



## **RESOLUTION 01-18-51**

### **Appliance Policy**

**WHEREAS**, the United Laguna Woods Mutual has a policy for the repair and replacement of specific major appliances maintained within the Mutual's dwelling units; and

**WHEREAS**, staff has investigated and analyzed the level of effort required to replace the various appliances and the impact this activity has on the overall performance of the corporation;

**WHEREAS**, current Mutual policy does not allow staff to perform appliance installations where the member has alteration countertops and cabinets, which has caused a hardship to the member;

**WHEREAS**, standard appliances have only been offered in white or black with some appliances only being available in one of the finish colors resulting in mismatched appliances.

**NOW THEREFORE BE IT RESOLVED**, June 12, 2018, the Board of Directors of this Corporation hereby approves the revised Appliance Policy to allow standard appliances to be installed by where alteration cabinets or countertops are present only if the Member signs a waiver releasing the Mutual of any liability;

**RESOLVED FURTHER**, that standard appliances be defined as a specific model and brand manufacturer of appliances with finishes available in white, black and stainless steel, to be installed by the Mutual within the dwelling unit;

**RESOLVED FURTHER**, that although the appliance features may be the same, the finish color may alter the price of the appliance. The Mutual will be responsible for the cost of the appliance with the lowest price finish and the Member shall be responsible for any cost differential of a more expensive finish. In the case of a disbursement request, all standard appliances will be valued at the cost of the lowest price finish, regardless of existing finish; and

**RESOLVED FURTHER**, that Resolution 01-16-96, adopted September 13, 2016, is hereby superseded and cancelled.

**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.



## **Revised Appliance Policy**

Adopted June 12, 2018

Resolution 01-18-51

### **1.0 Purpose & Scope**

1.1 **Purpose:** The purpose of this Policy is to define the procedures in United Laguna Woods Mutual (ULWM) regarding the repair and replacement of specific major appliances maintained within the Mutual's dwelling units.

1.2 **Scope:** Major appliances maintained within the Mutual's dwelling units incorporated within this policy include refrigerators, cook tops, hoods, ranges and ovens. The Mutual will maintain and replace dishwashers in the dwelling units following the guidelines set forth in this policy.

### **2.0 Definitions**

2.1 **Standard:** a specific model and brand manufacturer of appliances to be installed by the Mutual within the dwelling unit as established by the Board.

2.2 **Non-Standard:** any model and brand manufacturer of appliances to be installed by the Member other than the standard provide by ULWM. The new appliance is considered to be an alteration and subject to the ULWM's alteration policies. A standard appliance with upgraded features, i.e., those that are of the same brand name as ULWM standard brand appliances, but is a model whose features exceed those of ULWM standard issue appliance, shall also be considered non-standard.

2.3 **Grandfathered:** any appliance owned by the Mutual prior to September 13, 2016. ULWM will continue to be responsible for service and a repair to standard appliances and operating features for these appliances unless and until the Member opts for a non-standard appliance.

#### **2.4 Serviceable Life:**

2.4.1 The Board establishes the serviceable life of an appliance. ULWM replacement reserves are based upon the established serviceable life for each appliance.

2.4.2 The serviceable life established by the Board for each appliance category is as follows:



Appliance	Serviceable Life
Cooktops	20 years
Hoods	20 years
Ovens	20 years
Refrigerators	20 years
Dishwashers	12 years
Ranges	20 years

2.4.3 The serviceable life of a standard appliance begins on the date of installation.

2.4.4 The serviceable life of a standard dishwasher not installed by ULWM begins on the date of permit issuance, the date of purchase or installation as indicated by verifiable documentation, or as indicated by the manufacturer based upon the serial number and model number.

### 3.0 Standard Appliances

3.1 Mutual appliances are replaced by ULWM upon failure, non-reparability, excessive cost to repair as compared to value of the appliance's remaining serviceable life, or upon request at the end of the serviceable life.

3.2 Appliances replaced by the ULWM will be standard issue appliances. Standard appliances will be available in white, black and stainless steel finishes. Although the appliance features may be the same, the finish color may alter the price of the appliance. The Mutual will be responsible for the cost of the appliance with the lowest price finish and the Member shall be responsible for any cost differential of a more expensive finish. In the case of a disbursement request, all standard appliances will be valued at the cost of the lowest price finish, regardless of existing finish.

3.3 All Mutual owned appliances are required to be returned to the Mutual upon replacement.

3.4 Appliances installed within the dwelling units by the Mutual remain the sole property of the Mutual.

3.5 Mutual members are responsible for ensuring the appliances owned by the Mutual are present in the manor at the time of resale inspection and resale escrow closure.

3.6 The Mutual will pick up any Mutual-owned appliance, at the Mutual's expense and at no charge to the Member, from the manor to which it is assigned.

3.7 Procurement:



- 3.7.1 The Member is required to contact the Resident Services Department to report the condition of the appliance and request eligibility for replacement.
  - 3.7.2 If the Member qualifies for replacement the Member is required to sign an “Application for Appliance Changes” form to order the new appliance.
  - 3.7.3 If the Member does not qualify for replacement the Member may opt for a non-standard appliance.
- 3.8 Installation:
- 3.8.1 The Mutual is responsible for all costs associated with installation of standard appliances, including any costs for cabinet modification, excluding Member altered cabinets, required for accommodating changes in the dimensions of the Mutual standard issue appliance.
  - 3.8.2 The Mutual will install standard appliances when altered countertops or cabinets are present if the Member signs a waiver releasing the Mutual of any liability. The Mutual will not further alter any non-standard cabinets or countertops; they must be fully prepared for appliance installation. If the Member is unwilling or unable to sign a waiver the Mutual will be responsible for “delivery only” and the Member shall be responsible for installation.
- 3.9 Maintenance:
- 3.9.1 The Mutual is responsible for repair for standard appliances.
  - 3.9.2 The Mutual’s agent will not perform repairs to or service any appliances during the period in which the appliance is under warranty by the manufacturer, as servicing a unit while under warranty would void the manufacturer’s warranty.
    - 3.9.2.1 Arranging for repairs with the warranting manufacturer during the warranty period is handled directly by the Mutual Member. The Mutual does not provide coordination of warranty service.
  - 3.9.3 Any necessary repairs determined by the Mutual’s agent resulting from user negligence and/or misuse will be charged to the Member.
  - 3.9.4 The Mutual will provide removal of an existing appliance at the time of replacement by the Mutual.
- 3.10 Rental Units: The Mutual Member is responsible for ensuring that his/her tenants take proper care of all Standard Appliances installed in the unit. Any and all repair or maintenance issues for Standard Appliances in a rental unit must first be reported directly to the Mutual Member for handling. If the



repair or maintenance is due to ordinary wear and tear or otherwise not attributable to the conduct of the user, the Mutual Member may contact the Mutual to perform the necessary repairs or maintenance. The Mutual Member shall be solely responsible for any negligent use or willful misuse of Standard Appliances, and any resultant damage, caused by his/her tenants and guests. The Mutual Member shall notify his/her tenants and guests of the requirements and protocol in this Policy.

#### **4.0 Non-Standard Appliances**

- 4.1 The Mutual Member may select an appliance other than the standard.
- 4.2 Non-standard appliances are considered to be an alteration and subject to the Mutual's alteration policies.
- 4.3 The Mutual Member may opt to replace any of the Mutual's appliances within the dwelling units at any time during the applicable serviceable life, at the Mutual Member's sole cost and expense.
- 4.4 At no time will a transfer of ownership to the Mutual of the Mutual Member's appliance be made.
- 4.5 All appliances installed by the Mutual Member are the property of the Mutual Member.
- 4.6 All Mutual owned appliances are required to be returned to the Mutual upon replacement. The Mutual will pick up a standard appliance upon request.
- 4.7 A one-time disbursement amount per appliance may be provided to the Member for associated costs shared by both the Mutual and Mutual Member.
  - 4.7.1 The disbursement amount will be prorated based upon remaining serviceable life and allowance would be based upon pricing for the standard options.
  - 4.7.2 The methodology for calculation of the prorated cost participation is explained in Appendix 1.
  - 4.7.3 The Mutual's standard appliances must be returned to the Mutual in order to qualify for disbursement.
- 4.8 Procurement:
  - 4.8.1 The Member is required to contact the Resident Services Department to request a one-time disbursement amount.
  - 4.8.2 The Member is required to sign an "Application for Non-Standard Appliance" form to receive the disbursement amount.



4.8.3 The Mutual Member is responsible for purchasing of the non-standard appliance.

4.9 Installation:

4.9.1 The Mutual Member is responsible for scheduling delivery, installation, and any cabinet modifications.

4.9.2 The Mutual's agent will not install any appliances considered non-standard.

4.10 Maintenance:

4.10.1 The Mutual Member is responsible for any and all maintenance, repair, replacement and removal of non-standard appliances.

4.10.2 The Mutual may service non-standard General Electric appliances as a chargeable service.

4.11 Rental Units: The Mutual Member is responsible for all Non-Standard Appliances in the unit, including but not limited to, any repair or maintenance necessitated by his/her tenants and guests. Any and all repair or maintenance issues for Non-Standard Appliances in a rental unit must be reported directly to the Mutual Member for handling and not to the Mutual. The Mutual Member shall be solely responsible for any misuse or negligent use of Non-Standard Appliances, and any resultant damage, caused by his/her tenants and guests. The Mutual Member shall notify his/her tenants and guests of the requirements and protocol in this Policy.

## 5.0 Notification

5.1 By way of a written statement signed at the close of escrow, each Mutual Member shall be notified of the Mutual's appliance policies.

5.2 Prior to the close of escrow, all non-standard appliances in the dwelling unit for which the Mutual Member is responsible will be disclosed in writing.

5.3 Copies of all policies will be available to all Mutual Members.



## **APPENDIX 1**

### **Prorated Cost Calculations**

The age of an appliance is determined by the difference between the installation date and the estimated replacement date.

For example, if an appliance was installed September 28, 1999 and the Mutual Member requested replacement on July 11, 2016 the age of the appliance would be 16 years and 8 months.

The prorated cost calculation is applied to the material cost of the replacement unit to determine the prorated material cost.

The prorated cost calculation is applied to the labor portion of a standard installation (based on standard hours and the current annual billing rate for the electrical/appliance work center) to determine the prorated installation cost.

A service charge is applied to each prorated replacement request.

The estimation of prorated costs is done through a computerized system that calculates the costs; no manual calculations are provided. This system was devised to minimize errors and afford all Mutual Members equal and unbiased information.