

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

September 13, 2011

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, September 13, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Gail McNulty, Arlene Miller, John Dalis, Ron Beldner, Barbara Copley, Heather Gerson, Libby Marks, Cynthia Chyba, Roger Turner, Catherine Brians, Paul Vogel

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet

Executive Session: Cris Robinson, Jerry Storage, Patty Kurzet, Sandy Meyer, Sandra Gottlieb of Swedelson & Gottlieb

CALL TO ORDER

Gail McNulty, 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 Marks led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Lois Rothschild, a freelance reporter, and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as written.

President McNulty introduced Mutual member Maureen LaBonte who provided an update on the Mutual's Recycling Program. She stated that Earthworks is spearheading a campaign to promote and educate the public on recycling by distributing flyers to every manor and placing signage in the enclosures.

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

- Maxine McIntosh (68-C) commented on voting for the upcoming election.

RESPONSE TO MEMBER COMMENTS

- None

APPROVAL OF MINUTES

The Board reviewed, revised, and approved without objection the minutes of the Regular Meeting of August 9, 2011, and reviewed and approved without objection the minutes of the Special Meeting of August 19, 2011 (Budget Version 3).

CHAIR'S REMARKS

President McNulty commented on the events that occurred over the year that cost the Mutual a large amount of legal fees, specifically the investigation into Third Mutual's lawsuit against PCM, and GRF's and Third Mutual's decision for staff changes. President McNulty commented further on GRF's and Third Mutual's agenda to self-manage the Community.

NEW BUSINESS

The Secretary of the Corporation, Director Barbara Copley, read a proposed resolution approving the 2012 Business Plan. Director Copley moved to approve the resolution. Director Gerson seconded the motion.

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

RESOLUTION 01-11-157

UNITED LAGUNA HILLS MUTUAL 2012 BUSINESS PLAN

RESOLVED, September 13, 2011, that the Business Plan of this Corporation for the year 2012 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$32,512,359 is required by the Corporation to meet the United Laguna Hills Mutual operating expenses and reserve contributions for the year 2012, from which will be deducted \$379,380 derived from prior years' surplus. In addition, the sum of \$15,765,132 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2012. Therefore, a total of \$47,898,111 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$9,522,902, of which \$8,453,507 is planned from the Replacement Fund and \$1,069,395 from the Contingency Fund; and

RESOLVED FURTHER, that all sums paid into the Replacement Reserve shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2012 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2012; 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 2012 Replacement Reserves Plan. Director Copley moved to approve the resolution. Director Gerson seconded the motion.

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

RESOLUTION 01-11-158

**UNITED LAGUNA HILLS MUTUAL
2012 REPLACEMENT RESERVES**

WHEREAS, Civil Code § 1365.2.5 requires specific reserve funding disclosure statements for common interest developments; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the Corporation's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 13, 2011, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$5,600,000, while meeting its obligations to repair and/or replace major components; 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 setting the variance request processing fee at \$100. Director Copley moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Members Maxine McIntosh (68-C) and Rhoda Lindner (2013-C) addressed the Board on the increase.

Without objection, the Board made minor changes.

By a vote of 8-2-0 (Directors Marks and Dalis opposed), the motion carried and the Board of Directors adopted the following resolution as amended:

RESOLUTION 01-11-159

WHEREAS, variance requests require significant staff time for proper processing, including research, report preparation, and then presentation to the appropriate committee and then the Board; and

WHEREAS, the Mutual currently charges a \$50 fee to offset administrative costs associated with processing variance requests; and

WHEREAS, the Board realizes the fee cannot fully offset associated costs with processing variances requests, and when a member appeals the Board's decision on a variance request, the process extends further the amount of administrative costs significantly;

NOW THEREFORE BE IT RESOLVED, September 13, 2011, that in order to partially further offset administrative costs associated with processing variance requests, which is often followed by an appeal of the Board's decision as mandated in accordance with Resolution 01-09-101, the Board of Directors of this Corporation hereby sets the variance request processing fee at \$100; and

RESOLVED FURTHER, that Resolution 01-09-46 adopted February 10, 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.

Director Turner made a motion directing the President to select 2 Board Members who are willing to attend GRF's closed session meetings as observers per the new GRF Bylaw changes dated September 7, 2011. Director Gerson seconded the motion and discussion ensued.

Members Mary Stone (356-C) and Tony Dauer (96-C) commented on the motion.

Directors Dalis, Vogel and Marks opted out of the rotation list.

By a vote of 8-2-0 (Directors Marks and Dalis opposed), the motion carried.

OLD BUSINESS

The reading of the proposed resolution adopting a policy which allows the Board to impose additional daily monetary penalty fines against members for ongoing violations, which was postponed from the August meeting to satisfy the 30-day notification requirements, was waived.

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

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

RESOLUTION 01-11-160

WHEREAS, United Mutual's legal counsel has advised that in order to speed up the Member Disciplinary process, after a noticed hearing before the Board, for an ongoing violation, which affords the member the opportunity to be heard and present a defense to the allegations, the Board has the right and/or authority to levy an ongoing monetary penalty consistent with United Mutual's Monetary Fee Schedule against a violating Member for an ongoing violation of the same event, on a daily basis, without having to re-notice a member disciplinary hearing for each day the same event violation occurs; and

WHEREAS, the Board intends to implement a rule that permits the Board to impose additional subsequent fines on a Member after the first noticed initial hearing before the Board as referenced above, if the same event conduct continues on a daily, weekly or monthly basis, without the need for an additional disciplinary hearing;

NOW THEREFORE BE IT RESOLVED, September 13, 2011, that the Board of Directors of this Corporation hereby adopts a policy which allows the Board to impose additional daily monetary penalty fines, consistent with United Mutual's Monetary Fee Schedule, on a Member for the same ongoing violation of the same event of United Mutual's rules and regulations without the need to hold an additional member disciplinary hearing after the first noticed hearing, as referenced above, has been held; 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.

GENERAL MANAGER'S REPORT

Mr. Storage stated that City Centre Park and the City's work to change the configuration of Santa Maria are now complete; and updated the membership on the ongoing GRF projects within the Community and at the Clubhouses. Mr. Storage provided an update on the costs appropriated for the Village Greens Building project and reported that approximately \$95,000 remains from the total appropriations. Mr. Storage addressed the issue of aggressive coyotes sighted in the Community and indicated that the City and Animal Control are addressing the situation. Residents are encouraged to contact the Laguna Beach Animal Control for any coyote sightings. Mr. Storage also commented on reports of rattlesnakes seen in the Community and encouraged residents to contact the Laguna Beach Animal Control to report rattlesnake sightings. Mr. Storage announced that Terri Sunshine Lutey was the winner of the first annual Grandparent of the Year drawing and received a \$200 gift card to the Olive Garden, courtesy of PCM.

CONSENT CALENDAR

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

Maintenance and Construction Committee Recommendations:

RESOLUTION 01-11-161

RESOLVED, September 13, 2011, that the request of Ms. Mari Varend of 369-C Avenida Castilla to install a wrought iron fence and gate around the existing flowerbed 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 369-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 wrought iron fence must be installed as per Section 16 - Fences, Wrought Iron and the gate as per Section 17 - Patio Gates and Courtyard Doors; and

RESOLVED FURTHER, that the sprinkler system at the flowerbed must be disconnected to avoid maintenance conflicts and possible damage to the wrought iron fence and gate. The disconnect shall be made by the Mutual's Irrigation Department, as a chargeable service to the Mutual member. Additionally, all plantings on the inside of the wrought iron fence and gate shall be maintained by the Mutual member.

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 01-11-162

RESOLVED, September 13, 2011, that the request of Mr. Douglas Marren of 370-E Avenida Castilla to install a green wrought iron fence and gate around the existing flowerbed at his 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 370-E; 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 wrought iron fence must be installed as per Section 16 - Fences, Wrought Iron and the gate as per Section 17 - Patio Gates and Courtyard Doors; and

RESOLVED FURTHER, that the sprinkler system at the flowerbed must be disconnected to avoid maintenance conflicts and possible damage to the wrought iron fence and gate. The disconnect shall be made by the Mutual's Irrigation Department, as a chargeable service to the Mutual member. Additionally, all plantings on the inside of the wrought iron fence and gate shall be maintained by the Mutual member; and

RESOLVED FURTHER, that the fence shall be painted black or the existing body color of the building as per Mutual Standard Section 16 - Fences, Wrought Iron; 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 01-11-163

WHEREAS, due to the lack of parking spaces, Mr. Paul Woodward of 443-E Avenida Sevilla requested that the Mutual construct golf cart parking in Cul de Sac 6; and

NOW THEREFORE BE IT RESOLVED, September 13, 2011, that the request of Mr. Paul Woodward of 443-E Avenida Sevilla that the Mutual construct golf cart parking in Cul de Sac 6 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 01-11-164

RESOLVED, September 13, 2011, that the appeal request of Mr. and Mrs. Gordon Richiusa of 603-G Avenida Sevilla to retain a window air conditioner at their manor is hereby denied; and

RESOLVED FURTHER, that the Member shall remove the subject air conditioner and replace the window 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 01-11-165

RESOLVED, September 13, 2011, that the request of Mr. Glen Profeta of 655-P Avenida Sevilla to retain the sun shades installed at his manor is hereby denied; and

RESOLVED FURTHER, that the Member shall remove the subject shades 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 01-11-166

RESOLVED, September 13, 2011, that the appeal request of Ms. Bertha Holquin of 672-B Via Mendoza to retain lattice on the patio wall of the manor is hereby denied; and

RESOLVED FURTHER, that the Member shall remove the subject lattice 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 01-11-167

RESOLVED, September 13, 2011, that the request of Mr. Chuck Zoffer of 935-D Avenida Majorca for the Mutual to replace the motion sensor light 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.

Landscape Committee Recommendations:

79-A	Approval of tree removal near manor
402-D	Approval of request for tree removal at Mutual's expense
883-N	Denial of request for seven (7) tree removals

Finance Committee Recommendations:

RESOLUTION 01-11-168

WHEREAS, Member ID 947-372-32 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, September 13, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-372-32; 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 01-11-169

WHEREAS, Member ID 947-402-05 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, September 13, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-402-05; 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 01-11-170

WHEREAS, Member ID 947-403-80 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, September 13, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-403-80; 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 01-11-171

WHEREAS, Member ID 947-407-53 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, September 13, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-407-53; 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 01-11-172

WHEREAS, Member ID 947-425-51 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, September 13, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-425-51; 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 01-11-173

WHEREAS, Member ID 947-434-39 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, September 13, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-434-39; 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

Director Heather Gerson gave the Treasurer's and the Finance Committee Reports.

The Secretary of the Corporation read a proposed resolution approving to transfer funds. Director Copley moved to approve the resolution. Director Vogel seconded the motion.

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

RESOLUTION 01-11-174

RESOLVED, September 13, 2011, that the Board of Directors of this Corporation hereby authorizes on behalf of this Corporation to transfer \$3,400,000 from the non-discretionary fund administered by in-house Staff to the discretionary account managed by Black Rock/Merrill Lynch; 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 revised 2012 Collection and Lien Enforcement Policy. Director Copley moved to approve the resolution. Director Vogel seconded the motion.

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

The Board agreed that the revised policy was not substantial enough to warrant the 30-day notification.

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

RESOLUTION 01-11-175

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, September 13, 2011, 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, 2012; and

RESOLVED FURTHER, that Resolution 01-10-223 adopted October 22, 2010 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 Brians reported from the Maintenance and Construction Committee.

Director Copley made a motion to reaffirm Alteration Standard Section 28 – Storage Cabinets (prohibiting the installation of plastic molded storage cabinets in breezeways). Director Gerson seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution adding the cleaning of the fireplace ash collection pits at Castilla style buildings to the chimney sweeping service in 2012. Director Copley moved to approve the resolution. Director Gerson seconded the motion and discussion ensued.

Member Mary Stone (356-C) addressed the Board on the service.

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

RESOLUTION 01-11-176

WHEREAS, the Castilla style buildings have fireplace ash collection pits and the cleaning of such pits are currently available as an on-demand service by Janitorial Service, and while Janitorial workers can remove the bulk material in the ash pits, they do not have the tools to completely clean the ash pits; and

WHEREAS, the Mutual has a chimney sweep service that cleans the building chimneys, but the scope of work for such service does not currently specify cleaning the ash pits or the pipes leading to the pits;

NOW THEREFORE BE IT RESOLVED, September 13, 2011, that the Board hereby agrees to add the cleaning of the fireplace ash collection pits at Castilla style buildings to the chimney sweeping service already provided by the Mutual through the chimney cleaning contractor at a cost of \$2,000, to be funded as a supplemental appropriation from the Contingency Fund for 2012, and to include the service in future business plans; 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 authorizing an additional supplemental appropriation of \$72,600 to construct the CDS 67 interim design improvements. Director Copley moved to approve the resolution. Director Dalis seconded the motion and discussion ensued.

Members Mary Stone (356-C) and Maxine McIntosh (68-C) commented on the resolution.

Director Marks left the meeting at 10:58 A.M.

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

RESOLUTION 01-11-177

WHEREAS, by way of Resolution 01-11-134, the Board of Directors approved to construct the interim design improvements as designed by the Civil Engineering Consultant and to include upgrading the CDS 67 entrance; and

WHEREAS, during the RFP preparation, bid alternates were included for design elements that were not budgeted for in Resolution 01-11-134; and

WHEREAS, the lowest qualified bid exceeds the allocated funds; and

NOW THEREFORE BE IT RESOLVED, September 13, 2011, that the Board of Directors of this Corporation hereby authorizes an additional supplemental appropriation in the amount of \$72,600 to be funded from the Contingency Fund to construct the CDS 67 interim design improvements as designed by the engineering consultant as specified in Resolution 01-11-134, with the addition of the following design element:

- Construct stone veneer on the wall and pavers along the sidewalk instead of standard concrete.

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 Marks returned to the meeting at 11:04 A.M.

Director Turner reported from the Landscape Committee.

Director Miller reported from Resident Relations Information Services.

GRF HIGHLIGHTS

- Director Beldner reported on the completion of the wi-fi installations around the Community.
- Director Copley encouraged residents to attend the next GRF M&C meeting to discuss the Aliso Creek area and commented on the Village Greens Building.
- Director Miller commented on the Village's bus system.

DIRECTORS' FORUM

- Director Beldner commented on the great things about living in the Village.
- Director Copley commented that United had 35 resales last month.
- Director Briens thanked the outgoing Directors for their service on the Board.
- Director Miller commented on her retirement from the Board.

- Director Gerson stated that the outgoing Directors will be missed and wished all the new candidates good luck on their campaign.
- Director Dalis commented on the new Asian broadband channels.
- Director Turner thanked the outgoing Directors for their commitment and service on the Board.
- Director Vogel reported that United Mutual has more manor sales than Third Mutual.

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 11:26 A.M. and reconvened into the Regular Executive Session at 11:33 A.M.

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

During its Regular Executive Session meeting of August 9, 2011, the Board reviewed and approved, without objection, the minutes of the Regular Executive Session of July 12, 2011, the Executive Disciplinary Committee meeting of July 25, 2011, and the Special Executive Session of July 27, 2011. The Board heard two (2) disciplinary hearings and imposed fines totaling \$400 for violations of the Mutual's rules and regulations; and discussed litigation, contractual, and other member disciplinary matters.

During its Special Executive Session meeting of August 19, 2011, the Board discussed contractual matters.

During its Executive Disciplinary Committee meeting of August 22, 2011, the Board held Disciplinary hearings.

During its Emergency Executive Session meeting of September 7, 2011, the Board discussed contractual matters and member discipline.

The Traffic Committee of the Board met in Executive Session on August 17, 2011 to discuss member disciplinary issues.

ADJOURNMENT

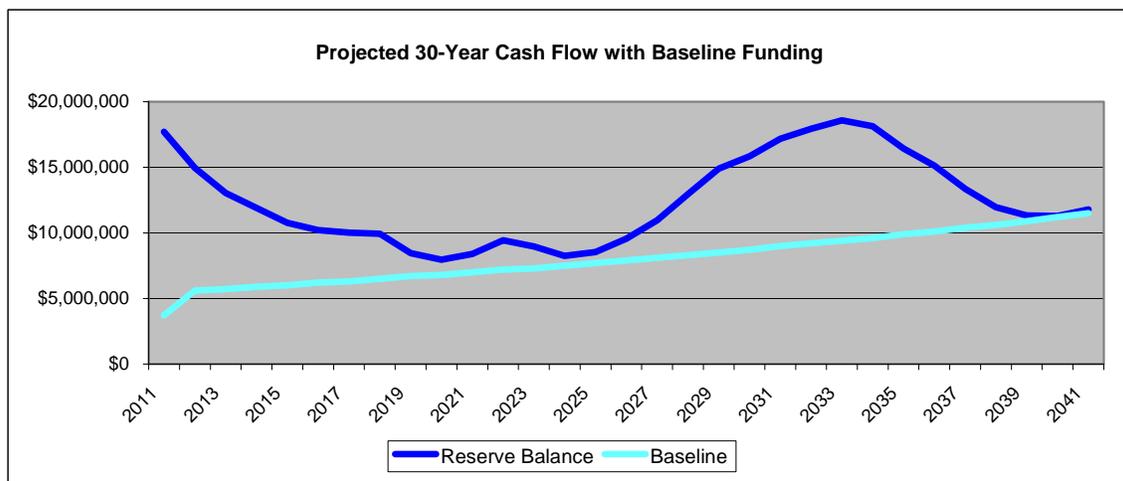
With no further business before the Board of Directors, the meeting was adjourned at 4:20 P.M.

Barbara Copley, Secretary

**United Laguna Hills Mutual
 2012 RESERVES PLAN
 Replacement Reserve 30-Year Funding Plan**

Baseline (Threshold): \$ 5,600,000
 Indexed for projected inflation

Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2011	\$ 70.00	\$ 5,311,320	\$ 244,464		\$ 5,286,763	\$ 17,718,453
2012	\$ 72.00	\$ 5,463,072	\$ 227,125		\$ 8,453,507	\$ 14,955,143
2013	\$ 75.00	\$ 5,690,700	\$ 242,831		\$ 7,848,825	\$ 13,039,848
2014	\$ 78.00	\$ 5,918,328	\$ 216,334		\$ 7,274,180	\$ 11,900,331
2015	\$ 82.00	\$ 6,221,832	\$ 196,732		\$ 7,538,889	\$ 10,780,005
2016	\$ 86.00	\$ 6,525,336	\$ 182,023		\$ 7,282,758	\$ 10,204,606
2017	\$ 90.00	\$ 6,828,840	\$ 175,408		\$ 7,191,451	\$ 10,017,403
2018	\$ 94.00	\$ 7,132,344	\$ 173,053		\$ 7,389,658	\$ 9,933,142
2019	\$ 98.00	\$ 7,435,848	\$ 159,618		\$ 9,060,088	\$ 8,468,520
2020	\$ 102.00	\$ 7,739,352	\$ 142,570		\$ 8,382,621	\$ 7,967,821
2021	\$ 105.00	\$ 7,966,980	\$ 142,022		\$ 7,671,512	\$ 8,405,311
2022	\$ 108.00	\$ 8,194,608	\$ 154,837		\$ 7,309,582	\$ 9,445,174
2023	\$ 111.00	\$ 8,422,236	\$ 159,704		\$ 9,060,701	\$ 8,966,413
2024	\$ 114.00	\$ 8,649,864	\$ 149,340		\$ 9,515,247	\$ 8,250,370
2025	\$ 117.00	\$ 8,877,492	\$ 145,733		\$ 8,723,089	\$ 8,550,506
2026	\$ 120.00	\$ 9,105,120	\$ 157,075		\$ 8,254,689	\$ 9,558,012
2027	\$ 120.00	\$ 9,105,120	\$ 177,923		\$ 7,887,048	\$ 10,954,007
2028	\$ 120.00	\$ 9,105,120	\$ 207,390		\$ 7,311,426	\$ 12,955,091
2029	\$ 120.00	\$ 9,105,120	\$ 241,612		\$ 7,402,458	\$ 14,899,365
2030	\$ 120.00	\$ 9,105,120	\$ 266,510		\$ 8,445,556	\$ 15,825,439
2031	\$ 122.00	\$ 9,256,872	\$ 286,243		\$ 8,194,234	\$ 17,174,321
2032	\$ 125.00	\$ 9,484,500	\$ 304,536		\$ 9,029,036	\$ 17,934,321
2033	\$ 129.00	\$ 9,788,004	\$ 316,768		\$ 9,454,603	\$ 18,584,491
2034	\$ 133.00	\$ 10,091,508	\$ 318,499		\$ 10,860,620	\$ 18,133,877
2035	\$ 137.00	\$ 10,395,012	\$ 299,886		\$ 12,390,129	\$ 16,438,646
2036	\$ 141.00	\$ 10,698,516	\$ 273,806		\$ 12,283,700	\$ 15,127,269
2037	\$ 145.00	\$ 11,002,020	\$ 247,023		\$ 13,025,341	\$ 13,350,970
2038	\$ 149.00	\$ 11,305,524	\$ 219,534		\$ 12,917,823	\$ 11,958,205
2039	\$ 153.00	\$ 11,609,028	\$ 202,010		\$ 12,438,560	\$ 11,330,683
2040	\$ 157.00	\$ 11,912,532	\$ 196,254		\$ 12,144,850	\$ 11,294,619
2041	\$ 161.00	\$ 12,216,036	\$ 200,316		\$ 11,912,054	\$ 11,798,917



UNITED LAGUNA HILLS MUTUAL

YEAR 2012 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 (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month**

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

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

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

4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder. If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section

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, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

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

6. Enforcement of a Lien. United's collection agent 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 United's Collection Agent In Error. In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments.

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.* A dispute, by itself, will not impede United's ability to record a lien.

12. Right to Request Alternative Dispute Resolution ("ADR"). A Shareholder has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 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 United's collection agent, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, 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 United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

20. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 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.