

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

November 14, 2008

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Friday November 14, 2008, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Lloyd Foster, Bevan Strom, Linda Wilson, Marty Rubin, Maxine McIntosh (9:30 A.M. – 10:48 A.M.), Gail McNulty, Arlene Miller, Paul Vogel, John Dalis, Marv Rosenhaft, Mike Curtis

Directors Absent: None

Others Present: Milt Johns, Patty Kurzet, Janet Price (10:52 A.M. – 11:05 A.M.)
Executive Session: Milt Johns, Cris Trapp, Patty Kurzet

CALL TO ORDER

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

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 Gail McNulty led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

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

APPROVAL OF AGENDA

The agenda was approved as submitted.

Without objection, the Board agreed to limit the total time for Member Comments to 30 minutes.

MEMBER COMMENTS

- Harry Rockey (263-A) commented on the Board acknowledging Mike Curtis as a Board Director and commented on leases
- Kaye Mann (2070-Q) commented on appliance rebates and receiving a bill for appliance pick-up
- Kay Margason (510-C) commented on flyers distributed around the community and thanked the Board for its services
- Jerry Sheinblum (3488-C) announced the next CCA Town Hall Meeting

RESPONSE TO MEMBER COMMENTS

- President Foster briefly responded to member comments
- Director Curtis commented on leases and distribution of flyers
- Director Strom commented on lease restrictions and distribution of flyers

APPROVAL OF MINUTES

Without objection, the Board reviewed and approved the Minutes of the Regular Meeting of September 9, 2008.

Without objection, the Board reviewed and approved the Minutes of the Special Meeting of September 30, 2008.

Without objection, the Board reviewed and approved the Minutes of the Special Meeting of October 8, 2008.

Without objection, the Board reviewed and approved the Minutes of the Organizational Meeting of October 14, 2008.

OLD BUSINESS

The Secretary of the Corporation, Director Linda Wilson, read a proposed resolution approving interior inspections of manors vacant for over six months.

Director Wilson moved to approve the resolution. Director Paul Vogel seconded the motion.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-196

WHEREAS, United Mutual currently does not conduct regular, periodic inspections of manor interiors to assist with determining the condition of the manor and taking remedial action to reduce loss or damage to Mutual property; and

WHEREAS, there has been an increased concern with the condition of manors which have been vacant for six or more months; and

WHEREAS, based on corporate counsel's advice, and the Mutual's governing documents, the Mutual has the right to inspect manors at a reasonable hour in the event of an emergency, at any time; and the right to enter manors at a reasonable hour in non-emergency situations for the purposes of inspections to determine whether maintenance or repairs may be necessary, as well as performing such maintenance and/or making repairs;

NOW THEREFORE BE IT RESOLVED, November 14, 2008, that the Board of Directors hereby authorizes non-emergency inspections of manor interiors that have been identified as being unoccupied for six months or more; and

RESOLVED FURTHER, that such inspections shall be conducted annually with an estimated cost of \$11,000 to be charged as an unbudgeted operating expenditure in 2009, and will be included in the Mutual's annual operating budget going forward; and

RESOLVED FURTHER, that the Mutual shall provide a minimum of 15 days' notice of inspection to the member of record of each vacant manor; and

RESOLVED FURTHER, that the Mutual shall conduct the non-emergency inspections with Security personnel in attendance unless access is specifically denied by the member of record; and

RESOLVED FURTHER, that if the member of record does not respond after two contact attempts by the Mutual or specifically denies entry, the matter will be referred to the Board for member disciplinary action; and

RESOLVED FURTHER, that in the event that inspectors encounter illegal or unauthorized occupants in certain manors that Mutual records indicate are vacant, the matter shall be referred to the Board for member disciplinary action; and

RESOLVED FURTHER, that non-emergency inspections shall be conducted with Security personnel in attendance to document and ensure there is no adverse impact upon the manor interior by the Mutual's inspection; and

RESOLVED FURTHER, that the inspector shall identify and note conditions within the manors and facilitate remediation of adverse functional conditions identified; and

RESOLVED FURTHER, that necessary emergency repairs that are the responsibility of the member will be carried out and charged to the member of record; and

RESOLVED FURTHER, that necessary repairs that are the responsibility of the Mutual will be carried out at Mutual cost; 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 a proposed resolution establishing a new standing committee identified as the Architectural Review and Maintenance Committee. Director Wilson moved to approve the resolution. Director Maxine McIntosh seconded the motion and discussion ensued on changes to the committee structure.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-197

WHEREAS, in order to better address maintenance items, Mutual Alteration Standards, and variance requests submitted by members, it is recommended that all Standards, variances, and other maintenance issues be addressed under a new standing committee;

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that in compliance with Article VII, Section 1 of the United Laguna Hills Mutual Bylaws, the Board of this Corporation hereby establishes a new standing committee identified as the Architectural Review and Maintenance Committee to serve at the pleasure of this Board; and

RESOLVED FURTHER, that the duties and powers of this Committee shall be determined by the Board, provided that the authority is limited to advising the Board and all final action is subject to the specific approval of the Board; and

RESOLVED FURTHER, that the Architectural Standards and Variances Committee is hereby dissolved; and

RESOLVED FURTHER, that Resolution 01-06-99 adopted October 20, 2006 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.

The Secretary of the Corporation read a proposed resolution establishing a new standing committee identified as the Policies, Procedures, & Planning Committee. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Mutual Member Kay Margason (510-C) commented on the motion.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-198

WHEREAS, in order to give more time to developing policies and procedures, and addressing the need for better short and long term planning, it is recommended that the Board establishes a new standing committee;

NOW THEREFORE BE IT RESOLVED, November 14, 2008, that in compliance with Article VII, Section 1 of the United Laguna Hills Mutual Bylaws, the Board of this Corporation hereby establishes a new standing committee identified as the Policies, Procedures & Planning Committee to serve at the pleasure of this Board; and

RESOLVED FURTHER, the duties and powers of this Committee shall be determined by the Board, provided that the authority is limited to advising the Board and all final action is subject to the specific approval of the Board; and

RESOLVED FURTHER, that the Planning and Project Development Committee is hereby dissolved; and

RESOLVED FURTHER, that Resolution 01-06-100, adopted October 20, 2006 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.

The Secretary of the Corporation read a proposed resolution approving the Mutual Committee appointments. Director Wilson moved to approve the resolution. Director Mike Curtis seconded the motion.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-199

RESOLVED, November 14, 2008, that the following persons are hereby appointed to serve the corporation in the following capacities:

Officers

Lloyd Foster, President
Bevan Strom, 1st Vice Pres.
Marv Rosenhaft, 2nd Vice Pres.
Linda Wilson, Secretary
Paul Vogel, Treasurer

Architectural Review & Maintenance Committee (Committee of Whole)

Marv Rosenhaft, Chair
Bevan Strom, Vice Chair
Advisors: To Be Announced

Finance Committee (Committee of Whole)

Paul Vogel, Chair

Marv Rosenhaft, Vice Chair
Advisors: To Be Announced

Landscape Committee (Committee of Whole)

Linda Wilson, Chair
Gail McNulty, Vice Chair
Advisors: Mary Kay Tibbetts, Polly Spahr

Policies, Procedures & Planning (Committee of Whole)

Bevan Strom, Chair
Marv Rosenhaft, Vice Chair
Advisors: Bill Cleveland

Resident Relations Information Services

Marty Rubin, Chair
Gail McNulty, Vice Chair
Arlene Miller

Traffic Hearing

Maxine McIntosh, Chair
John Dalis, Vice Chair
Per rotation list (1 Director)

New Resident Orientation

Per Rotation List

Select Audit

Paul Vogel
Lloyd Foster

Laguna Canyon Foundation

Gail McNulty

RESOLVED FURTHER, that Resolution 01-08-128, adopted August 12, 2008,
is hereby superseded and canceled.

The Secretary of the Corporation read a proposed resolution approving the GRF Committee appointments. Director Wilson moved to approve the resolution. Director Marty Rubin seconded the motion.

Mutual Member Kay Margason (510-C) commented on the resolution.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-200

RESOLVED, November 14, 2008, that, in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted May, 2006, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Broadband Services

Marty Rubin
John Dalis

Business Planning

Paul Vogel, Treasurer
Lloyd Foster, President

Bus Services

John Dalis
Arlene Miller

Community Activities

Gail McNulty
John Dalis

Finance

Paul Vogel
Marv Rosenhaft

Government & Public Relations

Marty Rubin
Arlene Miller

Gate Renovation Ad Hoc Committee

Maxine McIntosh
Bevan Strom

Golf Starter Building Ad Hoc Committee

Bevan Strom
Lloyd Foster

Landscape Committee

Linda Wilson
Maxine McIntosh

Maintenance & Construction

Bevan Strom
Marv Rosenhaft

Security

Linda Wilson
Gail McNulty

RESOLVED FURTHER, that Resolution 01-08-129, adopted August 12, 2008 is hereby superseded and cancelled.

The Secretary of the Corporation read a proposed resolution approving the formalization of the rule change notification policy. Director Wilson moved to approve the resolution. Director Rubin seconded the motion and discussion ensued.

Director Curtis moved to amend the motion to strike the words "endeavor to" in the second bullet point. Director Dalis seconded the motion and discussion ensued.

Director Gail McNulty called the question. Director Wilson seconded the motion. By a vote of 10-0-0 the motion carried.

Mutual Member Kaye Mann (2070-Q) and Harry Rockey (263-A) commented on the resolution.

By a vote of 1-9-0 (Director Curtis voted in favor), the amendment failed.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-201

WHEREAS, the Davis Stirling Act requires the Board of Directors of this Corporation to provide written notice of a proposed rule change to the members at least 30 days before making the rule change, and

WHEREAS, the Davis-Stirling act was written so that, in large communities such as Laguna Woods Village, the reading of a Resolution at an Open Board meeting that is broadcast on the community cable system serves as the initial notification of a proposed rule change subject to the 30-day notification requirement; and

WHEREAS, this Corporation endeavors to provide additional sources for residents to review operating rule changes being considered;

NOW THEREFORE BE IT RESOLVED; November 14, 2008, the Board of Directors of this Corporation hereby establishes the following policy for noticing proposed rule changes to the membership and method of document delivery:

- Resolutions considered by the Board affecting the membership as defined under Civil Code §1357.130 shall be read, considered, and

postponed for 30 days to meet the Rule Change Notification Policy. The reading shall serve as the initial notification as required per Civil Code §1357.130.

- The managing agent, on behalf of the corporation, will endeavor to post the full text of the proposed Rule Change on the Village website after the initial notification for additional review by the Membership. The proposed Rule Change shall also be promulgated to the various Village media.
- Copies of the full text of the Rule Change notification may also be obtained in the Village Community Center (standard copy fees will apply).
- The Board is required by statute to consider comments received during the 30-day notification period. Staff shall make available all written communications from the membership to the Board in the Board's agenda package along with the proposed rule change for the Board's consideration of the submittals.

RESOLVED FURTHER, that the purpose of this resolution is to codify existing unwritten policy; and

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

The Secretary of the Corporation read a proposed resolution approving thresholds for referral of Member disciplinary matters to the GRF Board. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Director Strom moved to amend the motion to add the words "and to take other disciplinary actions" in the first WHEREAS. Director Vogel seconded the motion and discussion ensued.

Mutual Member Harry Rockey (263-A) commented on the agenda.

By a vote of 10-0-0, the amendment carried.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-08-202

WHEREAS, United Mutual holds monthly closed session hearings during which Member disciplinary matters are addressed; and pursuant to United's Bylaws, the Board has the authority to impose monetary fines **and take other**

disciplinary action upon Members who have been found to violate the rules and regulations; and

WHEREAS, there are Members who do not pay the imposed fines, and the Mutual has limited options to collect such fines; and

WHEREAS, GRF, by way of Resolution 90-06-110, agrees to assist the Mutual in the enforcement of Member disciplinary decisions made by the Mutual Board by suspending Mutual Members' rights to use certain GRF facilities;

NOW THEREFORE BE IT RESOLVED, November 14, 2008, that in order to maintain a manageable number of referrals per month to GRF, the Board of Directors of this Corporation hereby establishes the following thresholds for referral of Member disciplinary matters to the GRF Board:

- Refer no more than two (2) Member disciplinary matters to GRF each month
- Refer only matters where the assessed fine is at least \$300 and has been unpaid for a period of ninety (90) days or longer
- Refer only matters where the member is 3 months in arrears in assessments
- If there are more than two matters that meet the above three criteria, the Board shall weigh the seriousness of the violation and prioritize them accordingly before referring the matters to the GRF Board;

RESOLVED FURTHER, that Resolution 01-07-02 adopted January 9, 2007 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 Wilson moved to deny the request of Mr. and Mrs. Rupert Edwards of 523-D Calle Aragon that the Board waives its occupancy restriction. Director McIntosh seconded the motion and discussion ensued.

Mutual Member Kay Margason (510-C) addressed the Board on the motion.

By a vote of 10-0-0, the motion carried.

CHAIR'S REMARKS

President Foster commented on the Board's decision to establish the Mutual's major standing Committees as Committees of the Whole.

Director McIntosh left the meeting at 10:48 A.M. and did not return.

GENERAL MANAGER'S REPORT

Mr. Johns commented on the recent burglaries in the Community and provided an update on the Moulton Widening Project.

Ms. Janet Price entered the meeting at 10:52 A.M.

CONSENT CALENDAR

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

Architectural Review and Maintenance Committee

RESOLUTION 01-08-203

RESOLVED, November 14, 2008 that the request of Mr. Tom Haberer of 234-A Calle Aragon for a washer/dryer installation in the outside storage closet of his manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the installation are the responsibility of the Mutual member at 234-A; and

RESOLVED FURTHER, that prior to receiving a Mutual permit, the Mutual member must submit plans for all plumbing and electrical changes verifying that the manor's electrical panel can accommodate the added electrical burden placed upon it by the washer and dryer to the PCM Permits and Inspections Office for review; 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 01-08-204

RESOLVED, November 14, 2008 that the request of Mr. and Mrs. Henry Williamson on behalf of new buyers Mr. and Mrs. Walter Garvey of 247-B Calle Aragon for a washer/dryer installation in the outside storage closet of your manor is hereby approved; and

RESOLVED FURTHER, all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual member(s) at Manor 247-B; and

RESOLVED FURTHER, that the Mutual Member must submit for review, plans detailing all plumbing and electrical changes. The plans must verify that

the manor's plumbing and electrical systems can accommodate the added burden placed upon them by the washer and dryer; 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 prior to issuance of a Mutual permit; and

RESOLVED FURTHER, that prior to connecting into the 2" cast iron waste line, the 2" cast iron waste line is to be cleaned out by the Mutual at the Mutual Member(s) expense. Pictures of the cleaned drain line, taken by an outside contractor at the Member's expense, shall be provided to the Permits and Inspections office to ensure the line's maximum ability to accommodate the additional discharge.

RESOLUTION 01-08-205

RESOLVED, November 14, 2008 that the request of Elamae Ahrentzen of 382-C Avenida Carmel to retain the trex deck at her manor is hereby approved; and

RESOLVED FURTHER, that all costs for repair, and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at Manor 382-C; and

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

RESOLUTION 01-08-206

RESOLVED, November 14, 2008 that the request of Mr. William Humphry of 468-D Calle Cadiz to retain the satellite dish installed on the roof of his manor is hereby approved; and

RESOLVED FURTHER, that all costs for installation, repair, and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 468-D; and

RESOLVED FURTHER, that the required Mutual permit that was obtained through the Permits and Inspections Office located in the Laguna Woods Village Community Center must be revised to reflect the installation of the satellite dish on the roof; and

RESOLVED FURTHER, that the satellite dish cabling must be painted to match the wall and fascia color for which it is attached.

RESOLUTION 01-08-207

RESOLVED, November 14, 2008 that the request of Mr. William Humphry of 468-D Calle Cadiz to install a doggie door 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 Manor 468-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 Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-08-208

RESOLVED, November 14, 2008 that the request of Ms. Soo Kim of 491-B Calle Cadiz for a washer/dryer installation in the outside storage closet of her manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the installation are the responsibility of the Mutual member at 491-B; and

RESOLVED FURTHER, that prior to receiving a Mutual permit, the Mutual member must submit plans for all plumbing and electrical changes verifying that the manor's electrical panel can accommodate the added electrical burden placed upon it by the washer and dryer to the PCM Permits and Inspections Office for review; 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 01-08-209

RESOLVED, November 14, 2008 that the request of Mr. John MacArthur of 690-C Avenida Sevilla to construct an opening in his existing patio wall 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 690-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 the finished opening must match the existing stucco finish on the patio wall. Brick veneer or other finishes will not be allowed.

RESOLUTION 01-08-210

RESOLVED, November 14, 2008 that the request of Ms. Jeanine Bonner of 798-F Via Los Altos to install rain gutters and downspouts at her manor is hereby approved; and

RESOLVED FURTHER, that all costs and maintenance of the alteration are the responsibility of the Mutual member(s) at 798-F; and

RESOLVED FURTHER, that the Mutual Member must submit plans detailing the installation method, materials, and location of the gutter and downspouts; including drainage plans for the downspout(s). Plans must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the gutter and downspout must be painted the same color as the surface of the building to which they are attached; and

RESOLVED FURTHER, that all required Mutual permits must be obtained prior to the commencement of any work; and

RESOLVED FURTHER, that the rain gutter and downspout to be installed by a California-licensed contractor of the appropriate trade.

RESOLUTION 01-08-211

RESOLVED, November 14, 2008 that the request of Mrs. Allison McDaniel of 798-G Via Los Altos to install rain gutters and downspouts at her manor is hereby approved; and

RESOLVED FURTHER, that all costs and maintenance of the alteration are the responsibility of the Mutual member(s) at 798-G; and

RESOLVED FURTHER, that the Mutual Member must submit plans detailing the installation method, materials, and location of the gutter and downspouts; including drainage plans for the downspout(s). Plans must be submitted to the Permits and Inspections Office located in the Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the gutter and downspout must be painted the same color as the surface of the building to which they are attached; and

RESOLVED FURTHER, that all required Mutual permits must be obtained prior to the commencement of any work; and

RESOLVED FURTHER, that the rain gutter and downspout to be installed by a California-licensed contractor of the appropriate trade.

RESOLUTION 01-08-212

RESOLVED, November 14, 2008 that the request of Mr. William McFadden of 2036-C Via Mariposa East to perform a bathroom remodel at his manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 2036-C; and

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

RESOLVED FURTHER, that in accordance with the Occupancy Agreement, Article 5, "The Member shall not permit or suffer anything to be done or kept in or about the dwelling unit or other premises of the Corporation which will increase the rate of insurance on any building or other property of the Corporation or on the contents thereof or which will obstruct or interfere with the rights of other members of the Corporation or annoy them by unreasonable noises or otherwise nor will it commit or permit any nuisance in or about the dwelling unit or other premises of the Corporation or commit or suffer any immoral or illegal act to be committed thereon."

Landscape Committee Recommendation:

- 253-B Approval of tree removal at the Mutual's expense
- 371-D Denial of request for two tree removals

- 540-G Approval of request for two tree removals at the Mutual's expense
- 690-C Approval of request for landscape design change at the Mutual Member's expense
- 730-N Approval of request for tree removal on schedule at the Mutual's expense
- 897-Q Approval of request for tree removal at the Mutual's expense

Finance Committee Recommendations:

RESOLUTION 01-08-213

WHEREAS, Member ID 947-366-04 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-366-04; 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 01-08-214

WHEREAS, Member ID 947-396-11 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-396-11; 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 01-08-215

WHEREAS, Member ID 947-400-29 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-400-29; 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 01-08-216

WHEREAS, Member ID 947-405-86 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-405-86; 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 01-08-217

WHEREAS, Member ID 947-410-43 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-410-43; 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 01-08-218

WHEREAS, Member ID 947-410-45 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-410-45; 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 01-08-219

WHEREAS, Member ID 947-420-42 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-420-42; 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 01-08-220

WHEREAS, Member ID 947-429-55 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-429-55; 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 01-08-221

WHEREAS, Member ID 947-446-28 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-446-28; 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 01-08-222

WHEREAS, Member ID 947-455-13 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-455-13; 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.

Policies, Procedures and Planning Committee Recommendations:

No items came under the consent calendar.

Items Postponed from Previous Meeting

RESOLUTION 01-08-223

WHEREAS, by way of Resolution 01-05-63, the Board of Directors adopted a policy on the placement of privately-owned objects; and

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

WHEREAS, the Landscape Committee has recommended that the Board of Directors documents specific policies; and

NOW THEREFORE BE IT RESOLVED, November 14, 2008, that the Board of Directors of this Corporation hereby approves a policy that during the holidays, lawns and shrubs are selectively maintained in order to accommodate seasonal yard ornaments placed on the lawns and within planting beds (done at no charge to the member); and

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

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

Paul Vogel reported on the Treasurer's Report and the Finance Committee.

Without objection the Board agreed to waive the reading of the proposed resolution approving the 2009 Collection and Lien Enforcement Policy.

Director Wilson moved to approve the resolution. The motion was seconded and discussion ensued.

Without objection, the Board agreed that it wasn't necessary to go through the notification process.

By a vote of 9-0-0 (Director McIntosh was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution.

RESOLUTION 01-08-224

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;

NOW THEREFORE BE IT RESOLVED, November 18, 2008 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, 2009; and

RESOLVED FURTHER, that Resolution 01-07-144 adopted November 13, 2007 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.

Ms. Price left the meeting at 11:05 A.M.

Director Marv Rosenhaft reported from the Architectural Review and Maintenance Committee.

Director Linda Wilson reported from the Landscape Committee.

Director Bevan Strom reported from the Policies, Procedures, and Planning Committee.

The Secretary of the Corporation read a proposed resolution denying an appeal request of 724-A. Director Wilson moved to approve the resolution. Director Strom seconded the motion and discussion ensued.

By a vote of 7-2-0 (Directors Dalis and Curtis opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-225

WHEREAS, Mr. David Chambers of 724-A Avenida Majorca disputed charges for the re-roofing of an alteration patio cover at his manor, and by way of Resolution 01-08-179, the Board of Directors upheld its alteration

roofing policy and affirmed Mr. Chambers' responsibility for the re-roofing charge; and

WHEREAS, Mr. David Chambers appealed the Board's decision;

NOW THEREFORE BE IT RESOLVED, November 14, 2008 that the Board of Directors of this Corporation hereby continues to uphold its alteration roofing policy and affirms Mr. Chambers' responsibility for the \$482.22 charge to re-roof the alteration patio cover at his manor; and

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

The Secretary of the Corporation read a proposed resolution approving a request from Ms. Jones of 782-O for the Mutual to replace a light fixture. Director Wilson moved to approve the resolution. Director Strom seconded the motion.

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

RESOLUTION 01-08-226

RESOLVED, November 14, 2008 that the request of Ms. Charlotte Jones of 782-O Via Los Altos for the Mutual to mitigate the light positioned on Carport 565 which shines into her master bedroom window is hereby approved; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby authorizes the replacement of the light fixture with a 13 watt floodlight type fixture on an adjustable mounting arm; and

RESOLVED FURTHER, that the work shall be performed by the Mutual at the Mutual's expense funded through General Maintenance, and the actual cost of the fixture shall be charged to Ms. Jones of 782-O; and

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

The Secretary of the Corporation read the following resolution approving an appeals policy:

RESOLUTION 01-08

WHEREAS, United Mutual's governing documents require a Member to seek approval from the Board of Directors on many matters of Corporate business by

way of the committee structure for review of a question that will ultimately be determined by the Board; and

WHEREAS, such committees forward recommendations regarding Members' requests to the United Board for consideration, and if the proposed request is disapproved, then such decision is subject to appeal to the United Board by the Mutual Member;

NOW THEREFORE BE IT RESOLVED; January 13, 2009, the Board of Directors of this Corporation hereby establishes the following appeals policy for alterations and surrounding area improvement requests for this Corporation:

1. Within 30 days of written notification of the Board's decision, made at a Board Meeting, a requesting Member may appeal the Board's decision by requesting another review by the appropriate United committee; and
2. Upon receipt and review of the recommendation from the committee, the Board of Directors will make a final decision; and
3. No further appeals will be granted for a twelve (12) month period from the date of the Board's final decision on the appeal. This twelve-month period shall apply to both the original requesting Mutual Member and the subsequent members(s) on the same issue, if any.

RESOLVED FURTHER, that the purpose of this resolution is to codify existing unwritten policy; and

RESOLVED FURTHER, that Resolution 01-03-109 adopted July 8, 2003 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 Wilson moved to approve the resolution. Director Curtis seconded the motion and discussion ensued.

Director Wilson moved to postpone the resolution to the Old Business portion of the December Meeting to satisfy the required statutory thirty-day notice requirement. Director Rubin seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution regarding the installation of Cool Roofs. Director Wilson moved to approve the resolution. Director Marv Rosenhaft seconded the motion and discussion ensued.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-08-227

WHEREAS, Building Codes are moving towards green eco/energy friendly roofing systems, known as Cool Roof systems; and

WHEREAS, Cool Roof systems provide energy savings, mitigation of global warming, improved occupant comfort, a reduction of the urban heat island effect and a reduction of smog;

NOW THEREFORE BE IT RESOLVED, November 14, 2008, that the Board of Directors of this Corporation hereby directs the installation of Cool Roofs on the Mutual's flat roofed buildings, where the Cool Roof is as defined by the California Energy Commission Building Energy Standards (Title 24), when such buildings are due to be re-roofed; and

RESOLVED FURTHER, that the Board further directs the use of PVC Membrane (Polyvinyl Chloride) as the roofing replacement product for flat roofs on the Mutual's buildings beginning in the year 2009 and continuing in future years; and

RESOLVED FURTHER, that the Board hereby authorizes a supplemental appropriation in the amount of \$302,930 for the use of PVC Membrane in 2009 to be funded from the Replacement Fund, and the impact of the increased expenditures for future years shall be included in the next 30-Year Replacement Reserve Funding Plan; and

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

Director Linda Wilson reported from the Resident Relations Information Services.

No one reported from the Traffic Committee

GRF HIGHLIGHTS

The Directors reported from the GRF Committees to which they are assigned.

DIRECTORS' FORUM

- Director McNulty encouraged residents to question rumors and congratulated President Foster for a quick meeting
- Director Miller thanked the residents for voting
- Director Rubin welcomed the new Board Members
- Director Wilson expressed her sentiments on the upcoming year
- Director Curtis stated that he was looking forward to a good year
- Director Dalis commented on knowing a Curtis in grade school

- Director Vogel stated that he was looking forward to a good and productive year
- Director Rosenhaft commented on the media reporting objectively
- Director Strom encouraged the residents to not water sidewalks and to decrease excessive water usage

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 11:40 A.M. and reconvened back into the Regular Executive Session at 12:21 P.M.

During its Special Executive Session Meeting of October 16, 2008, the Board of Directors discussed member disciplinary issues and potential litigation matters.

The Traffic Committee of the Board met in Executive Session on October 15, 2008, to discuss member disciplinary issues.

ADJOURNMENT

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

Linda Wilson, Secretary

**YEAR 2009 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(e).

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.

REGARDLESS OF WHETHER THE ASSOCIATION RECORDS A LIEN ON YOUR PROPERTY DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL OWNERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

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 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 or services provided by the Golden Rain Foundation of Laguna Woods or this Mutual.

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 not yet more 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, the Mutual 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. 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.

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 leasehold interest in the 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 leasehold interest in the 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, the Mutual 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. However, 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 dispute the assessment debt by submitting a written request for dispute resolution to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code §§1363.810-1363.850;
- (b) The noticed owner may exercise his or her right to participate in alternative dispute resolution with a neutral third party under Civil Code §§1369.510-1369.590 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.
- (c) 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.

Also, Civil Code Section 1369.590 requires the Mutual to include the following statement in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

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 leasehold interest in the Manor and sell the member's leasehold interest in the Manor at a private sale or by a judicial sale. If this occurs, the member may lose his or her leasehold interest in 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(e).

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, and pay all costs related to any dispute resolution or ADR that has been pursued.

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**