments owed to United on the alleged grounds that the Shareholder is entitled to recover money or damages from United for some other obligation.

17. Returned Checks. United may charge the Shareholder a Twenty-Five Dollar (\$25.00) fee for the first check tendered to United that is returned unpaid by the Shareholder's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, United may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.

18. Additional Mailing Addresses. Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. The Shareholder's request shall be in writing and shall be mailed to United in a way that shall indicate that United has received it. A Shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, United shall only be required to send notices to the indicated secondary address from the point United receives the request.

19. Charges Subject to Change. All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

20. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or

services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting. (Civil Code Section 5855(a).) The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

21. Overnight Payments. The mailing address for overnight payment of assessments is: United Laguna Woods Mutual, Attn: Assessments, 24351 El Toro Road, Laguna Woods, CA 92637.

22. Annual Notice to Members. United shall distribute its collection policy to each member during the 60-day period immediately preceding the beginning of United's fiscal year.

23. No limitations. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United.

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**