

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

In re LAGUNA VILLAGE OWNERS' ASSOCIATION, INC., a California non-profit corporation, Debtor.	Case No. 8:10-bk-24033 RK Chapter 11 BALLOT FOR ACCEPTING OR REJECTING THE CHAPTER 11 REORGANIZATION PLAN PROPOSED BY THE DEBTOR
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USE THIS BALLOT IF YOU HAVE CLASS 2 GENERAL SECURED CLAIM

Laguna Village Owners' Association, Inc., a California non-profit corporation, the debtor and debtor in possession ("Debtor") herein, filed its Chapter 11 Reorganization Plan ("Plan") on April 27, 2011. The Court has approved the Debtor's Disclosure Statement Describing Debtor's Chapter 11 Reorganization Plan ("Disclosure Statement"). The Disclosure Statement provides information to assist you in deciding how to vote your ballot. If you do not have a copy of the Disclosure Statement, you may obtain a copy from the Debtor's counsel at Shulman Hodges & Bastian LLP, attention James C. Bastian, Jr., 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618. You should review the Disclosure Statement and Plan before you vote. You may wish to seek legal advice concerning the Disclosure Statement and Plan and your classification and treatment under the Plan. **THE DEBTOR URGES YOU TO READ THE ENCLOSED DOCUMENTS CAREFULLY.**

The Plan can be confirmed by the United States Bankruptcy Court and thereby made binding upon you if it is accepted by the holders of two-thirds in amount, and more than one-half in number, of claims in each class, and the holders of two-thirds in amount of equity security holders in each class voting on the proposed Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the proposed Plan if the Court finds that the proposed Plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements of Bankruptcy Code Section 1129(b). **If the proposed Plan is confirmed by the Court it will be binding on you whether or not you vote.**

If your Ballot is not received by the Debtor's attorney, Shulman Hodges & Bastian LLP, attention James C. Bastian, Jr., 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618 by 5:00 P.M., California time, on August 10, 2011 and such deadline is not extended, your vote will not count as either an acceptance or rejection of the proposed Plan.

ACCEPTANCE OR REJECTION OF THE PLAN

The undersigned, being a Class 2 General Unsecured Creditor in the unpaid amount of: \$ _____ [FILL IN AMOUNT] hereby:

CHECK ONE BOX

- ACCEPTS THE PLAN REJECTS THE PLAN

ELECTION FOR TREATMENT UNDER THE PLAN

Holders of General Unsecured Claims may elect to receive one of following three alternative forms for treatment. **Creditors that do not specify on their Ballot which treatment they elect shall receive treatment under Option One below (50% of their Allowed Claim, within thirty days of the Effective Date.)**

CHECK ONE BOX

- Option One: 50% of your Allowed Claim, payable within thirty days of the Plan Effective Date,
 Option Two: 75% of your Allowed Claim payable over 18 months from the Plan Effective Date; or
 Option Three: 100% of your Allowed Claim payable over 36 months from the Plan Effective Date with interest at the rate of 3%

Dated _____ Type or print name of creditor _____ Signature _____
Address: _____
Telephone No.: _____

COMPLETE AND RETURN THIS FORM TO:
SHULMAN HODGES & BASTIAN LLP, Attention: James C. Bastian, Jr., Esq., 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618

THIS BALLOT DOES NOT CONSTITUTE A PROOF OF CLAIM AND WILL NOT BE CONSIDERED A PROOF OF CLAIM. IN ORDER FOR YOUR BALLOT TO COUNT, IT MUST BE COMPLETED AND RETURNED TO THE ADDRESS ABOVE, OR BY FACSIMILE TRANSMISSION AT (949) 340-3000 SO THAT IT IS RECEIVED BY 5:00 P.M., CALIFORNIA TIME, ON AUGUST 10, 2011.