

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

**October 22, 2010**

The Special Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Friday, October 22, 2010 at 10:00 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Gail McNulty, Arlene Miller, Ron Beldner, Barbara Copley, Libby Marks, Cynthia Chyba, John Dalis, Roger Turner

Directors Absent: Catherine Brians, Harold Allen, Heather Gerson

Others Present: Janet Price, Patty Kurzet  
*Executive Session: Janet Price, Patty Kurzet*

**CALL TO ORDER**

Gail McNulty, President of the Corporation, chaired and opened the meeting, and stated that it was a Special Meeting held pursuant to notice duly given. A quorum was established and the meeting was called to order at 10:0 A.M.

**ACKNOWLEDGEMENT OF PRESS**

Ms. Claire Webb from the Laguna Woods Globe was acknowledged as present.

**APPROVAL OF AGENDA**

Director Barbara Copley made a motion to remove removing agenda items 8 (a) *Entertain Motion to Approve Board Member Code of Conduct Policy* and 8 (b) *Entertain Motion to Approve Open Session Board Meeting Attendance and Member Forum Rules Policy* for discussion at a Special Board meeting. Director Marks seconded the motion and discussion ensued.

Member Maxine McIntosh (68-C) commented on the proposed resolutions.

By a vote of 5-2-0 (Directors Chyba and Miller opposed), the motion carried.

Director Chyba made a motion to approve the agenda as amended. Director Marks seconded the motion and the motion carried unanimously.

The Board directed staff to schedule a Special Board meeting and to invite Sandra Gottlieb of Swedelson & Gottlieb.

Without objection, the Board agreed to limit the total time for Member Comments to 30 minutes, and if further time is necessary, the Board would consider allotting additional time.

**MEMBER COMMENTS**

- Mary Wall (239-D) commented on United's membership and occupancy policy.
- Bevan Strom (30-A) clarified Ms. Wall's comments about membership and occupancy.
- Maxine McIntosh (68-C) commented on the Board's proposed meeting operating rules.

- Marv Rosenhaft (823-A) congratulated the Board for its hard work and welcomed the new Board members.
- Mary Stone (356-C) reminded the Board of its Code of Ethics resolution.
- Apolonia Santiago (2191-Q) commented on her membership application.
- Kay Margason (510-C) congratulated the new Board members, asked that copies of the agendas be placed at the front desk when they are distributed to the Directors, and commented on beautifying the Community.

#### **RESPONSE TO MEMBER COMMENTS**

- President McNulty responded briefly to member comments.
- Director Marks addressed the comment about agendas.

#### **CONSENT CALENDAR**

Without objection, the Board approved the Consent Calendar as submitted and the Board took the following actions:

#### **Maintenance and Construction Committee:**

##### **RESOLUTION 01-10-200**

**RESOLVED**, October 22, 2010, that the appeal request of Ms. Leslie Wilson of 26-A Avenida Castilla to retain a window mounted air conditioner at her manor is hereby denied; and

**RESOLVED FURTHER**, that the unit must be removed within 30 days of the Board's decision; 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 01-10-201**

**RESOLVED**, October 22, 2010, that the request of Mr. Jackie Lee of 37-C Calle Aragon to install a walkway is hereby approved; and

**RESOLVED FURTHER**, that all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 37-C; and

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

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

**RESOLVED FURTHER**, that all landscape, irrigation, and drainage modifications associated with the alteration, if any, are to be completed by the Landscape Division at the expense of the Mutual Members(s) at 37-C; 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 01-10-202**

**RESOLVED**, October 22, 2010, that the request of Ms. Ellen Foster of 193-C Avenida Majorca to convert the Living Room into a Bedroom at her manor 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 193-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 Laguna Woods Village Community Center; and

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

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

**RESOLUTION 01-10-203**

**WHEREAS**, the Board adopted Resolution 01-08-191 whereby Members who utilize Mutual electricity to charge battery-powered vehicles such as golf carts pay a \$120 annual fee designed to reimburse the Mutual for the cost of the extra electricity used; and

**WHEREAS**, Mr. Robert Stein of 403-D Avenida Castilla disputes the charge of \$120 common area electricity usage fee (golf cart electricity fee) and is

requesting that the Mutual reverse half of the fee (\$60) plus all the associated late charges (\$70) for a total of \$130, asserting inoperability;

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors of this Corporation hereby reaffirms its Common Area Electricity Usage Fee Policy and denies the request of Mr. Robert Stein of 403-D Avenida Castilla that the Mutual reverse the charge of \$130; 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 01-10-204**

**WHEREAS**, by way of Resolution 01-06-75 the Board adopted its Damage Restoration Policy whereby members are responsible for repairs to Mutual property that was damaged as a result of alterations, improvements, or redecoration; and

**WHEREAS**, Mr. Richard Beckerman of 434-C Avenida Sevilla disputes the charge of \$277.05 for restoration repairs for damage that resulted from an alteration refrigerator filter leak, asserting that the cause of the leak was the Mutual's responsibility, and requests that the Mutual rescinds the charge; and

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors of this Corporation hereby reaffirms its Damage Restoration Policy and denies the request of Mr. Richard Beckerman of 434-C Avenida Sevilla that the Mutual rescind the charge of \$277.05; 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 01-10-205**

**WHEREAS**, Ms. Patricia Maruzewski of 474-N Calle Cadiz requests that the Mutual replaces her one year old dishwasher with a new one at the Mutual's expense, asserting that the dishwasher is defective; and

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors of this Corporation hereby upholds the Mutual's Appliance Policy and requires that replacement of the dishwasher at Manor 474-N only be performed on a prorated basis whereby the Member at 474-N shares in the cost of the appliance replacement based on the remaining serviceable life of the dishwasher; 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 01-10-206**

**RESOLVED**, October 22, 2010, that the request of Ms. Gwen Keller of 592-E Avenida Majorca to extend the front patio, remove the storage cabinet, and enlarge the front window at her manor is hereby approved; and

**RESOLVED FURTHER**, that all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 592-E; 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 Laguna Woods Village Community Center; and

**RESOLVED FURTHER**, that the patio extension is installed as per United Mutual Standards Sections 22- Patio Slab Extensions and the tile or pavers are installed as per Section 15- Floor Covering, Exterior; and

**RESOLVED FURTHER**, that all landscape, irrigation, and drainage modifications associated with the alteration are to be completed by the Landscape Division at the expense of the Mutual Members(s) at 592-E; and

**RESOLVED FURTHER**, that detailed site specific plans, wet-stamped and signed by a California licensed architect or engineer, must be submitted to the Permits and Inspections office located in the Laguna Woods Village Community Center prior to issuance of a permit. These plans must detail the required structural modifications necessary to ensure that the structural integrity of the building is maintained upon completion of the window modification; 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 01-10-207**

**RESOLVED**, October 22, 2010, that the request of Ms. Gwen Keller of 592-E Avenida Majorca to add a new window and enlarge an existing window in the Living Room at her manor is hereby denied; and

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

**RESOLUTION 01-10-208**

**WHEREAS**, by way of Resolution 01-06-75 the Board adopted its Damage Restoration Policy whereby members are responsible for repairs to Mutual property that was damaged as a result of alterations, improvements, or redecoration; and

**WHEREAS**, Ms. Miriam Zelnick of 651-A Avenida Sevilla requests that the Mutual reimburse her for crack and tile repair services performed on her manor by a contractor; and

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors of this Corporation hereby reaffirms its Damage Restoration Policy and denies the request of Ms. Miriam Zelnick of 651-A Avenida Sevilla that the Mutual reimburse her \$1,230 for crack and tile repairs that were necessitated by differential settling of the building; 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 01-10-209**

**RESOLVED**, October 22, 2010, that the request of Mr. Omid Kahangi of 758-C Calle Aragon to retain the satellite dish installed on a non-penetrating stand 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 758-C; and

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

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

**RESOLVED FURTHER**, that the cabling must be tied tight where it exits the scupper, and be painted to match the wall color of the building; 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 01-10-210**

**RESOLVED**, October 22, 2010, that the request of Ms. Elsie Bedwell of 897-C Ronda Sevilla to install a satellite dish on the roof of her manor is hereby denied; and

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

**RESOLUTION 01-10-211**

**RESOLVED**, October 22, 2010, that the request of Ms. Marguerite Yadon of 2095-A Ronda Granada to retain a wood lattice panel mounted on the top of the patio wall at her manor is hereby denied; and

**RESOLVED FURTHER**, that the Board requires removal of the wood lattice panel at the expense of the Mutual member within 30 days of the Board's decision; 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 01-10-212**

**RESOLVED**, October 22, 2010, that the request of Mrs. Barbara Anderson of 2151-B Ronda Granada to retain a patio extension and install a retractable awning at her manor is hereby approved; and

**RESOLVED FURTHER**, that all costs for installation, repair, and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 2151-B; and

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

**RESOLVED FURTHER**, that the retractable awning must be installed as per United Mutual Alteration Standard Section 34 – Awnings; and

**RESOLVED FURTHER**, that all future landscape, irrigation, and drainage modifications associated with the patio extension alteration, if any, are to be

completed by the Landscape Division at the expense of the Mutual Members(s) at 2151-B; and

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

**Landscape Committee Recommendation:**

6-A	Denial of request for tree removal
53-A	Denial of request for tree removal
307-A	Denial of request for tree removal
307-C	Denial of request for tree removal
398-A	Approval of request for tree removal at Mutual's expense
407-C	Denial of request for tree removal
454-D	Denial of request to remove planter and install turf
2102-A	Approval of request for plant replacement at Mutual Members' expense

**Finance Committee Recommendations:**

**RESOLUTION 01-10-213**

**WHEREAS**, Member ID 947-369-09 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-369-09; 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 01-10-214**

**WHEREAS**, Member ID 947-372-88 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-372-88; 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 01-10-215**

**WHEREAS**, Member ID 947-373-08 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-373-08; 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 01-10-216**

**WHEREAS**, Member ID 947-380-59 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-380-59; 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 01-10-217**

**WHEREAS**, Member ID 947-386-09 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-386-09; 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 01-10-218**

**WHEREAS**, Member ID 947-401-70 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-401-70; 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 01-10-219**

**WHEREAS**, Member ID 947-403-68 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-403-68; 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 01-10-220**

**WHEREAS**, Member ID 947-416-31 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-416-31; 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 01-10-221**

**WHEREAS**, Member ID 947-433-94 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**, October 22, 2010, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-433-94; 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**

No new business came before the Board.

## **OLD BUSINESS**

The Secretary of the Corporation, Director Barbara Copley, read a proposed resolution approving the revised six (6) month subleasing policy. Director Copley moved to approve the resolution. Director Marks seconded the motion and discussion ensued.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 01-10-222**

**WHEREAS**, by way of Article 7 of the General Conditions of the United Laguna Hills Mutual's Occupancy Agreement, Members are prohibited from subletting their manors without the prior written consent of the Corporation; and

**WHEREAS**, the General Conditions do not restrict the time period for any subletting agreement; and

**WHEREAS**, by way of Resolution U-84-84 (with HUD concurrence) the Board of Directors of this Corporation established a maximum subleasing term of six (6) months within any twelve (12) month period, but it did not place a limit on the number of manors that may be subleased at any given time; and

**WHEREAS**, most private lenders to cooperative owners/purchasers, as well as the Department of Housing and Urban Development, FHA, Fannie Mae, Freddie Mac and other governmental agencies require a certain minimum percentage of the units within a project to be owner-occupied before they will make or insure loans; and

**WHEREAS**, the Board of Directors of this Corporation has a fiduciary duty to preserve the value of manors in United, and if potential new members were unable to obtain loans to purchase a cooperative share in the Mutual, the value of the existing cooperative shares would likely decrease;

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors of this Corporation hereby reaffirms its policy that allows a member to sublease the manor for six (6) months, whether or not consecutive, in any twelve (12) month period and hereby places a 20% cap (1,265 units) at any given time on the total number of subleases allowable in the Mutual; and

**RESOLVED FURTHER**, that Resolution 01-10-198, adopted September 22, 2010 is hereby rescinded; and

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

The Secretary of the Corporation read the following proposed resolution approving the fractional membership.

**RESOLUTION 01-10-**

**WHEREAS**, United Laguna Hills Mutual (United) is primarily, and has historically been an owner-occupied community; and

**WHEREAS**, United's Board of Directors believes it is in the best interests of United's Members, in terms of the market values of United's Manors and the preservation and protection of United's development, that United remain a primarily owner-occupied community; and

**WHEREAS**, United's Board of Directors has recently become aware that a number of applications for fractional Membership in United have likely been submitted for stock issuance in a number of proposed Members' names with the intent of circumventing United's subleasing restrictions, allowing a proposed sublessee of a Manor to become a Member of United and occupy/sublease the Manor for no finite term, and certainly in excess of six months; and

**WHEREAS**, United's Board has also become aware that applications for fractional Membership in United have likely been submitted for stock issuance in a number of proposed Members' names with the sole intent of the proposed Member, who has no intention to reside in a Manor at United, being able to inappropriately use and enjoy the recreational facilities which United's Members/Manor occupants are entitled to use (the "Recreational Facilities").

**NOW THEREFORE BE IT RESOLVED**, December 14, 2010, that the Board of Directors of United has adopted the following operating rule regarding the granting of fractional membership interests in a Manor to prevent any such circumvention of United's leasing restrictions and/or the inappropriate use of the Recreational Facilities by non-occupants of a Manor.

**UNITED LAGUNA HILLS MUTUAL  
OPERATING RULE REGARDING THE GRANTING OF FRACTIONAL  
MEMBERSHIP INTERESTS IN A MANOR**

**1. APPLICATION FOR FRACTIONAL MEMBERSHIP INTEREST**

If a person applies for fractional Membership in United, that person must have a bona fide intent to reside in a Manor at United for six or more months per calendar year. In applying for fractional Membership in United, the applicant must provide, in addition to any other information as may be requested by United, a sworn statement or affirmation, under penalty of perjury, describing in detail:

- (a) the nature of the relationship of the applicant to the other owners of the applicable Certificate of Membership;
- (b) the length of time that the applicant has known the other owners of the applicable Certificate of Membership;
- (c) all consideration provided by the applicant in return for the proposed fractional interest in the applicable Membership, and documentation evidencing such consideration;
- (d) the fractional interest that the applicant proposes to own along with a statement that (i) the applicant is a proposed owner of the applicable Membership interest, (ii) the applicant is not a sublessee or tenant of the applicable Member's Manor, (iii) the applicant will not be paying rent for the proposed occupancy of the Manor leasehold interest related to the Membership and (iv) the applicant will be occupying the Manor for at least six months during each 12-month period and is not seeking Membership as a means of gaining access and use rights to the Recreational Facilities.

## **2. TRANSFER DOCUMENT OR INSTRUMENT**

In addition, the applicant must provide United with a copy of the document or instrument signed by the applicant and the transferor of Membership that purports to transfer a fractional Membership interest in United to the applicant.

## **3. BOARD DISCRETION**

The Board of Directors of United may deny any application for fractional Membership in United if the Board determines, in its sole discretion, that the applicant is:

- (a) not related by blood, marriage or domestic partnership to an owner of the applicable Membership;
- (b) proposed to own less than a significant percentage interest in the applicable Certificate of Membership; and/or
- (c) not an actual proposed owner of the applicable Certificate of Membership, but a person who is attempting, along with the owner of the applicable Certificate of Membership, to (i) circumvent the six (6) month maximum occupancy limitation applicable to the sublessees of United's Manors and/or (ii) obtain inappropriate access and use rights to the Recreational Facilities.

#### **4. FALSE INFORMATION**

If it is determined that either the applicant or an owner of the applicable Certificate of Membership provided false information to United during the application process, and/or it is determined that false information was provided to United in an attempt to allow the applicant, who is actually a tenant or sublessee of the applicable Member's Manor, or a proposed tenant or sublessee of the applicable Member's Manor, to obtain a fractional Membership interest in United to circumvent United's leasing restrictions and/or it is determined that false information was provided to United in an attempt to allow the applicant, who does not plan to reside in the applicable Member's Manor, to inappropriately access and use the Recreational Facilities, the Board may, in its sole discretion, after a noticed hearing with the owner of the applicable Certificate Membership, terminate that Member's Certificate of Membership and initiate an unlawful detainer (eviction) action against that Member.

#### **5. BOARD APPROVAL**

Notwithstanding the foregoing, a resident Member may, upon written approval by United's Board of Directors, have a Co-occupant (as defined in United's Bylaws) who concurrently resides in the Manor along with the Member and who provides compensation to the Member for residency in the Member's Manor. In such event, both the resident Member and the qualified/approved Co-occupant shall have the right to access and use the Recreational Facilities.

#### **6. RECREATIONAL FACILITIES**

If a Member subleases his/her Manor, the Member's rights to access and use the Recreational Facilities shall be assigned to the Member's sublessee(s) during the term of such sublease, and the Member shall not be allowed to access or use the Recreational Facilities during the term of the Sublease.

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

Director Copley moved to approve the resolution. Director Miller seconded the motion and discussion ensued.

Without objection, the Board postponed the resolution to the November meeting to conform to the 30-day notification requirements.

The Secretary of the Corporation read a proposed resolution that was postponed from last month approving the Lien and Collection Policy. Director Copley moved to approve the resolution. Director Chyba seconded the motion.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 01-10-223**

**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**, October 22, 2010, 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, 2011; and

**RESOLVED FURTHER**, that Resolution 01-09-220 adopted September 8, 2009 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 that was postponed from last month approving the new Mutual Alteration Standard Section 18 Gutters & Downspouts. Director Copley moved to approve the resolution. Director Marks seconded the motion.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 01-10-224**

**WHEREAS**, by way of Resolution U-00-61 the Board of Directors of this Corporation revoked Alteration Standard Section 18 Gutters & Downspouts, but now recognizes the need to re-establish a standard to address the proper installation and maintenance of gutters and downspouts;

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors of this Corporation hereby approves the new Mutual Alteration Standard Section 18 Gutters & Downspouts, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution U-96-62, adopted May 14, 1996 is hereby amended; 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 that was postponed from last month approving the revised bench policy. Director Copley moved to approve the resolution. Director Chyba seconded the motion and discussion ensued.

Members Apolonia Santiago (2191-Q) and Maxine McIntosh (68-C) addressed the Board on benches.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

**RESOLUTION 01-10-225**

**WHEREAS**, by way of Resolution 01-08-122, the Board of Directors of this Corporation approved thermoplastic coated metal mesh benches in dark green as its bench standard style and color for benches donated to the Mutual; and

**WHEREAS**, by way of Resolution 01-09-249, the Board of Directors approved the thermoplastic coated metal mesh bench in dark green as its bench standard style and color for benches purchased by the Mutual; and

**WHEREAS**, the Landscape Committee recommended that a bench standard should be established for any benches installed in the Water Wise Gardens;

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors hereby approves the Heritage Bench style made of recycled plastic slats and a heavy-duty cast aluminum frame in green for use exclusively for all Water Wise Gardens, ***and the seat height of the bench shall be at least 18"***; and

**RESOLVED FURTHER**, that for all other areas the standard style and color for benches donated to the Mutual or purchased by the Mutual shall be the thermoplastic coated metal mesh benches in dark green; and

**RESOLVED FURTHER**, that for those thermoplastic benches that are donated or purchased by the Mutual, the seat height of the bench shall be at least 18" measured from the top of grade below the bench to the top of the bench seat and the bench shall have a back, arm rests and a seat with a rolled front edge; and

**RESOLVED FURTHER**, that such benches shall be installed on either a concrete pad (if along sidewalk) or on concrete anchors in the grass or other areas (if the location is not along sidewalk); and

**RESOLVED FURTHER**, that Resolution 01-08-122, adopted July 8, 2008 and Resolution 01-09-249, adopted October 13, 2009 are 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.

### **Landscape Committee**

The Secretary of the Corporation read a proposed resolution agreeing to endorse joint participation in the new bulky item pickup system implemented by Ware Disposal. Director Copley moved to approve the resolution. Director Dalis seconded the motion and discussion ensued.

Member Jodie Foster (2126-C) addressed the Board on making signs in different languages.

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

### **RESOLUTION 01-10-226**

**WHEREAS**, the Laguna Woods City staff has requested that the Board endorses and agrees to jointly participate in the new bulky item pickup system proposed by Ware Disposal; and

**WHEREAS**, currently the cost to haul away bulky items on a "per request" basis is being charged to the Community, after exceeding the initial 1200 pickups covered by the franchise agreement; and

**WHEREAS**, the new bulky item collection program being offered will pick up bulky items one day each month from a designated area where people can set out their "unlimited number" of items for pick up free of charge;

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, in an effort to eliminate concern over items being abandoned along curbs, at trash enclosures or inside dumpsters for long periods of time in anticipation of the monthly bulky item pick up, the Board hereby approves the City's request that the Board work in cooperation with the City to:

- Designate appropriate areas throughout the community that are centrally located in each cul-de-sac.
- Work with the City to provide signage for the assigned areas as needed.
- Educate residents regarding the importance of using the designated pick up areas in a timely fashion (no more than 24 hours before the scheduled pick up

**RESOLVED FURTHER**, that an education campaign will be developed to promote the monthly bulky item pickup program and the alternative for expedited collection using 95-gallon carts or 3-yard bins that can be rented on a weekly basis at reasonable rates – \$28.99 for the cart and \$83.76 for the bin. The campaign will target current residents, new residents and realtors, who can provide information to people either moving in or out; 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.

### **Maintenance and Construction Committee**

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to retain an outside service to perform building inspections on the structures that were last painted in 2007. Director Copley moved to approve the resolution. Director Chyba seconded the motion and discussion ensued.

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

By a vote of 7-0-0, the motion carried and the Board of Directors adopted the following resolution:

#### **RESOLUTION 01-10-227**

**WHEREAS**, the Mutual has established an eight-year exterior paint program and the buildings are prepared for painting by crews that perform a variety of welding, decking, and dry rot repairs; and

**WHEREAS**, over the past few years, the Mutual has experienced escalating costs related to dry rot and other repairs on the prior-to-paint program; and

**WHEREAS**, an approach to minimize the progress of dry rot damage and resultant repair costs could be to identify and repair dry rot and other damage conditions earlier in their development through scheduling inspections at the mid-point of the paint cycle;

**NOW THEREFORE BE IT RESOLVED**, October 22, 2010, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$62,000 to be funded from the Contingency Fund to retain an outside service to perform building inspections on the structures that were last painted in 2007; and

**RESOLVED FURTHER**, that issues discovered and noted during the inspections may be scheduled for repair under the Dry Rot Repairs line item of the 2011 Business 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.

The Secretary of the Corporation read a proposed resolution adopting an Electricity Usage Reimbursement Policy:

**RESOLUTION 01-10**

**WHEREAS**, the Mutual has historically reimbursed members for electricity consumption related to the restoration of manors as a result of moisture intrusion as well as for excess electricity consumed due to hot water supply line leaks; and

**WHEREAS**, the practice of reimbursing members for electricity usage has not been formally recorded as an explicit United Mutual policy;

**NOW THEREFORE BE IT RESOLVED**, December 14, 2010, that the Board of Directors of this Corporation hereby adopts the Electricity Usage Reimbursement Policy, in accordance with Resolution 01-06-75 (Damage Restoration Policy), as follows:

- For moisture-intrusion events where dry-down of property is required, the Mutual will reimburse for electricity used in the dry-down of property, based on an established daily rate for each type of equipment extrapolated for the number of days each type of equipment is in place, as verified by the vendor.
- For hot water leaks where excess electricity has been consumed, the Mutual will reimburse for excess electricity consumption for a maximum period of three Southern California Edison billing periods, as evidenced by detailed billing statements for each of the three periods involved. Additional electricity use beyond the period of three billing cycles is the responsibility of the Member and is not reimbursable by the Mutual.
- All reimbursements will be charged to the Contingency Fund.

**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. Claire Webb left the meeting at 11:06 A.M. and did not return.

Director Copley moved to approve the resolution. Director Beldner seconded the motion.

Without objection, the Board postponed the resolution to the November meeting to conform to the 30-day notification requirements.

#### **DIRECTORS' FORUM**

- Director Beldner commented on two letters to the editor posted in the Globe regarding United's investigation of Third Mutual's lawsuit against PCM, Inc. and membership restrictions
- Director Miller commented on the Globe articles misrepresenting the truth.

#### **MEETING RECESS**

The Regular Open Session Meeting recessed for lunch at 11:14 A.M. and reconvened into the Regular Executive Session at 11:25 A.M.

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

During its Special Executive Session meeting of October 6, 2010, the Board discussed legal matters.

During its Special Executive Session meeting of October 11, 2010, the Board discussed contractual matters.

#### **ADJOURNMENT**

With no further business before the Board of Directors, the meeting was adjourned at 1:34 P.M.

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Barbara Copley, Secretary

## UNITED LAGUNA HILLS MUTUAL

### YEAR 2011 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

The following is a statement (the "Policy Statement") of the specific procedures, policies and practices employed by United Laguna Hills Mutual, a California nonprofit mutual benefit corporation ("United") in enforcing lien rights or other legal remedies for default in payment of its assessments against its members ("Shareholders"). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 1365(e), and incorporates by reference the disclosure provided by United pursuant to California Civil Code Section 1365.1.

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

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

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

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

Pursuant to United's governing documents, which include, without limitation, the Articles of Incorporation, each Shareholder's Occupancy Agreement, the Bylaws, and California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies:

**1. Assessments; Assessments Due Date.** "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "fees" in United's Bylaws, are referred to in this paragraph and throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1<sup>st</sup>) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due

and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein.

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

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

**4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder.** If full payment of the delinquent amount is not received by the close of business on the thirtieth (30<sup>th</sup>) day after the date of the Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 1367.1(a) by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of the delinquent status of the account, impending collection action and the Shareholder's rights including the right to request that the

Board of Directors of United participate in some form of internal dispute resolution (“IDR”). Notwithstanding the provisions of this paragraph, United may cause a pre-lien letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder’s leasehold interest and or may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent.

**5. Recordation of a Lien Against a Delinquent Shareholder’s Leasehold Interest.** If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR within thirty (30) days of the date of the pre-lien letter, the delinquent account will be turned over to ALS for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize ALS to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys’ fees against the Shareholder’s leasehold interest. If United authorizes ALS to record a lien against the Shareholder’s leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 1367.1(g)).

**6. Enforcement of a Lien.** ALS may be authorized to enforce the lien thirty (30) days after recordation of the lien, by recording a Notice of Default and may be authorized to foreclose the lien by non-judicial foreclosure when either (a) the delinquent assessment amount totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United’s foreclosure sale, per California Civil Code Section 1367.4. The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder’s leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR or Alternative Dispute Resolution (“ADR”).

**7. Inspection of Books and Records.** A Shareholder is entitled to inspect United’s accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.

**8. Application of Payments.** Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys’ fees, unless the Shareholder and United enter into a written payment plan agreement executed by both parties, providing for payments to be applied in a different manner.

**9. Account Sent to ALS In Error.** In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments.

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

**11. Right to Dispute the Debt.** A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for delivery to United pursuant to Civil Code Section 1363.810 *et seq.*

**12. Right to Request Alternative Dispute Resolution (“ADR”).** A Shareholder has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 1369.510 *et seq.* before United may initiate foreclosure against the Shareholder’s leasehold interest, except that binding arbitration shall not be available if United intends to initiate a judicial foreclosure.

**13. Payment Plan Requests.** Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or ALS, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United’s ability to record a lien on a Shareholder’s separate interest to secure payment for the Shareholder’s delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved.

**14. Termination of Shareholder’s Rights under Occupancy Agreement.** Nothing herein limits or otherwise affects United’s right to proceed in any lawful manner to collect any delinquent sums owed to United, or to pursue any other discipline set forth in United’s governing documents, including but not limited to a termination of the Shareholder’s rights under the Occupancy Agreement pursuant to Article 14 therein and filing and completion of an unlawful detainer action.

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

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

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

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

**19. Charges Subject to Change.** All charges listed herein are subject to change upon thirty (30) days' prior written notice. After a delinquent account has been turned over to ALS, ALS's charges may vary from United's. Shareholders should rely on ALS's charges and statement of account.

**20. Notice and Hearing Prior to Suspension of Shareholder Privileges.** Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 1363(h). However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest.

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

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## UNITED LAGUNA HILLS MUTUAL

### SECTION 18 GUTTERS & DOWNSPOUTS OCTOBER 2010, RESOLUTION 01-10-

#### 1.0 GENERAL REQUIREMENTS

- 1.1 **PERMITS AND FEES:** A Mutual permit is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual and City permits shall be paid for by the Member and/or his contractor. Member and/or his contractor must supply the Permits and Inspection office with the City permit number prior to beginning work.
- 1.2 **MEMBERS RESPONSIBILITY:** The Member is solely responsible for the maintenance and repair of all alterations to the building. Removal may be required upon sale of a manor or deterioration of the alteration.
- 1.3 **CODES AND REGULATIONS:** All work shall comply with applicable local, state, and federal requirements including but not limited to the current edition of the Uniform Building Code.
- 1.4 **WORK HOURS:** No work shall start before 7:00 a.m. and no work will be permitted after 6:00 p.m. Monday through Friday. No work shall commence prior to 8:00 a.m. and no work shall be permitted after 5:00 p.m. on Saturday. No work whatsoever shall be permitted on Sunday.
- 1.5 **PLANS:** The Member applying for a permit shall provide to the Permits and Inspection office a detailed plan(s), for approval, indicating all work to be done, i.e., size, location, description, and specifications.
- 1.6 **DUMPSITES:** The premises shall be kept free from accumulation of waste materials and/or rubbish caused by the construction work. Member and/or his contractor are responsible for removal of debris and excess material and must leave work areas "**BROOM CLEAN**" daily. **USE OF COMMUNITY DUMPSITES FOR CONSTRUCTION RELATED DUMPING IS NOT PERMITTED.** Contractor's dumpsters, if required, must have location approved by the Permits and Inspections office.
- 1.7 **CONTRACTOR:** Installation must be performed by a California licensed contractor of the appropriate trade.

#### 2.0 APPLICATIONS

- 2.1 All gutters and downspouts will be of the same style and color as to match existing gutters on the building.

- 2.2** Gutters must be a minimum 5" wide, as measured from the top.
- 2.3** Alteration aluminum gutters and downspouts are not allowed to be connected to original steel gutters and downspouts. If the alteration gutter system must be connected to an original steel gutter system, the Member is responsible for replacing the original steel gutter system with new aluminum that matches the original style and color.
- 2.4** Gutters are to be made of primary aluminum with a minimum gauge of .027. Secondary aluminum, vinyl, copper and steel gutters and downspouts are not permitted.
- 2.5** Gutters are required to slope one inch for every 20 feet toward the downspout.
- 2.6** Gutters in excess of 35 feet in length are to be sloped down both directions from the middle and have a downspout installed at each end.
- 2.7** Gutters attached to fascias are required to be attached using ring shank spikes or wood screws. Smooth, striated and spiral spikes are prohibited.
- 2.8** Hidden hangers and spikes are required to be spaced at a minimum of every 30 inches.
- 2.9** All penetrations must be properly sealed. Exposed wood must be properly primed and painted to match the existing paint of the building.
- 2.10** Applications to roofs where hangers penetrate or may harm the roofing in any way will not be allowed.
- 2.11** Downspouts are required to be 3" x 4" and are to be located in areas free from obstacles such as electric meters, hose bibs and sidewalks; and in the most inconspicuous location if possible.
- 2.12** The ends of downspouts must drain into a proper drainage system such as a drywell or onto pavement or a splash block that routes the water at least three feet downhill from the foundation of the building and onto properly graded soil. Downspouts are prohibited from draining directly onto a roadway and/or into the storm drain system.