

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

December 12, 2006

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Tuesday December 12, 2006, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Beth O'Brien, Jan McLaughlin (via telephone), Linda Wilson, Jim McNulty, Bevan Strom, Mary Stone, Burns Nugent, John Dalis, Marty Rubin, Maxine McIntosh, Ken Hammer

Directors Absent: None

Others Present: Milt Johns, Patty Fox, Janet Price (11:08 A.M. – 11:14 A.M.)
Executive Session: Milt Johns, Patty Fox, Cris Trapp

CALL TO ORDER

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

A moment of silence was held to honor the US Troops serving our country and those placed in harm's way.

PLEDGE OF ALLEGIANCE

Director Ken Hammer led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

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

MEMBER COMMENTS

- Iris Gorin (828-Q) commented on approval of GRF Bylaw Changes
- Roy McLain (2087-E) commented on voting rights
- Catherine Miglis (466-O) commented on landscape services
- Pamela Grundke (2214-B) commented on approval of GRF Bylaw Changes
- Mike Curtis (342-A) commented on land use and sales
- Anita Robertson (633-P) commented on assessment increase and financial requirements
- Charlene Sydow (646-A) commented on approval of GRF Bylaw changes
- Alan Doctors (244-B) commented on laundry room hooks and need for additional lighting
- Kay Margason (510-C) commented on directors' duty to serve the community
- Mike Gennero (2056-B) commented on installation of Shepherd's Crook behind Vons and need for additional walkway lighting

APPROVAL OF AGENDA

The agenda was approved as amended by adding 8(e) Committee Appointments Resolution and remove *2019-A Approval of request to extend living room, with contingencies* from the Architectural Standards and Variances Committee Consent Calendar, returning it back to the Committee.

APPROVAL OF MINUTES

The Minutes of the Regular Meeting of November 14, 2006 were approved as submitted.

OLD BUSINESS

Director Mary Stone made a motion to remove from the table the motion to approve a collection and lien enforcement policy. Director Bevan Strom seconded the motion and the motion carried.

The Secretary of the Corporation, Director Bevan Strom, read the proposed resolution.

Without objection the motion carried unanimously and the Board of Directors adopted the following resolution:

RESOLUTION 01-06-125

WHEREAS, Section 1365 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; and

NOW THEREFORE BE IT RESOLVED, December 12, 2006 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, 2007; and

RESOLVED FURTHER, that Resolution U-92-144 adopted October 27, 1992 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.

NEW BUSINESS

The Secretary of the Corporation read the following proposed resolution on adopting an anti-littering policy:

RESOLUTION 01-07

RESOLVED, February 13, 2007 that it is prohibited for any person knowingly and intentionally, without the consent of the Board of Directors, except for

those policies expressly allowed by the Board of Directors, to dump, deposit, place, throw, leave, or cause or permit dumping, depositing, placing, throwing, or leaving of, litter on any property managed by the Corporation; and

RESOLVED FURTHER, that the term "litter," as used herein, means all rubbish, refuse, waste material, garbage, offal, paper, glass, cans, bottles, trash, debris, or any foreign or organic substance of every kind and description; and

RESOLVED FURTHER, that any person found guilty of violating this anti-littering policy shall be subject to disciplinary action, per the Corporation's Progressive Disciplinary Policy, and

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

Director Strom made a motion to approve the resolution. Director Ken Hammer seconded the motion.

Mutual Members Charlene Sydow (646-A) suggested changes to the resolution; Barbara Copley (410-D) commented on the resolution; and Kay Margason (510-C) addressed the Board on signage.

Director Linda Wilson made a motion to table the resolution until the February Meeting to satisfy the required statutory thirty-day notice requirements. Director Stone seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution on adopting an anti-hate incident/crime policy:

RESOLUTION 01-07-

WHEREAS, it is the desire of the Corporation to create an environment that is safe for all residents and free of attack against an individual's disability, gender, nationality, race or ethnicity, religion, and/or sexual orientation; and

WHEREAS, to support residents in that regard the Board of Directors of this Corporation desires to implement procedures to help individuals efficiently and effectively report hate crimes and incidents to the proper authorities:

NOW THEREFORE BE IT RESOLVED, February 13, 2007 that the Board of Directors of this Corporation recommends that any individual that believes a hate crime or incident may have occurred take the following action:

- Call the Laguna Woods Police Services at (949) 770-6011 immediately and make a report. **IN AN EMERGENCY SITUATION, CALL 911.**
- Obtain medical attention, if needed. Be sure to keep all medical documentation.
- Leave all evidence in place. Do not touch or remove or clean up anything.
- Document what happened by: taking photographs of all evidence, including physical bodily damage, writing down exactly what was said, particularly any words that indicate bias motivation, and other information that may be valuable.
- Get the name(s), address(es) and phone number(s) of other victims and witnesses.
- If possible, write down a description of the perpetrator and the perpetrator's vehicle.
- Call **1-888-NO-2-HATE** and report the occurrence to OC Human Relations.

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

Director Strom made a motion to approve the resolution. Director Hammer seconded the motion.

Mutual Member Mike Curtis (342-A) addressed the Board on the resolution.

Director Wilson made a motion to table the resolution until the February Meeting to satisfy the required statutory thirty-day notice requirements. Director Jim McNulty seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution on adopting a printed materials distribution policy:

RESOLUTION 01-07

RESOLVED, February 13, 2006 that the Board of Directors of this Corporation hereby establishes the following policy for the distribution of publications, advertisement, announcements, campaign material, petitions and printed literature on property owned and managed by the Corporation (hereinafter "Material"):

Any individual or entity wishing to distribute Material to United Mutual residents, door-to-door, shall comply with all of the following conditions:

1. Door-to-door distribution of Material shall be permitted, as long as Laguna Woods Village residents are not disturbed. Material may only be left at the thresholds of front doors.
 - a. Only Mutual Members or their designated agents are permitted to gather signatures on petitions and/or initiatives as long as the petition remains in the possession of the signature gatherer (there can be no unattended petitions).
2. Material shall not be distributed in community facilities, such as on vehicles, mail boxes, trees, benches, walkways, laundry facilities (except as noted in paragraph 2(a)), street light poles, gates/fences or any other surfaces owned and managed by the Corporation.
 - a. Laundry room bulletin board postings are limited to personal announcements for residents only.
 - i. Only one flyer per resident is allowed at any one time, limited to a size of up to 4" x 6".
 - ii. Each announcement must positively identify the resident's name, telephone number, and posting date.
 - iii. Announcements shall not be placed on laundry room bulletin boards for more than thirty (30) days.
3. All Material must comply with state and federal laws.

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

Director Maxine McIntosh made a motion to approve the resolution. Director Marty Rubin seconded the motion. Discussion ensued.

Mutual Members Kay Margason (510-C); Mike Curtis (342-A); Charlene Sydow (646-A); Barbara Copley (410-D); and Anita Robertson (633-P) addressed the Board on the resolution.

Director McIntosh amended the resolution to strike out the word "walkways" in paragraph Number 2. Director John Dalis seconded the motion. Discussion ensued.

Director Hammer made a motion to refer the matter to the Planning and Project Development Committee. Director Rubin seconded the motion and the motion carried unanimously.

President O'Brien opened the floor to Director Strom who commented on the need to address legislation on providing different reserve requirements for co-ops than condos. Discussion ensued.

By way of consensus the Board directed staff to draft a subject report on the matter and bring it to the Finance Committee for review.

The Secretary of the Corporation read the change to the proposed Committee Appointment resolution. Director Strom moved to approve the resolution. Director Hammer seconded the motion. Without objection the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-06-126

RESOLVED, December 12, 2006, that the following persons are hereby appointed to serve the corporation in the following capacities:

Officers

Beth O'Brien, President
Jan McLaughlin, 1st Vice President
Ken Hammer, 2nd Vice President
Bevan Strom, Secretary
Jim McNulty, Treasurer

Architectural Standards and Variances Committee

Jan McLaughlin, Chair
Mary Stone, Vice Chair
Ken Hammer
Maxine McIntosh
Marty Rubin
Advisors: Sally DeBelles, Conrad Hassoldt

Finance Committee

Jim McNulty, Chair
Linda Wilson, Vice Chair
Bevan Strom
Burns Nugent
John Dalis
Advisors: Paul Vogel

Landscape Committee

Linda Wilson, Chair
Ken Hammer, Vice Chair

Bevan Strom
Maxine McIntosh
Marty Rubin
Advisors: Mary Kay Tibbetts, Jac Wyman

New Resident Orientation

Per Rotation List

Planning & Project Development

Bevan Strom, Chair
Burns Nugent, Vice Chair
Jan McLaughlin
Jim McNulty
Mary Stone
Advisor: Lloyd Foster, Dick Sharp

Resident Relations (Ombudsman)

Linda Wilson, Chair
John Dalis, Vice Chair

Select Audit

Jim McNulty
Linda Wilson

Traffic Court

Linda Wilson, Chair
Maxine McIntosh, Vice Chair
Per Rotation List

RESOLVED FURTHER, that Resolution 01-06-115, adopted November 14, 2006 is hereby superseded and cancelled.

CHAIR'S REMARKS

President O'Brien commented generally on the lawsuits filed by Mutual Member Mike Curtis and stated that the matter has been referred to the insurance counsel, and instructed the Board to not comment on the matter. President O'Brien also reminded the membership to abide by the Mutual Occupancy Agreement, especially pertaining to barking dogs.

GENERAL MANAGER'S REPORT

Mr. Milt Johns announced that HUD approved the GRF Bylaw changes and summarized the actual changes for the membership, updated the membership on the Shepherd's Crook fencing installation behind Vons, and informed the Membership on the new GRF Member discipline policy.

CONSENT CALENDAR

Without objection and by way of unanimous consent the consent calendar was approved as amended and the following actions were taken:

Architectural Standards and Variances Committee:

RESOLUTION 01-06-127

RESOLVED, December 12, 2006 that the request of Ms. Johanna Keyzer of 6-C Via Castilla for reimbursement of costs associated with additional lodging expenses incurred as a result of the fumigation of Building 6 is hereby denied.

RESOLUTION 01-06-128

WHEREAS, the Carport Renovations program work is currently underway; and

WHEREAS, Mr. Leonard Rugh of 11-C Via Castilla requested that the carport in which he parks remains open on the end to facilitate the extra space he needs in order to enter and exit his vehicle to accommodate his disability;

NOW THEREFORE BE IT RESOLVED, December 12, 2006 that the Board of Directors of this Corporation hereby approves Mr. Rugh's request and authorizes the completion of the Carport Renovations Program work for Carport 32, except for enclosing the east end of the carport; and

RESOLVED FURTHER, that the Board of Directors request that Mr. Rugh notify the Maintenance Division if he replaces his vehicle with one that could accommodate his disability without imposing beyond the footprint of the carport, or any condition that would allow the Mutual to enclose the carport per the Carport Renovations Program scope of work.

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 01-06-129

RESOLVED, December 12, 2006 that the request of Ms. Andrea Hein, acting power of attorney for Mr. Andrew Paykos of 177-C Avenida Majorca, to convert the previously approved non-habitable Glass Windscreen enclosure alteration to a living room extension is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual member at 177-C; and

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

RESOLVED FURTHER, that prior to issuance of a permit, updated, unit-specific plans depicting the alteration, signed and wet-stamped by a California-licensed architect and/or engineer must be submitted to the Permits and Inspections Office 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 alteration; and

RESOLVED FURTHER, that prior to issuance of a Mutual permit for the proposed alteration, an Alteration Consent Form signed by the Mutual member(s) at Manors 177-B indicating those Member(s) approval of the proposed alteration, must be submitted.

RESOLUTION 01-06-130

RESOLVED, December 12, 2006 that the request of Mrs. Marilyn Lynch of 218-D Avenida Majorca to retain the opening in the block wall of her patio is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 218-D; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit numbers must be submitted to the Mutual through the Permits and Inspections.

RESOLUTION 01-06-131

RESOLVED, December 12, 2006 that the request of Ms. Amelia Egelske Meyers of 243-E Calle Aragon for installation of lighting in the common area is hereby denied.

RESOLUTION 01-06-132

RESOLVED, December 12, 2006 that the request of Mr. Louis Piso of 357-C Avenia Castilla for a patio extension and block wall is hereby denied.

RESOLUTION 01-06-133

RESOLVED, December 12, 2006 that the request of Ms. Carolyn Myhra of 599-E Avenida Majorca to retain her white-colored front door is hereby approved.

RESOLUTION 01-06-134

RESOLVED, December 12, 2006 that the request of Mr. and Mrs. Garry Nelson of 707-B Avenida Majorca to fill in the bottom portion of the Master Bedroom window and install a new 5'-0" X 5'-0' XO white vinyl window is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 707-B; and

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

RESOLUTION 01-06-135

RESOLVED, December 12, 2006 that the request of Mr. and Mrs. Andrew Cullinane of 831-B Ronda Mendoza for room addition utilizing the existing manor's roof slope and type/style of existing tiles is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 831-B; and

RESOLVED FURTHER, that Unit-specific plans depicting the proposed alteration, signed and wet-stamped by a California-licensed architect or engineer must be submitted to the Permits and Inspection office located in the Laguna Woods Village Community Center for approval. These plans must include structural details and calculations required to insure the structural integrity of the building is maintained upon completion of the proposed alteration; and

RESOLVED FURTHER, that new installation window frames must be of white vinyl; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit

numbers must be submitted to the Mutual through the Permits and Inspections office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that prior to issuance of a Mutual permit for the proposed alteration, Alteration Consent Forms signed by the Mutual member(s) at Manors 831-C, 830-D and 830-Q indicating those Member(s) approval of the proposed alteration, must be submitted.

Landscape Committee Recommendation:

640-B	Denial of appeal request to trim back trees and shrubs
674-A	Approval of appeal request for plant replacements at the Mutual member's expense
888-C	Denial of appeal request for tree removals (2)
55-R	Denial of request for relocation of trash dumpster
75-G	Denial of request for tree removal and relandscaping
102-A	Denial of request for tree removal
110-D	Denial of request for tree removal
228-B	Denial of request for shrub removals and replacements
497-D	Denial of request for plant removals
502-D	Denial of request for shrub removals
687-A	Approval of request for tree removal at the Mutual's expense
789-P	Approval of request for hedge installation at the Mutual member's expense
852-P	Denial of request for tree removals (2)
871-B	Denial of request for off-schedule tree trimming
882-Q	Denial of request for refund for relandscaping services
2003-C	Approval of request for tree removal and relandscaping at the Mutual's expense; and approval of request for mortarless garden block wall at the Mutual member's expense

Finance Committee Recommendation:

RESOLUTION 01-06-136

WHEREAS, Member ID 947-358-05 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment in an amount exceeding \$1800; 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, December 12, 2006 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-358-05; 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 01-06-137

WHEREAS, Member ID 947-392-69 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment in an amount exceeding \$1800; 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, December 12, 2006 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-392-69; 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 01-06-138

WHEREAS, Member ID 947-423-19 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment in an amount exceeding \$1800; 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, December 12, 2006 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-423-19; and

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

Ms. Janet Price entered the meeting at 11:08 A.M.

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

Director Jim McNulty reported on the Treasurer's Report and the Finance Committee.

Ms. Janet Price left the meeting at 11:14 A.M.

On Director Jan McLaughlin's behalf, Director Stone reported from the Architectural Standards and Variances Committee.

The Secretary of the Corporation read the following proposed resolution on approving revised Alteration Standard Section 7 - Antennas, Amateur Radio and Satellite Dishes:

RESOLUTION 01-07

WHEREAS, the Architectural Standards and Variances Committee has recommended that the Board of Directors further amend the United Laguna Hills Mutual Alteration Standards, with suggested changes;

NOW THEREFORE BE IT RESOLVED, February 13, 2007, that the Board of Directors of this Corporation hereby approves the revisions of Section 7, Antennas, Amateur Radio and Satellite Dishes as attached to the official minutes of this meeting; and

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

RESOLVED FURTHER, that Resolution U-96-62, adopted May 14, 1996 is hereby amended and Resolution U-02-12 adopted February 12, 2002 is hereby superseded and cancelled.

Director Stone made a motion to approve the resolution. Director Hammer seconded the motion. Discussion ensued.

Director Dalis made a motion to table the resolution to the February Meeting to satisfy the required statutory thirty-day notice requirements. Director Hammer seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution on approving revised Alteration Standard Section 11 – Door, Exterior:

RESOLUTION 01-07

WHEREAS, the Board of Directors of this Corporation adopted Resolution U-96-62 on May 14, 1996, which approved the United Laguna Hills Mutual Alteration Standards; and

WHEREAS, the Architectural Standards and Variances Committee has recommended that the Board of Directors further amend the United Laguna Hills Mutual Alteration Standards with suggested changes;

NOW THEREFORE BE IT RESOLVED, February 13, 2007, that the Board of Directors of this Corporation hereby approves the revisions of Section 11, Door, Exterior, as attached to the official minutes of this meeting; and

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

RESOLVED FURTHER, that Resolution U-96-62, adopted May 14, 1996 is hereby amended, and Resolution 01-03-152 adopted November 10, 2003 is hereby superseded and cancelled.

Director Stone made a motion to approve the resolution. Director Rubin seconded the motion. Discussion ensued.

Director McIntosh amended the motion to add the words "or metal" in Section 2.1. Director Strom seconded the motion. Discussion ensued.

Without objection the Board withdrew the amendment.

Mutual Member Mike Curtis (342-A) addressed the Board on the proposed Standard.

Director Stone made a motion to table the resolution to the February Meeting to satisfy the required statutory thirty-day notice requirements. Director Wilson seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution denying the request of 59-F to install rain gutters and downspouts. Director Stone moved to approve the resolution. The motion was seconded and discussion ensued.

Mutual Members Mike Curtis (342-A), Barbara Copley (410-D) and Kay Margason (510-C) addressed the Board on the resolution.

By a vote of 3-7-0 (Directors Stone, Hammer, and McLaughlin voted in favor) the motion failed.

Director Wilson made a motion to approve the request of Mr. Jim McVicker of 59-F Calle Cadiz to install rain gutters and downspouts, with contingencies. Director Dalis seconded the motion. Discussion ensued.

By a vote of 8-2-0 (Directors Stone and McLaughlin opposed) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-06-139

RESOLVED, December 12, 2006 that the appeal request of Mr. Jim McVicker of 59-F Calle Cadiz to install rain gutters and downspouts on the outside front patio and front porch area is hereby approved; and

RESOLVED FURTHER, that all costs and maintenance of the alteration are the responsibility of the Mutual member(s) at 59-F; and

RESOLVED FURTHER, that the Mutual Member must submit for review-plans detailing how the gutter will be conforming to existing gutters installed in the Community, as well as the location of the gutter and related downspouts. Plans must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that gutters and downspouts must be painted the same color as the portion of the building to which they are attached; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained prior to the commencement of any work.

The Secretary of the Corporation read a proposed resolution denying the request of 738-A to extend the patio and install a block wall.

Director Stone made a motion to approve the resolution. Director Strom seconded the motion. Discussion ensued.

Mutual Member Mike Curtis (342-A) addressed the Board on the resolution.

By a vote of 9-1-0 (Director McLaughlin opposed) the motion carried and the Board of Director adopted the following resolution:

RESOLUTION 01-06-140

RESOLVED, December 12, 2006 that the appeal request of Mr. and Mrs. Robert Johnson of 738-A Avenida Majorca to extend their patio and install a block wall is hereby denied.

Director McIntosh made a motion to table agenda items *13 (e) Consider Color of Manor Entry Gates*; and *13 (f) Consider Request to Restore Black Entry Gates at Buildings 209 and 210* until the January Meeting. Director Wilson seconded the motion, and without objection the motion carried unanimously.

Director Linda Wilson reported from the Landscape Committee.

Director Bevan Strom reported from the Planning and Project Development Committee.

Director Linda Wilson reported from the Resident Relations Information Services.

A motion was made and seconded to dispense with the GRF Committee Reports, and without objection the motion carried unanimously.

DIRECTORS' FORUM

- Director Hammer encouraged the residents to purchase HOA insurance and to slow down while driving in the Community
- Director McIntosh thanked Mr. and Mrs. Gorin for obtaining a letter from HUD approving the GRF Bylaws
- Director McNulty wished everyone a Happy Holiday season
- Director Rubin wished everyone a Happy Holiday
- Director Stone encouraged the residents to obtain permits for any alteration and wished everyone a happy and healthy Holiday
- Director McLaughlin thanked Director Stone for reporting from ASV Committee
- Director Strom wished everyone a Happy Holiday
- Director Wilson announced the next CCA Townhall Meeting in Clubhouse 5
- Director Dalis wished everyone Happy Holidays and a Happy New Year
- President O'Brien wished the Board Members, Staff and residents a Happy Holiday

MEETING RECESS

The Regular Open Session Meeting recessed at 12:09 P.M. and reconvened back into the Regular Executive Session at 12:59 P.M.

During its November 14, 2006 Regular Executive Session, the Board reviewed and approved the Special Executive Session Minutes of September 27, 2006, the Action By way of Unanimous Consent of October 2, 2006, and the Special Executive Session Minutes of November 3, 2006. The Board heard three (3) Disciplinary Hearings and one (1) Appeal Hearing and imposed fines totaling \$375 for violations of the Mutual's rules and regulations. The Board approved the filing of a Notice of Default on Member ID 947-431-47. The Board also discussed further disciplinary matters and pending litigation matters.

The Traffic Committee of the Board met in Executive Session on November 15, 2006 to discuss member disciplinary issues.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:47 P.M.

Bevan Strom, Secretary

YEAR 2007 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

The following is a statement of the specific procedures, policies and practices employed by United Laguna Hills Mutual (the "Mutual") in enforcing lien rights or other legal remedies for default in payment of its assessments against its members (the "Policy Statement"). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 1365(d).

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

WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION. IT IS IN THE BEST INTEREST OF YOU AND EVERY OTHER MEMBER OF THE MUTUAL FOR EACH OF YOU TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

Delinquency reports are made monthly by the Mutual's managing agent to the Board of the Mutual, identifying the member, amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments the Mutual employs the following collection and lien enforcement procedures:

1. Regular assessments are due and payable to the Mutual, in advance, in equal monthly installments, on the first day of each month. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If the current monthly assessment is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the member. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY THE MUTUAL 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 the Association Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred "Costs of Collection." "Costs of Collection" as used in this Policy Statement shall include, without limitation, an administrative collection fee, currently in the amount of Two Hundred Dollars (\$200) (the "Administrative Collection Fee"), which is charged by the Mutual to cover staff's costs to prepare the files for delivery to the Mutual's legal counsel in order to carry out legal actions authorized hereunder, as well as

direct costs incurred in recording and/or mailing documents attendant to this legal process. This Administrative Collection Fee may be increased by majority vote of the Mutual's Board, and may be collected by the Mutual's legal counsel on its behalf, and remitted to the Mutual, or may be directly collected by the Mutual. It is the member'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 members by first-class mail addressed to the member at his or her address as shown on the books and records of the Mutual. However, it is the member's responsibility to be aware of the assessment payment due dates and to advise the Mutual of any changes in the member's mailing address.

A late payment charge for a delinquent assessment will be assessed in the amount of Twenty Dollars (\$20.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both state law and the Mutual's governing documents provide for interest on the delinquent assessment and the late charge, and accordingly interest will be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed twelve percent (12%) or the maximum interest rate allowed by law, whichever is less. Such interest may be imposed and collected per the foregoing sentence regardless of whether the member's delinquent account is referred to the Mutual's legal counsel for further handling.

2. If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of the Reminder Notice, a Demand Letter will be sent to the member by Certified Mail. Additionally, the Mutual will attempt to contact the member by telephone to remind the member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the member by telephone, and the member is responsible to pay off the delinquency whether or not a telephone reminder is actually received by the member.
3. 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 Demand Letter, the Mutual may, at its option, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the member's payment history, undertake to collect the delinquency by: (1) legal actions, discussed further below, (2) termination of the delinquent member's membership in the Mutual as a result of any foreclosure, or (3) other appropriate means.
4. The failure to pay each assessment payment on a timely basis imposes financial pressure and burdens on the Mutual's budget. The monthly assessments are the Mutual's principal and only regular source of revenue to meet current operating and reserve expenses incurred on behalf of the members of the Mutual. Special assessments must be received in a timely fashion in order to finance the special projects for which said assessments

are imposed. Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of the assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. For example, the Mutual may, after following appropriate procedures prescribed by law and the Mutual's governing documents, suspend a delinquent member's right to vote on matters requiring collective action by the Mutual, or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full. Failure to pay the assessments may also result in suspension of membership in and the ability to use the facilities provided by the Golden Rain Foundation of Laguna Woods.

The Mutual may also take various legal actions to enforce the collection of delinquencies. These actions may be taken separately or concurrently.

First, a civil action in small claims court may be filed (or a lien recorded as to which the Mutual is prohibited from foreclosing while the amount of the delinquent assessments, exclusive of any late charges, fees, attorney's fees, interest, and costs of collection is less than One Thousand Eight Hundred Dollars (\$1,800), or the delinquent assessments are less than twelve (12) months delinquent), with a management company representative or bookkeeper appearing and participating on behalf of the Mutual.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court proceeding; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments and any reasonable late charges, fees and Costs of Collection (which costs shall, as stated above, include, without limitation, the Administrative Collection Fee), attorney's fees and interest, all up to the jurisdictional limits of the small claims court.

Alternatively, if the amount of delinquent assessments (again, not including any late charges, fees, attorney's fees, interest, or costs of collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), or any unpaid assessments are more than twelve (12) months delinquent, then, subject to specified conditions, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the member, and if so requested by the member, must participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). The

decision to pursue dispute resolution or a particular type of ADR shall be the choice of the member, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure.

Another condition is that the decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the Board, and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all members; however, the confidentiality of the member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the owner or owners. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale.

The Board must provide notice by personal service to an owner of a separate interest or their legal representative, if the Board votes to foreclose. The owner's legal representative to whom such notice must be sent shall be the person whose name is shown as the owner of a separate interest in the Mutual's records, unless another person has been previously designated by the owner as his or her legal representative in writing and mailed to the Mutual, in a manner that indicates that the Mutual has received it. For a non-occupying owner, the Board must provide written notice by First-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the owner's separate interest may be treated as the owner's mailing address.

A non-judicial foreclosure by an association to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the separate interest may be redeemed from a foreclosure sale ends ninety (90) days after the sale. A notice of sale in connection with the Mutual's foreclosure of a separate interest shall include a statement that the property is being sold subject to this right of redemption.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the member may be seized or a lien may be placed on such assets to satisfy the judgment.

Pursuant to the provisions of the Davis-Stirling Common Interest Development Act, applicable regulations, and the Occupancy Agreement, the delinquent amount, as well as late payment penalties for the delinquent assessments and/or interest charges and/or charges for Costs of Collection that are incurred by the Mutual or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments (including, but not limited to, attorney's fees, title company and

foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters and recording costs (such as the Administrative Collection Fee), and costs associated with small claims court actions) may be enforced as a lien against the member's Manor.

Moreover, pursuant to the Davis-Stirling Common Interest Development Act, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a member or a member's guests or tenants were responsible may also be enforced as a lien against the member's manor.

Prerequisites to Recording a Lien: Offer of ADR and Thirty (30) Day Pre-Lien Notice to the Delinquent Owner. Before a Notice of Delinquent Assessment can be recorded in the chain of title to the manor of a delinquent member, the Mutual must offer the owner, and if so requested by the owner, must participate in dispute resolution pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 5 commencing with Section 1363.810 of Chapter 4) or ADR as set forth in Article 2 (commencing with Section 1369.510 of Chapter 7), both in the California Code of Civil Procedure.

The decision to pursue dispute resolution or a particular type of ADR shall be the choice of the owner (except that binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure). If the Member elects not to proceed with dispute resolution or any type of ADR, then the Mutual must send the member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given. This certified Pre-Lien Notice from the Mutual must include the following information:

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount that is claimed to be owed (this summary of assessment collection procedures is intended to satisfy that disclosure requirement);
- (b) A statement that the notified member has the right to inspect the Mutual's records pursuant to Section 8333 of the Corporations Code;
- (c) A statement in 14-point capital letters (or boldface type): "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION";
- (d) An itemized statement of the charges owed by the member, including items on the statement that indicate the amount of any delinquent assessments, the fees and Costs of Collection, reasonable attorney's fees, and late charges, and interest, if any;

- (e) A statement that the member shall not be liable to pay the charges, interests and Costs of Collection if it is determined that the assessment was paid on time to the Mutual;
- (f) A statement that the notified member has a right to meet with the Board to discuss a payment plan (further discussed below);
- (g) A statement that the member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Board pursuant to the Mutual's "meet and confer" program; and
- (h) A statement that the member has the right to request ADR with a neutral third party before the Mutual may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure.

Owner's Right to Request a Meeting with the Board, or Dispute Resolution or ADR.
On receipt of the certified PreLien Notice described above, the noticed member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The member has the right to participate in dispute resolution under the Mutual's "meet and confer" program or ADR with a neutral third party;
- (b) The noticed member has a right to submit a written request to meet with the Board of Directors to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the member. That meeting must take place within forty-five (45) days (calculated from the postmark on the member's request) and must be conducted in executive session. When a member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board can designate a committee of one or more members to meet with the member if there is no regularly scheduled Board meeting that will occur within forty-five (45) days of the member's request.

Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the member's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.

If any "meet and confer" session or ADR is engaged in by and between the member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the new statutory minimum as to the delinquent amount or duration of the delinquency had been met, a proceeding may be commenced to foreclose the lien against the member's Manor and sell the member's Manor at a private sale or by a judicial sale. If this occurs, the member may lose the ownership of his or her Manor.

Additionally, in accordance with state law, payments received on delinquent assessments shall be applied to the member's account in the following order of priority: first, to the principal owed; then to accrued interest and late charges; then to attorney's fees; then to title company and foreclosure service company charges and other Costs of Collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 1366(d).

The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the member. If it is determined through dispute resolution or ADR that the Mutual has filed a lien for delinquent assessments in error, the Mutual is required to promptly reverse all late charges, fees, interest, attorney's fees, Costs of Collection, costs imposed for the Pre-Lien Notice, and costs of recordation and release of the lien (per Civil Code Section 1367.4(b)), and pay all costs related to any dispute resolution or ADR that has been pursued.

Notwithstanding the foregoing, the right of any owner of a separate interest to utilize alternative dispute resolution may not be exercised more than two (2) times in any single calendar year, nor more than three (3) times within any five (5) calendar years. However, by mutual agreement, the parties may enter into alternative dispute resolution for a number of times in excess of the limits set forth in the previous sentence, as provided for in the Davis-Stirling Common Interest Development Act.

Members have a right to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to this collection and lien enforcement policy, and upon receipt of a written request from a member identifying a secondary address, the Mutual must send additional notices to this secondary address.

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent monthly assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

BOARD OF DIRECTORS

UNITED LAGUNA HILLS MUTUAL