



OPEN MEETING

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

**Tuesday, November 9, 2021, 9:30 a.m.
Open Session, Virtual Meeting
24351 El Toro Road, Laguna Woods, California**

Directors Present: Anthony Liberatore, Manuel Armendariz, Pearl Lee, Pat English, Neda Ardani, Cash Achrekar, Azar Asgari, Diane Casey, Andre Torng, Reza Bastani, Maggie Blackwell

Directors Absent: None

Staff Present: Jeff Parker, CEO; Siobhan Foster, COO; Grant Schultz and Cindy Shoffeitt

Others Present: VMS:

1. Call Meeting to Order/Establish Quorum

President Liberatore called the meeting to order at 9:30 a.m. and acknowledged that a quorum was present.

2. Pledge of Allegiance to the Flag

Director Achrekar led the pledge of allegiance.

3. Acknowledge Media

The Village Television Camera Crew, by way of remote cameras, was acknowledged as present. The virtual meeting was recorded.

4. Approval of Agenda

President Liberatore asked if there were any changes to the agenda.

Director Blackwell made a motion to approve the agenda. Director Armendariz seconded the motion. Hearing no objection, the board approved the agenda by unanimous consent.

5. Approval of Minutes

- a. June 3, 2021 – Budget Version 1 (Landscape)
- b. June 4, 2021 – Budget Version 1 (Maintenance & Construction)
- c. July 15, 2021 – Budget Version 2
- d. August 12, 2021 – Budget Version 3

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- e. September 10, 2021 – Meet the Candidates
- f. September 14, 2021 – Regular Open Meeting
- g. October 1, 2021 – Tabulation Meeting
- h. October 14, 2021 – Special Open Meeting
- i. October 28, 2021 – Special Delegate Election

President Liberatore asked for a motion to approve the minutes.

Director Armendariz made a motion to approve the minutes. The motion was seconded by Director Blackwell.

President Liberatore called for the vote and the minutes were approved by unanimous consent.

6. Report of the Chair

President Liberatore commented on the insurance and trash issues concerning the village.

7. Open Forum (Three Minutes per Speaker)

At this time Members addressed the Board of Directors regarding items not on the agenda

The following members made comments:

- A member commented on residents facing financial hardship and encouraging them to contact Social Services or The Foundation of Laguna Woods Village.
- A member commented on the partial lawn removal in front of his unit to be removed to make room for parking his golf cart.
- A member commented on permit process needed for entry door installment.
- A member commented on landscaping work.
- A member commented on all the accomplishments of the board and the training of the boards.
- A member commented on meeting minutes and the website.
- A member commented on employment.
- A member commented on insurance requirements.
- A member commented on plumbing and shelf repairs.
- A member commented on common open area.

8. Responses to Open Forum Speakers

8a. Director Armendariz gave an update to the Open Forum comments from the September 14, 2021 board meeting.

- Director Armendariz recapped on the Open Forum speaker comments from September 14, 2021
 - Responded to application for construction of a parking space for a golf cart
 - Staff advised the member asking about the fee for replacement of the door could cause a \$300 fee if no permit was filled out on September 8, 2021
 - Responded that only a certain subset of bees are killed which are deadly. All other bees are relocated.
 - Responded that solar panels were not economically feasible.

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- Responded that the benches that were requested are currently being looked into by the Recreation Department.
- Responded on comments on the annual election.
- Director Blackwell commented on records and media and that they are separate. Commented on common area regulations.
- Director English responded that mutual priority issues are insurance and trash.
- Director Asgari responded on website information.
- Director Ardani responded to comment on insurance and loans.
- Director Torng responded to comment on landscaping maintenance.
- Director Bastani responded to comment on resales.
- Director Casey responded to comment on insurance.

9. Update from VMS – Director Skillman

VMS Director Skillman gave an update from the VMS Board on following topics:

- Staffing and recruiting

10.CEO Report

CEO Jeff Parker reported on the following topics:

- Payscale Company and salaries
- CR&R organic food waste, costs, and operational information
- Insurance and loans
- Meeting with Katie Porter, Congress Woman
- Landscape
- Trash and waste management

COO Siobhan Foster showed the new managers video:

10a. Employee Recognition of Excellence Video

11. Consent Calendar

All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the board by one motion. In the event that an item is removed from the Consent Calendar by members of the board, such item(s) shall be the subject of further discussion and action by the board.

Director Armendariz made a motion and Director English seconded to approve the Consent Calendar.

Director Armendariz made a motion to move agenda item 11d to 13e under new business. Director Asgari seconded the motion.

President Liberatore called the motion as amended to a vote and it passed by unanimous consent.

11a. Accept the Review of the United Sub-Leasing and Transfer of Trust Documents Approved in September 2021 and such review is hereby ratified.

11b. Recommendation from the Landscape Committee:

(1) Recommendation to Approve Landscape Revision Request: 226-A Avenida

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Majorca

RESOLUTION 01-21-68

**Approve Retaining Landscape Revisions Adjacent to Manor
226-A Avenida Majorca**

WHEREAS, on September 9, 2021, the Landscape Committee reviewed a request from the Member at 226-A to keep landscape revisions they previously made adjacent to their unit to create a butterfly habitat. The Member cited the reasons as resident preference;

WHEREAS, the Committee recommends approving the request to retain the landscape revisions which created a butterfly habitat adjacent to this unit and agree that the Mutual will pay the minor cost for staff to modify the irrigation from a turf station to a shrub bed station.

NOW THEREFORE BE IT RESOLVED, November 9, 2021, the Board of Directors approves the request to retain landscape revisions made adjacent to the unit to create a butterfly habitat, at 226-A;

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

- (2) Recommendation to Approve Tree Removal Request: 736-C Avenida Majorca
– Two Bottle Brush Trees

RESOLUTION 01-21-69

**Approve Removal Of Two Bottle Brush Trees
736-C Avenida Majorca**

WHEREAS, February 12, 2013, that the Board of Directors adopted Resolution 01-13-17 tree removal guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.
- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

WHEREAS, the Landscape committee reviewed a request to remove two Bottle

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Brush trees along the perimeter wall in front of the unit from the Member at 736-C, who cited the reasons as litter/debris, overgrown, and poor condition, and;

WHEREAS, the committee determined that the trees meet the guidelines established in Resolution 01-13-17, and thereby recommends approving the request for the removal of two Bottle Brush trees located at 736-C Avenida Majorca.

NOW THEREFORE BE IT RESOLVED, November 9, 2021, the Board of Directors approves the request for the removal of two Bottle Brush trees at 736-C;

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

- (3) Recommendation to Deny Off-Schedule Trimming Request with the caveat that the 2022 scheduled trimming of this tree will take place in the early part of the year: 2031-F Via Mariposa – One Indian Laurel Fig

RESOLUTION 01-21-70

**Deny the Off-Schedule Trimming of One Indian Laurel Fig Tree
2031-F Via Mariposa**

WHEREAS, on September 9, 2021, the Landscape Committee reviewed a request for the off-schedule trimming of one Indian Laurel Fig tree received from the Member at 2031-F, who cited the reasons as overgrown and litter/debris, and;

WHEREAS, the Committee is recommending accepting staff's recommendation to deny the off-schedule trimming of the tree but to schedule trimming in the early part of 2022, the year this tree is scheduled to be trimmed, located at 2031-F Via Mariposa.

NOW THEREFORE BE IT RESOLVED, November 9, 2021, the Board of Directors denies the off-schedule trimming of the tree at 2031-F but to schedule trimming in the early part of 2022, the year this tree is scheduled to be trimmed;

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

- (4) Recommendation to Approve Tree Removal Request: 3-D Via Castilla – One Canary Island Pine Tree

RESOLUTION 01-21-71

**Approve Removal Of
One Canary Island Pine Tree 3-D Via Castilla**

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WHEREAS, February 12, 2013, that the Board of Directors adopted Resolution 01-13-17 tree removal guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.
- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

WHEREAS, the Landscape Committee reviewed a request to remove one Canary Island Pine tree from the Member at 3-D, who cited the reasons as litter/debris, overgrown, and a perceived hazardous situation, and;

WHEREAS, the committee determined that the tree meets the guidelines established in Resolution 01-13-17, and thereby recommends approving the request for the removal of one Canary Island Pine tree located at 3-D Via Castilla.

NOW THEREFORE BE IT RESOLVED, November 9, 2021, the Board of Directors approves the request for the removal of one Canary Island Pine tree at 3-D;

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

(5) Recommendation to Deny Tree Removal Request: 532-F Via Estrada – One Crape Myrtle Tree

RESOLUTION 01-21-72

**Deny Removal Of
One Crape Myrtle Tree 532-F Via Estrada**

WHEREAS, February 12, 2013, that the Board of Directors adopted Resolution 01-13-17 tree removal guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.
- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

WHEREAS, the Landscape Committee reviewed a request to remove one Crape Myrtle

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tree from the Member at 532-F, who cited the reasons as litter/debris and the perceived potential of a hazard, and;

WHEREAS, the committee determined that the tree does not meet the guidelines established in Resolution 01-13-17, and thereby recommends denying the request for the removal of one Crape Myrtle tree located at 532-F Via Estrada.

NOW THEREFORE BE IT RESOLVED, November 9, 2021, the Board of Directors denies the request for the removal of one Crape Myrtle tree at 532-F;

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

- (6) Recommendation to Approve Tree Removal Request: 702-A Avenida Sevilla – One Carob Tree

RESOLUTION 01-21-73

**Approve Removal Of
One Carob Tree 702-A Avenida Sevilla**

WHEREAS, February 12, 2013, that the Board of Directors adopted Resolution 01-13-17 tree removal guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.
- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

WHEREAS, the Landscape Committee reviewed a request to remove one Carob tree from the Member at 702-A, who cited the reasons litter/debris, overgrown, and poor condition, and;

WHEREAS, the committee determined that the tree does meet the guidelines established in Resolution 01-13-17, and thereby recommends approving the request for the removal of one Carob tree located at 702-A Avenida Sevilla.

NOW THEREFORE BE IT RESOLVED, November 9, 2021, the Board of Directors approves the request for the removal of one Carob tree at 702-A;

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

11d. Recommendation from the United Finance Committee:

- (1) Approve a Resolution for Recording of a lien against Member ID# 947-392-08

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RESOLUTION 01-21-74

Recording of a Lien

WHEREAS, Member ID 947-392-08; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 09, 2021, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-392-08 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.

- (2) Approve a Resolution for Recording of Lien against Member ID# 947-383-20

RESOLUTION 01-21-75

Recording of a Lien

WHEREAS, Member ID 947-383-20; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 09, 2021, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-383-20 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.

This item was moved to 13e. in New Business

11d. Approve a Resolution to Update the Committee Appointments

Hearing no objections, the consent calendar was approved by unanimous consent.

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12. Unfinished Business

- 12a.** Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the board consisting of the Treasurer and at least one other board member reviewed the United Laguna Woods Mutual preliminary financials for the month of August 2021; such review is hereby ratified.

Directors Asgari and Casey reviewed the preliminary financial for the month of August 2021. Director Asgari made a motion to approve the financials. Director Blackwell seconded the motion.

Discussion ensued among the directors.

Director Torng made a motion to supply all payment information to be shared with two designated board members and to all of the board members. Director Asgari seconded the motion.

Discussion ensued among the directors.

Director Blackwell motioned to approve the item as written without the amendment proposed by Director Torng. Director Casey seconded the motion.

President Liberatore called for the vote and the motion passed by a vote of 9-2-0 (Directors Armendariz and Torng opposed).

- 12b.** Entertain a Motion to Adopt a Resolution for Pet Restrictions

RESOLUTION 01-21-76 **Pet Restrictions**

WHEREAS, the Governing Documents Review Committee is tasked to review policy and processes for efficiency and consistency; and

WHEREAS, the Committee recognized that need to update the Pet Restrictions;

NOW THEREFORE BE IT RESOLVED; November 9, 2021, that the Board of Directors of this Corporation hereby approves the amended the Pet Restrictions, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution U-76-44 adopted February 24, 1976 is hereby superseded in its entirety 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.

SEPTEMBER Initial Notification— 28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied

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President Liberatore asked for a motion to adopt the resolution.

Director Armendariz made a motion to adopt a resolution for Pet Restrictions. Director Asgari seconded the motion.

Discussion ensued among the directors.

President Liberatore called for the vote and the motion passed by unanimous consent.

12c. Entertain a Motion to Adopt a Resolution for a Contractor Violation Policy

Director Blackwell read the following resolution:

RESOLUTION 01-21-77
Contractor Violation Policy

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of penalties for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

WHEREAS, this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of temporary or potentially permanent suspension from work within Laguna Woods Village, reduction of MC lifespan to ninety (90) days superseding Resolution 01-2-159; and

WHEREAS, the United ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the United ACSC.

NOW THEREFORE, BE IT RESOLVED, on **November 9, 2021**, the United Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; 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.

SEPTEMBER Initial Notification—28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied

President Liberatore asked for a motion to adopt the resolution.

Director Blackwell made a motion to adopt a resolution for the Contractor Violation Policy. Director Torng seconded the motion.

Discussion ensued among the directors.

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President Liberatore called for the vote and the motion passed by unanimous consent.

13. New Business

13a. Entertain a Motion to Introduce a Resolution for the 2022 Collection and Lien Enforcement Policy

Director Blackwell read the following resolution:

RESOLUTION 01-21-78 **2022 Collection & Lien Enforcement Policy**

WHEREAS, in accordance with California Civil Code, United Laguna Woods Mutual maintains a collection and lien enforcement policy that outlines the procedures, policies and practices employed by the Mutual in enforcing lien rights or other legal remedies for default in payment of assessments; and

WHEREAS, legal counsel has reviewed the existing Collection and Lien Enforcement Policy and determined that the policy as written complies with Civil Code requirements and reflects current practices for collection of Mutual delinquencies.

NOW THEREFORE BE IT RESOLVED, November 9, 2021, that the Board of Directors hereby adopts the 2022 United Laguna Woods Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

RESOLVED FURTHER, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2021 as part of the Annual Policy Statement.

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

November Initial Notification

Should the Board endorse the proposed resolution, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Staff recommends the board adopt the 2022 Collection & Lien Enforcement Policy.

Director Armendariz made a motion to introduce a resolution for pet restrictions for 28-day review. Director Blackwell seconded the motion.

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Discussion ensued among the directors.

Jose Campos, Finance Director, suggested that since there have been no changes except for the change in date that it does not need 28-day notice.

The board agreed that the 2022 Collection & Lien Enforcement Policy does not require a 28-day review as there were no changes to the policy except for a date change and the policy could be adopted at the current meeting.

President Liberatore called for the vote to approve the policy immediately and the motion passed by unanimous consent.

13b. Entertain a Motion to Approve Reserve Payment Approvals

Director Blackwell read the following resolution:

RESOLUTION 01-21-xx
Reserve Payment Approval Timeline

WHEREAS, in accordance with California Civil Code § 5510, two members of the United Laguna Woods Mutual board approve payments issued to vendors from the association's reserve bank account; and

NOW THEREFORE BE IT RESOLVED, November 9, 2021, that the Board of Directors hereby approves a reserve payment timeline; and

RESOLVED FURTHER, Reserve payments not explicitly approved or disapproved by board members within ten business days of receipt from the Managing Agent are escalated to the mutual's president for approval; and

RESOLVED FURTHER, the mutual's president will explicitly approve or disapprove escalated reserve payments within three business days of receipt from the Managing Agent. Should the president not explicitly respond within three business days of receipt from the Managing Agent, the reserve payments are deemed to be approved for release to vendors.; and

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

The Finance Committee and staff recommend the board adopt a reserve payment approval timeline.

Discussion ensued among the directors.

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Jose Campos provided the reason for the creation of the Reserve Payment Approval Timeline.

Director English made a motion to table the motion for 6 months at which time it could be revisited. Director Armendariz seconded the motion.

President Liberatore called for the vote on the motion and it was approved 10-1-0 (Director Achrekar opposed)

Discussion ensued among the directors.

Director English made a motion to send the Reserve Payment Approval Timeline back to the Finance Committee for review. Director Armendariz seconded the motion.

President Liberatore called for the vote and the motion passed 10-1-0 (Director Achrekar opposed).

13c. Entertain a Motion to Approve United Cul-de-sac 51 Common Area Patio Furniture

Director Blackwell read the recommendation from staff.

Staff recommends the authorization of an an unbudgeted operating expense not to exceed \$11,000 for the purchase and installation of permanent outdoor patio furniture in the cul-de-sac (CDS) 51 common area to create a gathering area for residents in compliance with current applicable policies.

Discussion ensued among the directors.

Director Blackwell made a motion to approve United Cul-de-sac 51 Common Area Patio Furniture. Director Armendariz seconded the motion.

Discussion ensued among the directors.

Director Blackwell made a motion to remove the agenda item and send it to the Landscaping Committee. Director Achrekar seconded the motion.

Discussion ensued among the directors.

President Liberatore called the motion to a vote and the motion failed 7-4-0 (Directors Liberatore, Armendariz, Bastani, Ardani, Asgari, English, and Achrekar opposed).

Director Casey made a motion to choose the second option presented by staff of removable furniture. Director Asgari.

Discussion ensued among the directors.

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President Liberatore called the motion to a vote and it was approved 8-3-0 (Directors Armendariz, Ardani, and Blackwell opposed).

13d. Discuss and Consider EZ payments for HOA assessments for new buyers

Director Asgari made a motion to approve EZ payment requirement for HOA for new buyers. Director Blackwell seconded the motion.

Discussion ensued among the directors.

Director Armendariz made a motion to send this item to the Finance Committee. Director English seconded the motion.

President Liberatore called for the vote to send Item d. back to committee passed by a vote of 8-3-0 (Directors Bastani, Ardani, and Achrekar opposed).

13e.) Resolution to Update the Committee Appointments

Resolution 01-21-xx

United Laguna Woods Mutual Committee Appointments

RESOLVED, November 9, 2021, that the following persons are hereby appointed to serve the Corporation in the following capacities:

Architectural Control and Standards Committee

~~Carl Randazzo, Chair~~

~~Elsie Addington~~

~~Neda Ardani~~

Anthony Liberatore, Chair

Andre Torng

Pearl Lee

~~Reza Bastani~~

Non-Voting Advisors: Michael Mehrain, Juanita Skillman

Finance Committee

Azar Asgari, Chair

~~Sue Margolis~~

~~Carl Randazzo~~

Andre Torng

Pat English

~~Diane Casey~~

Advisor: Dick Rader

Governing Documents Review Committee

~~Elsie Addington, Chair~~

~~Sue Margolis~~

Maggie Blackwell, Chair

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Diane Casey

Pat English

~~Reza Bastani~~

Advisor: Dick Rader, Juanita Skillman, Bevan Strom, Mary Stone

Landscape Committee

Manuel Armendariz, Chair

Maggie Blackwell

Pearl Lee

~~Neda Ardani~~

Advisors: Theresa Frost, Mike Peters, Annie Zipkin

Maintenance and Construction Committee

~~Carl Randazzo, Chair~~

~~Pat English, Chair~~

Reza Bastani

Diane Casey

Non-voting Advisor: Ken Deppe

Members Hearing Committee

~~Gash Achrekar, Chair~~

~~Elsie Addington~~

Maggie Blackwell, Chair

Pearl Lee

Reza Bastani

New Resident Orientation

Per Rotation List

Resident Advisory Committee

Neda Ardani, Chair

Andre Torng

Diane Casey

RESOLVE FURTHER that all directors are considered alternate members of each committee "Alternate." Each Alternate may serve as a substitute for another director that is unable to attend a meeting ("Substitute"). Committee Member Alternates cannot substitute for more than two (2) consecutive meetings. This will allow any director to ask any other director to sit in their stead during a temporary absence or unavailability. Of course, we can modify this and structure this any way the Board feels is best. However, the concept is that the Board, in advance, will approve any director sitting on a committee on a temporary basis when necessary to fill in for another director.

RESOLVED FURTHER Resolution 01-21-58, adopted September 14, 2021, is hereby superseded and canceled.

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

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Resolution 01-21-xx
Golden Rain Foundation Committee Appointments

RESOLVED, November 9, 2021, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted January 18, 2021, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

GRF Strategic Planning Committee

~~Sue Margolis~~
Anthony Liberatore
~~Andre Torng~~
Cash Achrekar

Customer Experience Subcommittee

~~Andre Torng (United)~~

Facilities Ad Hoc Committee

~~Carl Randazzo (United)~~

GRF Community Activities Committee

~~Elsie Addington~~
~~Andre Torng~~
Reza Bastani
Pearl Lee
~~Cash Achrekar, Alternate~~

GRF Finance

Azar Asgari
~~Carl Randazzo~~
Diane Casey, ~~Alternate~~

GRF Landscape Committee

~~Andre Torng~~
Manuel Armendariz
Azar Asgari, ~~Alternate~~

GRF Maintenance & Construction

~~Carl Randazzo~~
Pat English
Reza Bastani

Clubhouses & Facilities Renovation Ad Hoc Committee

~~Carl Randazzo~~

GRF Media and Communications Committee

Neda Ardani
~~Elsie Addington~~

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GRF Mobility and Vehicles Committee

Maggie Blackwell
Pearl Lee
~~Elsie Addington~~
~~Reza Bastani~~
~~Neda Ardani, Alternate~~

GRF Security and Community Access

~~Manuel Armendariz~~
Reza Bastani
Cash Achrekar
~~Andre Torng, Alternate~~

Disaster Preparedness Task Force

Anthony Liberatore
~~Diane Casey~~
~~Cash Achrekar~~
~~Reza Bastani, Alternate~~

Laguna Woods Village Traffic Hearings

Neda Ardani
Anthony Liberatore
~~Elsie Addington, Alternate~~

Insurance Ad Hoc Committee

~~Sue Margolis~~
~~Manuel Armendariz~~
~~Non-Voting Advisors: Diane Fortner~~

Purchasing Ad Hoc Committee

Anthony Liberatore
Maggie Blackwell
~~Carl Randazzo~~
~~Cash Achrekar~~
~~Diane Casey~~

Information Technology Advisory Committee

Anthony Liberatore
~~Andre Torng~~
~~Sue Margolis~~
~~Diane Casey~~

Investment Ad Hoc Committee

Diane Casey

RESOLVED FURTHER, that Resolution 01-21-59, adopted September 14, 2021, is hereby superseded and cancelled.

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

Director Armendariz made a motion to approve the committee appointments. Director Blackwell seconded the motion.

Director Armendariz made a motion to add Director Casey to the Finance Committee.

Discussion ensued among the directors.

President Liberatore called the motion to a vote and the motion failed 5-6-0 (Directors Bastani, Ardani, Asgari, English, Torng, and Casey opposed).

14.Committee Reports

President Liberatore stated that the board would be skipping the committee reports this month.

15.GRF Committee Highlights

16.Future Agenda Items

16a. 360 Investigation

17.Director's Comments- None

18.Recess - *At this time the meeting will recess for lunch and reconvene to Closed Session to discuss the following matters per California Civil Code §4935.*

The meeting recessed at 1:17 p.m. into the Closed Session.

Summary of Previous Closed Session Meetings per Civil Code Section §4935

During the September 14, 2021, Regular Closed Session, the Board:

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) August 10, 2021 – Regular Closed Session

Discussed and Considered Litigation, Legal and Legislation Matters

Discuss and Consider Contractual Matters

Discussed Personnel Matters

Discussed Member and Board Disciplinary Matters

18. Adjourn

The meeting was adjourned at 3:39 p.m.

DocuSigned by:
Neda Ardani

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Neda Ardani, Secretary of the Board
United Laguna Woods Mutual



Pet Restrictions

Resolution 01-21-76; Adopted November 9, 2021

I. Purpose

The purpose of this document is to define the rules and regulations of United Laguna Woods Mutual (United) regarding restrictions on pets.

The City of Laguna Woods has adopted additional restrictions on pets. The collection of ordinances adopted by the City of Laguna Woods can be found here:

https://library.municode.com/ca/laguna_woods/codes/code_of_ordinances

II. Definitions

- a. Common area - the area which is available for use by more than one person.
- b. Community Rules - the Bylaws, Occupancy Restrictions, Articles of Incorporation, or any rules and regulations of United.
- c. Member - any person entitled to membership in United.
- d. Animal – any domestic animal that does not pose danger, noise, or odors.

III. Conditions

- a. No person shall keep, maintain or permit within any dwelling unit under his control, or within the common area, any dog which by any sound or cry shall disturb the peace and comfort of the inhabitants of the neighborhood or interfere with any person in the reasonable and comfortable enjoyment of life or property.
- b. No person owning or having charge of any dog shall permit the same to run at large within the common area, except as otherwise provided in these rules and regulations.
- c. Dog's must be restrained by a substantial leash not to exceed six (6) feet in length and in the charge of a person competent to restrain such dog.
- d. No person owning or having charge of any animal shall permit the same to enter or remain in the common area contrary to the provisions of any sign posted conspicuously, provided that appropriate exception, as the case of guide dogs for blind persons, may be noted upon any such sign.
- e. No person owning or having charge of any pet shall permit any excrements to remain in the common area. Pet waste may be disposed of in trash containers.
- f. Whenever any animal suspected of being vicious is reported to United, the officers and agents shall report facts and circumstances thereof to Animal Control of the County of Orange for such action as they may deem appropriate according to law.

- g. A maximum combination of three cats and dogs, no more than two of which can be dogs, are permitted.

III. Enforcement

United is authorized to take disciplinary action against a member found to be in violation of these rules and regulations. When a violation occurs, the Board is obligated to evaluate and impose if appropriate, member-discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action.

The Member is entirely responsible for ensuring that the rules, regulations, and policies are following by anyone they allow into the community. This includes any Co-occupant, lessee, or guest, care provider, vendor, invitee, or contractor.

A complaint may be registered by contacting the Security Department at 949-580-1400. Additionally, you may contact the Compliance Division at 949-268-CALL or compliance@vmsinc.org.



Contractor Violation Policy

Resolution 01-22-77; Adopted November 9, 2021

It is crucial that contractors hired by members strictly follow mutual rules and restrictions related to construction, improvement and repair projects. Given the proximity between units and age of the buildings, among other related factors, any deviation from mutual rules or the member's approved scope of work has the potential to have a significant impact on the property as well as the adjacent neighbors. Staff has discovered a material increase in violations by member contractors who are either unfamiliar with or fail to abide by mutual rules and restrictions or who perform work outside of what was approved. Oftentimes this can lead to delays; increased project costs for members; increased noise, inconvenience and disturbance to neighbors; and unnecessary staff time and resources diverted to regulating and overseeing contractor violations and corrections.

This Contractor Violation Policy (policy) provides for penalties in the form of prohibiting offending contractors from performing work in United in an effort to protect members and United property and to encourage contractors to adhere to the rules and obligations governing the members and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (United). This policy classifies the noticing, violation severity, enforcement, ramifications of disciplinary actions and remedies relating to the offenses. MA would use the policy criteria listed herein to evaluate the contractors' behavior and administer notices and violations to member contractors.

The circumstances for providing a potential violation notice or notice of violation and issuing violation suspensions are based on the severity of the offense listed in two categories as defined below:

Moderate Violation

1. Any violation of Exhibit A – Conditions Rules & Obligations unless noted as a severe violation.

Severe Violations

1. Any violation by a contractor performing demolition or initiating renovation work without all appropriate governmental and MA approvals inclusive of mutual consents issued by MA and City of Laguna Woods approvals, and
2. Any contractor performing work contrary to the work specifically noted on the mutual consent (MC) issued by MA for the following:
 - a. Performing any structural removal or modification, including, but not limited to, the widening of an opening of a doorway, passageway or window or removal or modification of a structural building element (inclusive of columns, bearing walls, shear walls, foundations, exterior walls, any work that would have required a variance approval from the board or lapse of any insurance coverage so disclosed by the contractor on the mutual standard certificate of liability insurance [COLI]).
 - b. Performing any work that is beyond the scope of work as defined by the mutual consent (MC). This expanded work will include, but not be limited to, installing a larger quantity of materials, amending the parameters initially identified, revised

layout, increased dimensions of an approved renovation or using differing materials as was indicated on the MC.

3. Any expansion of the MC description for demolition or improvement work previously issued without further authorization from MA. Any unauthorized asbestos release contrary to city code, SCAQMD or Cal/OSHA regulations, or
4. The reluctance to complete the approved MC scope of work within 90 calendar days of permit issuance, or such reasonable time for the work so described on the MC as agreed to with MA when the MC was initially issued, exempting therefrom, any reasonable extension of time for force majeure condition affecting the timely completion of the work. See Exhibit A – Construction Rules & Obligations Contractor, Item 17, for complete terms relating to time of completion. A force majeure event shall be defined as an event beyond the control of the contractor affecting the timely completion of the work. Allowable force majeure events shall be considered as an event(s) affecting the entire local contracting community that would include major material shortages, war, strike, riot, catastrophic weather event, labor disputes or governmental orders relating to a pandemic. The contractor's time shall only be extended for the duration of the force majeure event. Contractor shall notify MA within 3 business days of knowledge of such delay or the potential of a force majeure event to allow consideration of an appropriate extension of time.

MA is responsible for providing the following enforcement actions of this policy:

1. Substantiate violations with notices, notes and photographs; document and archive the violation events; and transmit violation material to contractor and member,
2. Maintain a log of violations recording at a minimum the contractor's name and address; detail of the violation circumstances; notes regarding the rules, regulations and obligations of violation; and other pertinent information of the event,
3. MA shall notify the manor member and contractor of all violations and potential consequences within seven working days from time of MA's knowledge of the violation,
4. Issuance of all violation notice documents are to be posted on the manor with a description of the violation(s). Contractor violations shall also be published in the biweekly news bulletin only after validation of the violation.
5. Maintain a master list of contractors who are ultimately determined to have engaged in violation of and/or have been suspended under this policy.

Contractor Violations

Also see the contractor violation description below:

1. Moderate first violations – Any violation of the Exhibit A – Construction Rules & Obligations unless noted as a severe violation. Contractor and member will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.
2. Severe violations – If the first violation is a severe first violation (or a second moderate violation) then MA shall issue a potential violation notice. MA shall allow the contractor the opportunity to explain the circumstances of the violation. Under special circumstances shall the contractor be allowed to continue work. MA shall then determine if the potential violation notice shall become a violation notice and invoke those actions described in the contractor violation description.
3. In the event a suspension is issued, the contractor will no longer be allowed to do work within United. After the second suspension, board approval is necessary for contractor

reinstatement. Thereafter, any violation would result in permanent suspension from United.

- a. The member is responsible for any supplemental cost to mitigate the actions of his/her contractor that might be attributable to the consequences of damage, including, but not limited to, remediation of emergency asbestos cleanup and mitigation, damage to mutual property and fines established by governmental agencies.
 - b. The member is responsible for any increased costs in replacing a suspended contractor from an existing project, subject to No. 4 below.
4. Upon issuance of a notice of severe violation, the contractor shall not be allowed to submit any new application(s), and existing applications will be refused and/or the contractor will not be allowed to perform any further work in the mutual. However, the member of the manor issued the offense and any member who is currently using this contractor shall be allowed, with consultation, under special circumstances and only with the express written approval of MA to continue to use the offending contractor to finish an existing contract at the discretion of MA and in consideration of code compliance.

Contractor Violation Description

Any violation or suspension due to a violation hereunder will be viewed in totality for any work performed by the contractor in the mutual, and not on a per-project/mutual basis.

Moderate Violation

1. First offense – Notice of moderate violation and no further action to be taken.
2. Second offense – Escalation to severe violation pending MA conference (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). If MA determines no further action is needed, it remains a moderate violation without suspension. If determined to be a second violation, MA will apply a 30-calendar-day suspension from working in the mutual.

Severe Violation

1. First offense – Notice of potential violation. Pending conference with MA (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). The result of this conference will be the basis a 30-calendar-day suspension.
2. Second offense – Notice of violation and mandatory 90-day suspension.
3. Third offense – Notice of violation and mandatory termination of contractor from all work within the mutual. Only board reinstatement can result in the contractor continuing to work in the mutual.

Suspensions resulting from the second and third offense violations will occur after a conference is held between MA and the contractor to determine if there was a violation or a misunderstanding. It shall also be determined if the member of the manor issued the offense and any member that is currently using this contractor, shall be allowed, under special circumstances, to continue to use the offending contractor to finish their existing contract at the discretion of MA and in consideration of code compliance.

Regardless of the violations levied as noted herein, contractor and member may be subject to other costs as a result of damages to mutual property.

Contractor Right to Dispute

The contractor's right to dispute the violation shall be as follows:

1. The contractor has the right to dispute the MA notice of violation by emailing a hearing request to alterations@vmsinc.org and copying the MA supervisor and MA manager within seven calendar days of the notice of violation issuance to contractor.
2. Said hearing request will be heard by United's ACSC at its next appropriate hearing date.
3. Should the contractor make a hearing request, all conditions of the violation, including the suspension, will remain in effect until the ACSC provides a final determination.

Exhibit A – Construction Rules & Obligations

Both member and contractor shall abide by Exhibit A – Construction Rules & Obligations, may be held responsible for damages and take responsibility for the violations as a result of not complying with Exhibit A – Construction Rules & Obligations. Contractor agrees to comply with all rules and regulations, and violation provisions as stated in Exhibit A – Construction Rules & Obligations and the Contractor Violation Policy.

1. Mutual consent (MC) approvals: No improvement shall be installed, constructed, modified or altered at any manor (property) within United Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and demolitions made to and approved in writing by Village Management Services Inc. (VMS), Manor Alterations Division (MA) or, in the event of a variance from the mutual's alteration standards, the Architectural Control and Standards Committee (ACSC) and the United board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the member agrees to comply with the mutual's governing documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's member and/or all future mutual members. Contractor may be held responsible to repair mutual property damaged and/or modified in the course of its work without having obtained the approval to do so via a duly executed MC.
3. Parking of contractors' or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible, contractors' or other invitees' vehicles should be limited in number.
4. A City of Laguna Woods permit may be required as well as a clearance requirement from the South Coast Air Quality Management District (SCAQMD) (asbestos hotline, 909-396-2336). Prior to the issuance of an MC for alterations and/or demolition, the appropriate City of Laguna Woods permit number(s) must be submitted to the MA office located in the Laguna Woods Village Community Center. The city permit must be approved within the prescribed time frame, and a copy of the final permit must be submitted to MA.
5. Member hereby consents and grants to the mutual, MA, the Maintenance and Construction Department and their representatives a right of property entry at any time to inspect said property and its improvements and for the mutual and the department, including its representatives and contractors, to remedy any violation upon the property, including, but not limited to, removing trash and/or any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.

6. Subject to the Contractor Violation Policy, member and contractor shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents, any others who perform work on the property and any violation of the mutual's governing documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, damage to mutual property and use of mutual property for storage of equipment or materials without prior approval. member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the mutual's rules and regulations; however, that does not relieve contractor from compliance with the rules due to ignorance or otherwise, as contractor will sign the MC for alterations and/or demolition as a condition to and requirement of any approval. Member shall be liable for any violation of the mutual's governing documents or for any damage caused by any invitee, including any fine, assessment or other charge levied in connection therewith; however, contractor is also responsible to repair all damage that was done in the execution of the alteration, consistent with item number two in this exhibit.
7. Member and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <http://www.lagunawoodsvillage.com>.
8. Member contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use mutual recreational facilities or other amenities while they are in Laguna Woods Village for performance of work in connection with the property.
9. All improvements must be installed in accordance with California State building code, and the published mutual architectural alterations standards, policies and guidelines. See <http://www.lagunawoodsvillage.com>.
10. During construction, work hours established by the mutual and the noise ordinance set forth in the City of Laguna Woods municipal code must be adhered to at all times. Except in an emergency, work hours from 8 a.m. to 5 p.m. on weekdays; no work is permitted on holidays and weekends.
11. During construction, both the MC for demolition, alterations and the city building permit must be on display for public view at all times in a location approved by MA.
12. No waste or materials associated with the construction may be dumped in Laguna Woods Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
13. Call the Security Services Department at 949-580-1400 to receive dumpster location approval. All dumpsters must conform to the policy for temporary containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.

14. Call Security at 949-580-1400 for portable bathroom placement approval.
15. The MC for alterations is expected to be completed within 90 calendar days after the date of approval, unless an application is submitted with fees and approved by MA for an extension or documentation is submitted with the MC that justifies the need for a period longer 90 days and MA has agreed to this extension in writing. If the MC has an established completion period of more than 90 days but less than 180 days, the date established by the MC shall govern. An extension for a maximum of an additional 90 calendar days beyond the maximum 180-day period may be granted at the request of the member prior to expiration and at the discretion of MA. The contractor shall not perform any work beyond this 180-day period or six months unless authorized by MA in writing.
16. Violations of the forgoing conditions or the mutual's governing documents (see <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping or working after hours, will result in disciplinary action, which could result in a stop-work notice, loss of privileges and/or severe fines to the member as presented in the Contractor Violation Policy.
17. Mutual member and his/her contractor shall indemnify, defend and hold harmless United and its officers, directors, committee members, employees and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from the mutual shareholder's improvements and installation, construction, design and maintenance of same.



**YEAR 2022 COLLECTION AND LIEN ENFORCEMENT POLICY
AND PROCEDURES FOR ASSESSMENT DELINQUENCIES**
Resolution 01-21-78; Adopted November 9, 2021

PURPOSE STATEMENT

The following is a statement (the "Policy Statement") of the specific procedures, policies and practices employed by United Laguna Woods Mutual, a California nonprofit mutual benefit corporation ("United") in enforcing lien rights or other legal remedies for default in payment of assessments against its members ("Shareholders"). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 5310(a)(7) and incorporates by reference the disclosure provided by United pursuant to California Civil Code Section 5730.

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.

Assessments are the separate debt of shareholders. United may employ single collection recourses or combinations thereof as allowed by law. In addition to any other rights provided for by law or described in the governing documents, including, but not limited to the Articles of Incorporation, Bylaws and each Shareholder's Occupancy Agreement ("Governing Documents"), the Board has the right to collect delinquent assessments as stated herein.

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 YOUR BEST INTEREST AND THE BEST INTEREST OF THE COMMUNITY AS A WHOLE TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

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

BASIC POLICIES AND PROCEDURES

Delinquency reports are made available monthly by United's managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent 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, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies. Also following, pursuant to Paragraphs 3, 16 and 22, are United's collection policies and procedures for the collection of fines, fees, and chargeable services charged against Shareholders pursuant to the Governing Documents and current law:

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessments" in United's Bylaws, are referred to 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. Note that the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board of Directors.

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 unless otherwise required by law. 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 Fifty Dollars (\$50.00), 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%), consistent with Civil Code Section 5650. 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. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.

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 5660 by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder's rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 ("IDR"), the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR") and the right to request debt validation. 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 or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, 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 5700).

6. Enforcement of a Lien. United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or 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 5715(b). 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, ADR, or both IDR and ADR as requested by the Shareholder.

United may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the owner's separate interest for the delinquent assessment. In any action to collect delinquent assessments, late charges, or interest, the prevailing party will be entitled to costs and reasonable attorney's fees.

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 Civil Code Section 5200, *et seq.*

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.

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. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

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 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.

12. Right to Request Internal Dispute Resolution ("IDR"). Pursuant to Civil Code Section 5670, prior to recording a lien, United offers to Shareholders, and if so requested by a Shareholder, participation in internal dispute resolution ("IDR") pursuant to United's "meet and confer" program.

13. 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 5925 *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.

14. Right to Request Debt Validation. Under the Fair Debt Collection Practices Act ("FDCPA"), a Shareholder may request that United and/or its collection agent send the Shareholder proof that the debt sought to be recovered is valid, that the Shareholder lawfully owes the debt, and that United and/or its collection agent has the right to collect the debt.

15. 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 in addition to a \$50 one-time setup fee. If a payment plan is approved by the Board, 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.

16. 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 (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late charges and interest), 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 pursuant to the procedures set

forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

17. 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.

18. No Right of Offset. There is no right of offset. 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.

19. 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.

20. Additional Mailing Addresses. Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. 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.

21. 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.

22. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late charges and interest, 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 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting. (Civil Code

Section 5855(a).) The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

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

24. Annual Notice to Members. United shall distribute its collection policy to each member during the 60-day period immediately preceding the beginning of United's fiscal year.

25. No limitations. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United.

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**