

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

**Tuesday, April 11, 2017 - 9:30 AM
Laguna Woods City Hall - 24264 El Toro Road**

NOTICE AND AGENDA

Before an action item is open for discussion a motion and a second must be recognized by the Chair. After the Board discusses the issue, the Chair will open the floor to the audience on the immediately pending motion or resolution. There is a maximum time limit of two (2) minutes per member during the Member Comments period. There is a maximum time limit of minutes for member comments on motions before the Board. A Member may only address the Chair once for each agenda item.

1. Call Meeting to Order / Establish Quorum – Janey Dorrell
2. Pledge of Allegiance – Juanita Skillman
3. Acknowledge Media
4. Approval of Agenda
5. Member Comments

At this time the members may address the Board of Directors regarding any item within the jurisdiction of the Board of Directors of the United Laguna Woods Mutual. There is a maximum time limit of two (2) minutes per member and a member may only address the Board once during this period. The Board reserves the right to limit the total amount of time allotted for the Member's Forum.

6. Response to Member Comments (Time Limit of two (2) Minutes per Director)
7. Report of the Chair
8. Update from VMS – Mary Stone
9. Report of the CEO
10. Approval of Minutes

(a) March 14, 2017 – Regular Open Session

11. Consent Calendar
All matters listed under the Consent Calendar are considered routine and will be enacted by the Board by one motion in the form listed below. In the event that an item is removed from the Consent Calendar by a member(s) of the Board, such item(s) shall be the subject of further discussion and action by the Board.

- (a) Maintenance & Construction Committee Recommendations:
None
- (b) Landscape Committee Recommendations:
None
- (c) Finance Committee Recommendations:
Approval of Resolution to Record Lien against Members ID; 947-369-46

12. **COMMITTEE REPORTS**

Before an action item is open for discussion a motion and a second must be recognized by the Chair. After the Board discusses the issue, the Chair will open the floor to the audience on the motion or resolution. A Member may only address the Chair once for each agenda item. There is a maximum time limit of three (3) minutes on motions before the Board. The Board reserves the right to limit the total amount of time allotted.

- (a) Finance Committee Report – Pat English
 - I. United Financial Update
 - II. Report of Delinquencies
 - III. Report on Resale & Sub-Lease Activity
- (b) Report of the Maintenance & Construction Committee – Don Tibbetts
- (c) Report of the Landscape Committee – Maggie Blackwell
- (d) Report of the Governing Documents Review Committee – Juanita Skillman
- (e) Report of the Communications Committee – Maggie Blackwell
- (f) Report of the Laguna Woods Village Traffic Hearings – Don Tibbetts
- (g) Report of the Preparedness for Disaster Task Force – Andre Torng
- (h) Report of Disciplinary Cases – Juanita Skillman

13. Unfinished Business

- (a) Entertain a Motion to Approve Collection and Lien Enforcement Policy Revisions Approved on March 3, 2017 – **Resolution (the 30 day notification requirement has been satisfied)**

- (b) Entertain a Motion to Approve Limiting the Use of Common Area – **Resolution (initial notification - must postpone to June to conform to the 30-day notification requirement)**

14. New Business

- (a) Entertain a Motion to Approve Amendments to the Qualifiers Attached to Resolution 01-13-50 for Subleasing Manors
- (b) Entertain a Motion to Approve Amendments to the Policy and Schedule of Monetary Penalties
- (c) Approve Hosting Laguna Hills Memorial Day half-marathon, 10K and 5K
- (d) Introduction of Candidates for Appointment to United Board to Fill Vacancies (Terms Ending 2017)
 - i. Manuel Armendariz
 - ii. Jack Bassler
 - iii. Reza Bastani
 - iv. Ron Beldner
 - v. Maxine McIntosh
 - vi. Distribute Ballots
 - vii. Counting of the Ballots
- (e) Announce United Board Directors to Fill Vacancies (Term Ending 2017)
- (f) Election of Officers by Opening of Nominations
 - i. Entertain Motion to Close Nominations
 - ii. Counting of the Ballots
 - iii. Entertain Motion to Approve Election of Officers - **Resolution**

15. GRF Committee Highlights

16. Directors' Forum (Time Limit of 2 Minutes per Director)

17. RECESS

CLOSED EXECUTIVE SESSION AGENDA

At this time the Meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.

1. Approval of Agenda
2. Approval of the Following Meeting Minutes;
 - a. March 14, 2017 – Regular Executive Session
 - b. March 30, 2017 – Special Executive Committee Hearing
3. Discuss and Consider Member Matters
4. Discuss Personnel Matters
5. Discuss and Consider Contractual Matters
6. Discuss and Consider Litigation Matters

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

March 14, 2017

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, February 14, 2017 at 9:30 AM at 24264 El Toro Road, Laguna Woods, California.

Directors Present: 2nd VP Janey Dorrell, Juanita Skillman, Pat English, Steve Leonard, Maggie Blackwell, Andre Torng, Gary Morrison, and Prakash (Cash) Achrekar

Directors Absent: Lenny Ross, Don Tibbetts

Staff Present: Open Session: Brad Hudson, Leslie Cameron, Francis Rangel, and David Collins
Executive Session: Brad Hudson, Eve Morton, and Francis Rangel

Others Present: VMS Director Joe Rainey, VMS Director Mary Stone, and Jeffrey Beaumont Esq. of Beaumont Gitlin Tashjian

(1) CALL TO ORDER

Janey Dorrell, 2nd VP of the Corporation, chaired, opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:30 AM.

(2) PLEDGE OF ALLEGIANCE

Director Cash Achrekar led the Pledge of Allegiance to the Flag.

(3) ACKNOWLEDGEMENT OF MEDIA

A representative of the Laguna Woods Village Globe, and Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

(4) APPROVAL OF AGENDA

Without objection the agenda was approved as presented.

(5) UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM

United Mutual Members were given the opportunity to speak to items within the jurisdiction of the Board of Directors.

- Chris Collins (336-Q) from the Laguna Woods Foundation gave a brief update and thanked everyone for their support of the Laguna Woods Foundation.
- Norma Benner (2051-D) Spoke in favor of Common Land Use
- Dick Rader (270-D) informed the public that TV-6 will be re-running the Common Land Use Town Hall and spoke further in regard to Common Land Use

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- Michael Landry (693-B) Spoke in favor of the Common Land Use and cars entering and exiting the gates
- Maxine McIntosh (68-C) inquired about information on the Board Room Project and gave positive feedback on the Town Hall Land Use

(6) RESPONSE TO MEMBER COMMENTS

United Mutual Directors English, Leonard, Skillman, Achrekar and Torng briefly responded to Member Comments.

(7) REPORT OF THE CHAIR

2nd VP Janey Dorrell commented on the following:

- Recognition was given to Jan LaBarge for her service and announced Lenny Ross' resignation effective April 11, 2017.
- Presented two vacancies for the United Board of Directors and gave instructions on where to receive an application.

(a) Update on Town Hall

- She updated the audience on the United Town Hall Meeting for Common Land Use.

(8) Update from VMS Director – Director Rainey

Director Rainey, VMS Director, thanked the Board for allowing him to represent United on the VMS Board.

- Director Rainey gave recognition to; specific VMS Staff, recreation events, and TV-6 programs
- VMS will be looking into benefit comparisons with other HOAs and jurisdictions in the area; and VMS will also be reviewing a proposal for succession planning training.
- VMS will be updating their strategic plan in April.

(9) REPORT OF CEO

Brad Hudson, CEO President, spoke about the following;

- TV-6, or V/TV, is now playing most of the programming in HD.
- An update of the new Board room was given and the current projected completion date will be mid-June, 2017.
- The new fitness center is now open on the first floor with an exterior entrance/exit and new state of the art equipment.
- A new customer service center is in the early stages of floor plan layout, which will house a 20 operator call center.
- Improvements to gates 1-4 are upcoming due to the success of gates 5 and 6.
- The Budget process is beginning and a number of projects will be suggested including the Performing Arts Center in United.
- Mr. Hudson gave a brief overview of the dog show performance and other performances that will be coming to the Village.
- Improvements are coming to internet service, with improved downloading speed and more MPS.

March 14, 2017

- Agenda materials will now be out five business days before the Board meetings for more transparency.
- The compliance response in 2015 averaged 288 and in 2016 averaged 570. Compliance is on top of issues. Following the rules in the community is paramount in keeping the community safe.

The following comments were made in response to the Report of the CEO:

- Director English asked Mr. Hudson about employment efforts.
- Director Achrekar asked about gate 4
- Director Skillman spoke of her concerns about the pedestrian entrance at gate 4 if it becomes an unmanned gates
- Mr. Hudson gave a brief response in regard to Directors' inquiries

(10) APPROVAL OF MINUTES

Director Skillman made the following amendments to the February 14, 2017 minutes: add resolution numbers and adopted dates to the Care Provider Policy attached to the minutes, add the adopted date to the Non-Smoking Policy added to the minutes, replace Director Lenny Ross on Item 19 with Jan LaBarge; and moved to approve the minutes of February 14, 2017 as amended; and the February 23, 2017; March 3, 2017; March 3, 2017 as written. Director Blackwell seconded and by way of a unanimous vote the motion carried.

(11) CONSENT CALENDAR

Director English moved to approve the consent calendar as written. Director Morrison seconded the motion. By a vote of 8-0-0 the motion carried.

RESOLUTION 01-17-33

Variance Request

RESOLVED, March 14, 2017, that the variance request of Ms. Mauriel Kessler at 318-D Avenida Castilla to retain paint colors inside atrium and patio, is hereby approved; and

RESOLVED FURTHER, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 318-D Avenida Castilla

RESOLVED FURTHER, no Neighbor Awareness Forms are required to be submitted from affected neighbors as the alterations are inside gated and exclusive common area(s) with limited access or visibility to neighboring manors.

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

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RESOLUTION 01-17-34

Variance Request

RESOLVED, March 14, 2017, that the variance request of Mr. John Lavinio at 703-B Avenida Sevilla to extend the kitchen into the front patio and install a sliding glass door, is hereby denied; and

RESOLVED FURTHER, denial is due to an incomplete variance submittal; and

RESOLVED FURTHER, this variance request should be resubmitted with a complete scope of work for the interior remodel, provide information on the roof tie-in and the electrical panel upgrade

RESOLVED FURTHER, neighborhood awareness forms signed by 703-C, 704-A & D, will need to be requested and submitted.

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

RESOLUTION 01-17-35

Variance Request

RESOLVED, March 14, 2017, that the variance request of Mr. Maganbhai N Patel at 587-D Avenida Majorca to extend living room into the existing footprint of the front patio with window additions, is hereby approved; and

RESOLVED FURTHER, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 587-D Avenida Majorca; and

RESOLVED FURTHER, a required Mutual Consent for Manor Alterations and a City of Laguna Woods permit must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Manor Alterations Department office located in the Laguna Woods Community Center; and

RESOLVED FURTHER, unit-specific plans depicting the proposed alterations, signed and wet-stamped by a California-licensed architect or engineer must be submitted to the Manor Alterations Department office located in the Laguna Woods Village Community Center for approval. These plans must include structural details and calculations required to insure the structural integrity of the building is maintained upon completion of the proposed front room addition; and

March 14, 2017

RESOLVED FURTHER, a Roof Alteration Notification Form (Tie-In Form) must be submitted prior to the release of a mutual alteration consent; and

RESOLVED FURTHER, all alterations must be in accordance with the State Building Code regulations; and

RESOLVED FURTHER, all alterations must be installed in accordance with United Laguna Woods Mutual Standards Section 11: Doors, Exterior and Section 31: Window and Window Attachments; and

RESOLVED FURTHER, neighbor Awareness Forms are required to be submitted from affected neighbors at 599-A, 599-B, and 587-C; and

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

(b) Landscape Committee Recommendations:

715-N By consensus the Board upheld the Landscape Committees vote of denial for tree removal at Manor 715-N

(c) Finance Committee Recommendations:

RESOLUTION 01-17-36

Recording of a Lien

WHEREAS, Member ID 947-389-86; 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, March 14, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-389-86 and;

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

RESOLUTION 01-17-37

Recording of a Lien

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March 14, 2017

WHEREAS, Member ID 947-454-74; 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, March 14, 2017, that the Board of Directors hereby approves the recording of a Lien for Member 947-454-74 and;

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

COMMITTEE REPORTS

12 (a,b,c, & e) Finance Report

Director English reported from the Finance Committee. She gave a United Mutual financial update, gave a brief update on delinquencies, commented on the Resale Activities Report, and the Status of Reserves.

Mary Stone (356-C) commented on the Financial Update slides.

12(d) Discuss and consider Investment Policy Director Skillman, secretary read the resolution for the United Laguna Woods Village Investment Policy. Discussion Ensued.

RESOLUTION 01-16-38

UNITED LAGUNA WOODS MUTUAL INVESTMENT POLICY

WHEREAS, that Village Management Services Inc., managing agent of this corporation, and an external Investment Manager are hereby authorized to invest the funds of the corporation which, in the opinion of said managing agent are not required within a reasonable time to pay obligations of the corporation; and

NOW THEREFORE BE IT RESOLVED, March 14, 2017, that the Board of Directors of this Corporation hereby authorizes the Managing Agent to retain Merrill Lynch and its affiliate (BlackRock) as Investment Manager and gives that Investment Manager discretion to transact purchases and sales of investments for the United Laguna Woods Mutual account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

March 14, 2017

RESOLVED FURTHER, that all investments on behalf of this corporation must be made with the underlying principles in the following order of priority: (1) safety, (2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the managing agent and treasurer of this corporation upon completion of each investment transaction;
2. For funds administered by Village Management Services, Inc., known as the "non-discretionary account" no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of the Treasurer and either the President or 1st Vice President of this corporation. Furthermore, if a member of the corporation desires an investment to be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity, approval must be received from the Board of Directors of this corporation;
3. Managed funds, known as the "discretionary account", shall be invested only in authorized investments as provided herein;
 - a. obligations of, or fully guaranteed as to principal, by the United States of America; and
 - b. Up to 20% of the portfolio may be invested in Corporate Bonds rated A through AAA, specifically A3/A-/A- or better by Moody's/S&P/Fitch. A bond is only required to meet the criteria of one rating service. If a bond does not meet this minimum credit quality criteria in at least one of the above mentioned rating services, the bond may not be purchased or if owned, must be removed from the portfolio within 30 days; and
 - c. No more than 3% of the portfolio is to be invested in any one corporate bond issuer;
4. Interim cash balances are to be held in money market funds that are invested in short-term U.S. Treasuries or direct obligations of the U.S. Government;
5. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form; and

RESOLVED FURTHER, that Resolution 01-16-15, adopted on February 9, 2016 is hereby superseded and cancelled; and

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

Director Skillman moved to approve the Investment Policy and Resolution. Seconded by Director English Discussion ensued. By a vote of 7-1-0 (Director Tornig opposed) the motion carried.

(13) Maintenance and Construction Committee

Director Leonard reported from the Maintenance and Construction Committee.

(a) Discuss and consider Increasing the Washing Machine Cost in Laundry Rooms from \$0.50 to \$1.00 Per Load – Steve Leonard

Director Leonard gave an overview of the cost analysis for running the laundry rooms. Director Leonard answered questions from the Board and Members. Directors English and Leonard addressed the following comments from Members:

- Mary Stone (356-C) asked financial and analysis questions on the \$1.00 increase
- Maxine McIntosh (68-C) and Barbara Copley (410-D) commented in opposition on the \$1.00 laundry increase
- Mike Landry (693-B) commented on being vigilant for non-residence use of the laundry facilities
- Norman Banner (2051-D), commented on the laundry rooms
- Jack Arnold (404-D) asked for a motion time study on janitorial service in the laundry rooms and commented on other laundry room issues that could be looked at to reduce the cost from \$1.00.
- Dick Rader (270-D) commented on the decline in the laundry rooms and annual figures
- James Seay (913) commented on electricity and janitorial expenditures

Director Leonard made a motion to proceed with the M&C recommendation to increase the Washing Machine Cost in Laundry Rooms from \$0.50 to \$1.00 Per Load. Seconded by Director Skillman 6-0-1 (Director Achrekar opposed) the motion carried.

(b) Discuss Meeting with Johnson Controls staff regarding Maintenance and Warranty for the Solar Project

Director Leonard discussed the expiration of the Johnson Controls contract and the alternative of solar panel maintenance being conducted by VMS or an outside contract. Discussion ensued and Director Leonard addressed questions from the Board and Members. No further action was taken.

- Dick Rader (270-D) commented on the annual renewal of the Johnson Controls contract.

(14) Landscape Committee – Maggie Blackwell

Director Blackwell reported from the Landscape Committee and read existing rules in regard to the yellow stake program. Mr. Jeffrey Beaumont, Esq. stated that the fruit is the tree owner's fruit when the tree is planted on common area, pursuant to the yellow stake program, which gives members the right to use common area for the planting and maintenance of their own fruit trees.

- Anna Sievert (232-A) commented on issues she has had in the past when working with the Landscape Department.
- Joe Rainey (889-C) commented on the pesticide spraying for weeds that is also killing flowers.

(15) Governing Documents Review Committee

Director Skillman reported from the Governing Documents Review Committee.

- Hot Tub Rules are being discussed
- A 90 Day Lease Renewal Letter will be implemented soon
- A Schedule of Monetary Policies for Compliance Matters is being discussed

Discussion ensued over the 90 Day Lease Renewal Letter and Directors Skillman, Leonard, and Mr. Hudson addressed questions from the Board.

(16) Report of the Communications Committee

Director Blackwell reported from the Communications Committee.

(17) Laguna Woods Village Traffic Hearings

There was no report from the Laguna Woods Village Traffic Hearings.

(18) Report of the Preparedness Disaster Ad-Hoc Committee

Director Torng reported from the the Preparedness Disaster Committee.

(19) Report on Disciplinary Cases

Director Skillman provided an update on Disciplinary cases.

(20) UNFINISHED BUSINESS

- (a) Entertain Motion to Approve Revisions to the Parking Decal Policy – Resolution (initial notification – must postpone to May to conform to the 30 day notification requirement)**

Secretary of the Board, Skillman, read the following resolution approving revisions to the Parking Decal Policy:

ATTACHMENT A

**United Laguna Woods Mutual, Laguna Woods California
VEHICLE, TRAFFIC, AND PARKING RULES
Resolutions 01-14-154, 01-15-45, 01-15-91, 01-16-32**

PROPOSED 2017 VEHICLE DECAL LIMIT

5.5 RESIDENT VEHICLE DECAL LIMIT

March 14, 2017

Each MANOR is allowed to receive a limited number of GRF decals based on the number of original construction bedrooms.

- 1 Bedroom MANOR up to 1 decal
- 2 Bedroom MANOR up to 2 decals

Decals may be issued in any combination to eligible motor vehicles, golf carts and golf cars, up to the total authorized per Manor for new residents.

Decal counts do not include motorhomes and commercial vehicles stored in the GRF Recreational Vehicle Storage Area. At least one vehicle must park in the carport.

A variance request for additional decals, at a cost of \$25 per variance request, must be submitted for review and approval. An RFID sticker may be required at an additional cost.

RESOLUTION 01-17 XX

United Laguna Woods Mutual Traffic Rules and Regulations

WHEREAS, the Traffic Rules and Regulations are intended to mirror the California Vehicle Code and to adhere to the Davis-Stirling Act; and

WHEREAS, the Parking Committee of this Corporation recognizes the need to amend a portion of the Mutual Traffic Rules and Regulations to accommodate for parking; and

WHEREAS, each manor is allowed to receive a certain amount of GRF parking decals; and

WHEREAS, new residents will be issued one decal per bedroom; and

WHEREAS, residents may apply for a variance for a \$25 fee;

NOW THEREFORE BE IT RESOLVED, May 9, 2017, that the Board of Directors of this Corporation hereby adopts the revised United Laguna Woods Mutual Traffic Rules and Regulations, as attached to the minutes of this meeting; and

RESOLVED FURTHER, that Resolution 01-16-32 adopted April 12, 2016 is hereby superseded and cancelled; and

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

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Director Skillman moved to approve the resolution as written. Director Leonard seconded the motion. Discussion ensued and Directors Skillman and Leonard addressed questions from the Board and Members.

- Joe Rainey (889-C) commented on the golf cart and extra cars.
- Maxine McIntosh (68-C) commented on creating a dynamic new focus on carports.

By a vote of 7-0-0 the motion carried and **the resolution was postponed to the April meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.**

(b) Collection and Lien Enforcement Policy Revisions Approved on March 3, 2017 – Resolution (initial notification – postponed to April 11, 2017, Regular Board Meeting to conform to the 30 day notification requirement)

RESOLUTION 01-17-xx
2017 Collection & Lien Enforcement Policy

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

WHEREAS, the Mutual would like to formalize certain practices and procedures used for the collection of non-assessment delinquencies such as fines, fees, and chargeable services pursuant to the Governing Documents and current law;

NOW THEREFORE BE IT RESOLVED, April 11, 2017, that the Board of Directors hereby adopts a revised 2017 United Laguna Woods Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

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

Director Skillman moved to approve the resolution as written. Director Blackwell seconded. Discussion ensued.

By a vote of 8-0-0 the motion carried unanimously and **the resolution was postponed to the April meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.**

(c) Request for a Vinyl Chaseway

Moved by Director Skillman and seconded by Director Torng the motion passed unanimously to approve the request to retain the vinyl chaseway and keep metal chaseways as the Section 6 standard.

March 14, 2017

RESOLUTION 01-17-39

Variance Request

RESOLVED, March 14, 2017, that the variance request of Ms. Marinell Barber at 107-G Via Estrada to retain vinyl chaseway of the central heating & air conditioning, is hereby approved; and

RESOLVED FURTHER, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 107-G Via Estrada; and

RESOLVED FURTHER, all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Permits and Inspections office located in the Laguna Woods Community Center.

RESOLVED FURTHER, all Alterations must be installed in accordance with United Laguna Woods Mutual Standards Section 6: Air Conditioning, with the exception of the vinyl chaseway allowance per this variance.

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.

(21) NEW BUSINESS

(a) Entertain Motion to Approve a Drone Policy – Resolution (initial notification – must postpone to May to conform to the 30 day notification requirement)

Secretary of the Board, Skillman, read the following resolution approving a Drone Policy:

RESOLUTION 90-17-XX

WHEREAS, the Golden Rain Foundation (GRF) Board of Directors adopted a Drone Policy, to fairly and reasonably address small unmanned aircraft systems, known as Drones, in Laguna Woods Village; and

WHEREAS, Drones are regulated by the Federal Aviation Administration (FAA); and

WHEREAS, staff members have received numerous requests from various residents to fly Drones in the community;

NOW THEREFORE BE IT RESOLVED, May 9, 2017, that the Board of Directors of this Corporation hereby adopts the "Drone Policy," as attached to the official minutes of this meeting; and

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RESOLVED FURTHER, that this policy shall be put into effect June 1, 2017 to allows GRF and the Mutual's to adopt the same policy; and

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

Director Skillman moved to approve the resolution as written. Director Torng seconded. Mr. Jeffrey Beaumont, Esq. gave an overview of the reasons for the policy and issues that surround the use of drone. Discussion ensued.

Director English moved to cease conversation of the Drone Policy and commence with the vote. By a vote of 4-2-0 (Directors Torng and Achrekar opposed)

- Maxine McIntosh (68-C), Mary Stone (356-C), Barbara Copley (410-D) commented in opposition of recreational use of drones

By a vote of 4-3-0 (Directors Leonard, Morrison, and Achrekar opposed) the motion carried unanimously to approve the Drone Policy and **the resolution was postponed to the May meeting to satisfy the 30-day notification requirement to comply with Civil Code §4360.**

(22) GRF COMMITTEE HIGHLIGHTS

- None

(23) DIRECTOR'S FORUM

- Directors Achrekar spoke about the association dues and the excess of other services that are being charged.
- Director Blackwell spoke about fees and the shared costs by use. Director Blackwell also spoke about the decency in not picking others fruit.
- Director English thanked Director Dorrell for chairing the United Board Meeting.
- Director Skillman wished Director Tibbetts a quick recovery and wished Director English a Happy Birthday.

(24) MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 1:11 PM and reconvened into the Regular Executive Session at 1:52 PM.

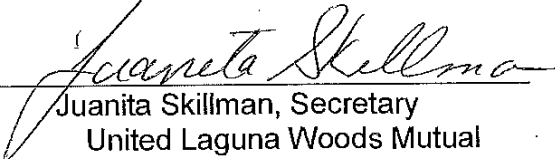
ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 3:25 PM.

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

During the February 14, 2017, Regular Executive Session meeting, the Board reviewed and approved the minutes of January 10, 2017 and January 27, 2017 – ~~Special Executive~~

Session; the Board held two Disciplinary Hearings; discussed and considered numerous Member Disciplinary matters; discussed and considered numerous Member matters; discussed and considered Contractual matters; and discussed and considered Litigation matters.



Juanita Skillman, Secretary
United Laguna Woods Mutual

Drone Policy

I. Purpose

It is the policy of the Golden Rain Foundation (GRF) and United Laguna Woods Mutual (United) that Residents and/or approved commercial users may operate Drones in the Laguna Woods Village Community in compliance with the following rules and regulations.

II. Definitions

For the purpose of this policy:

- a. A Remote Pilot in Command (PIC) is directly responsible for the operation of the Drone, and must ensure the Drone will pose no undue hazard to people, pets, aircraft, or property in the event of loss or control of the Drone.
- b. A Drone as used in this Policy is defined as a Small unmanned aircraft system as that term is defined in 14 C.F.R. §107.3.
- c. Federal Aviation Administration (FAA) of the United States is a national authority with powers to regulate all aspects of civil aviation, including Drones.
- d. Visual Observer means a person who is designated by the PIC to assist the PIC in seeing and avoiding other air traffic or objects aloft or on the ground.
- e. Resident is defined as a Member or Lessee who has been approved by the Board of Directors for occupancy.

III. Conditions

- a. A Drone is not allowed to operate unless a permit is granted by GRF and United.
- b. The Resident or approved commercial user to whom a permit for the operation of a Drone is granted is deemed the PIC, and only the PIC may manipulate the controls of the Drone.
- c. The PIC must submit a flight plan prior to each and every flight of the Drone which must occur wholly within the bounds of Laguna Woods Village.
- d. Each PIC may operate only one drone at a time within Laguna Woods Village.
- e. Guests of Laguna Woods Village Residents are not permitted to operate Drones in the Village.
- f. The PIC must provide proof the Drone is registered with the FAA.
- g. The PIC must be at least 18 years of age and must not operate in a careless or reckless manner so as to endanger the life or property of another.
- h. A Visual Observer is encouraged, but not required, as an additional measure of safety protecting life and property within Laguna Woods Village. However, the Drone must remain within visual line-of-sight of the PIC. Visual line-of-sight means that the PIC has an unobstructed view of the drone.
- i. The FAA registration number must be displayed on the aircraft decal.
- j. The PIC must provide flight software (version and manufacturer) that has the FAA "Return to Home" safety feature (in case of low battery or loss of signal).
- k. The time period during which a drone may be used within the Village is limited

to the hours between sunrise and 30 minutes before sunset.

- l. Resident and/or approved commercial user planning to operate a Drone must provide proof of liability insurance with \$1 Million policy limits. The Resident and/or approved commercial user agrees to indemnify GRF, Village Management Services, Inc. (VMS), United Laguna Woods Mutual (ULWM), Third Laguna Hills Mutual (TLHM) and/or Mutual 50 in the event a claim is asserted against GRF, VMSI, ULWM, and/or TLHM relating to an act or omission involving Drone use, with GRF, ULWM, and/or TLHM named as an additional insured on their liability insurance policy.
- m. The PIC agrees to yield the right-of-way to other aircraft; the Drone must not exceed 100 MPH; may not carry hazardous materials; and must fly below 400 feet. Takeoff and landing of the drone must be carried out in open, common area.
- n. The Drone cannot be operated above anyone not directly participating in the operation, from under a covered structure, or from either a moving or stationary vehicle.
- o. The PIC must adhere to all state and federal laws regarding Drones.

IV. Procedure

- a. The Resident and/or approved commercial user must complete and submit "Application for Use of a Drone Permit" for review, one time only.
- b. The "Application for Use of a Drone Permit" and "Flight Plan" must be received at least seven days prior to the anticipated use of the Drone.
- c. The Resident and/or approved commercial user must complete and submit a flight plan every time the drone goes up into the air with an approved permit on file.
- d. The Resident and/or approved commercial user must provide a copy of their FAA registration and liability insurance listing GRF, VMS, ULWM, TLHM and Mutual 50 as additional insurer.
- e. The application and copies are to be submitted to the Resident Services Department located in the Laguna Woods Village Community Center.
- f. The application will be reviewed and conditionally approved or denied by the Chief of Security or his designee and the Resident and/or approved commercial user will be notified of the results within seven business days. Special circumstances may be granted.
- g. If approved, the Drone Permit must be present with the PIC whenever the Drone is operated.

V. Enforcement

GRF, VMS, ULWM, TLHM, and Mutual 50 are authorized to take disciplinary action against a Member found to be in violation of the Drone Policy. 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 followed by anyone they allow into the community. This includes any Co-occupant, lessee, or guest.

A complaint may be registered with the Compliance Department by calling 949-268-CALL or by calling the Security Department at 949-580-1400.

**YEAR 2017 COLLECTION AND LIEN ENFORCEMENT POLICY AND
PROCEDURES FOR ASSESSMENT DELINQUENCIES**

The following is a statement (the "Policy Statement") of the specific procedures, policies and practices employed by United Laguna 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.

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, 14 and 20, 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:

March 14, 2017

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "fees" in United's Bylaws, are referred to in this paragraph and throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein.

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of Two Hundred Dollars (\$200) (the "Administrative Collection Fee"), which is charged by United's managing agent to cover staff's costs to prepare the files for delivery to United's collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United's Board, and may be collected by United's collection agent on United's behalf, and remitted to United's managing agent, or may be directly collected by United's managing agent. IT IS THE SHAREHOLDER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder's designee at his or her address as shown on the books and records of United 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 Twenty Dollars (\$20.00), which amount is consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), 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 subject to the same late charges and interest.

March 14, 2017

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"), and the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR"). 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, 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 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.

13. Payment Plan Requests. Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or United's collection agent, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may

incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved 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.

14. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late fees 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.

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

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

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

18. Additional Mailing Addresses. Shareholders have the right to provide a secondary address 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.

19. Charges Subject to Change. All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

20. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late fees

March 14, 2017

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.

21. 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.

22. 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.

23. 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**

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RESOLUTION 01-17-XX

Recording of a Lien

WHEREAS, Member ID 947-369-46; 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, April 11, 2017, that the Board of Directors hereby approves the recording of a Lien for Member 947-369-46 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.

REPORT OF THE REGULAR MEETING OF THE
UNITED LAGUNA WOODS MUTUAL FINANCE COMMITTEE

Monday April 3, 2017 – 2:00 p.m.

Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Pat English, Gary Morrison, Juanita Skillman, Andre Torng; Cynthia Statsmann (Advisor)

OTHERS PRESENT Janey Dorrell

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Solange Backes

Call to Order

Chair English called the meeting to order at 2:00 p.m.

Approval of the Regular Meeting Report of March 6, 2017

The Committee Report was approved as presented.

Member Comments

None.

Chair Remarks

Chair English commented on allocations, to be discussed later on the agenda.

The Chair also commented on the finance committee meeting schedule changing to every other month, noting that collection activity requiring approval will continue to be placed on the board agendas each month.

Review Preliminary Financial Statements dated February 28, 2017

Ms. Parker, Financial Services Director, presented the financials through February 28, 2017. Discussion ensued and questions were addressed.

It was the consensus of the committee to close the project funding for 01-15-120 unless payments are pending for work in progress

Allocations

The committee reviewed the 2017 Summary of Allocations, noting that work assignments vary between the Mutuals and are reflected in the allocation basis set by each department.

Committee Member Comments

Director Skillman recommended that the topic of earthquake insurance be included in 2018 business planning discussions.

Date of Next Meeting – Monday, June 5, 2017 at 2:00 p.m.

Adjournment – The meeting recessed to closed session at 2:50 p.m.

DRAFT

Pat English, Chair

United Treasurers Report
as of February 28, 2017 (in Thousands)

INCOME STATEMENT	ACTUAL
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TOTAL REVENUE	\$6,579
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TOTAL EXPENSE	<u>5,243</u>
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Revenue over Expense	\$1,336
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United Treasurers Report

as of February 28, 2017 (in Thousands)

FUNDS INCOME STATEMENT	OPERATING	FUNDS	TOTAL
Assessment Revenue	\$4,354	\$1,985	\$6,339
Non-assessment Revenue	188	52	240
Total Revenue	\$4,542	\$2,037	\$6,579
Total Expense	4,241	1,002	5,243
Revenue Over Expense	\$301	\$1,035	\$1,336
Plus Non-Operating	37		
Revenue Over Expense	\$338		

United Treasurers Report

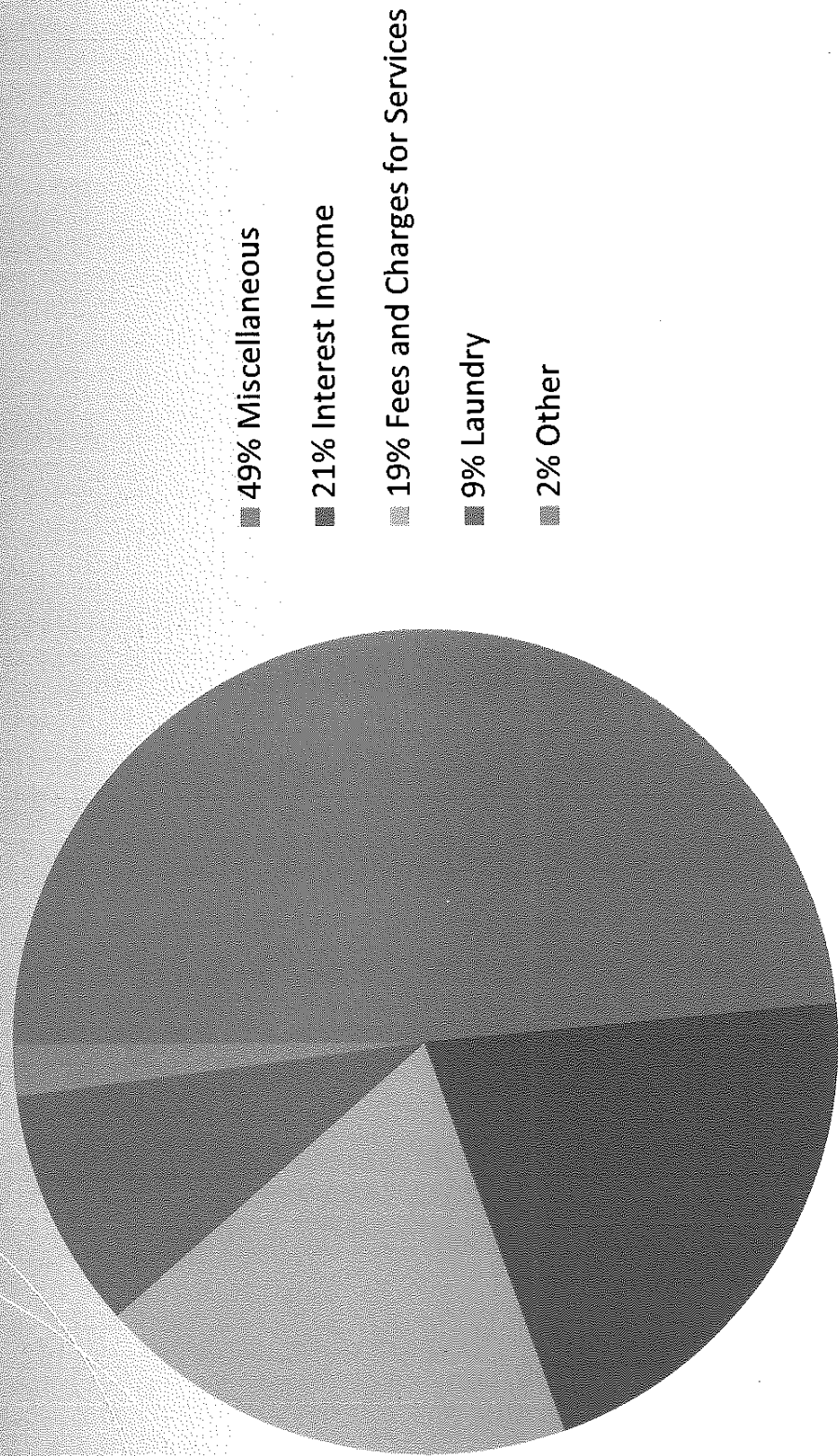
as of February 28, 2017 (in Thousands)

With a favorable bottom line of \$1,336K, compared to a planned deficit of (\$179K) through February, United was better than budget by \$1,515K primarily due to:

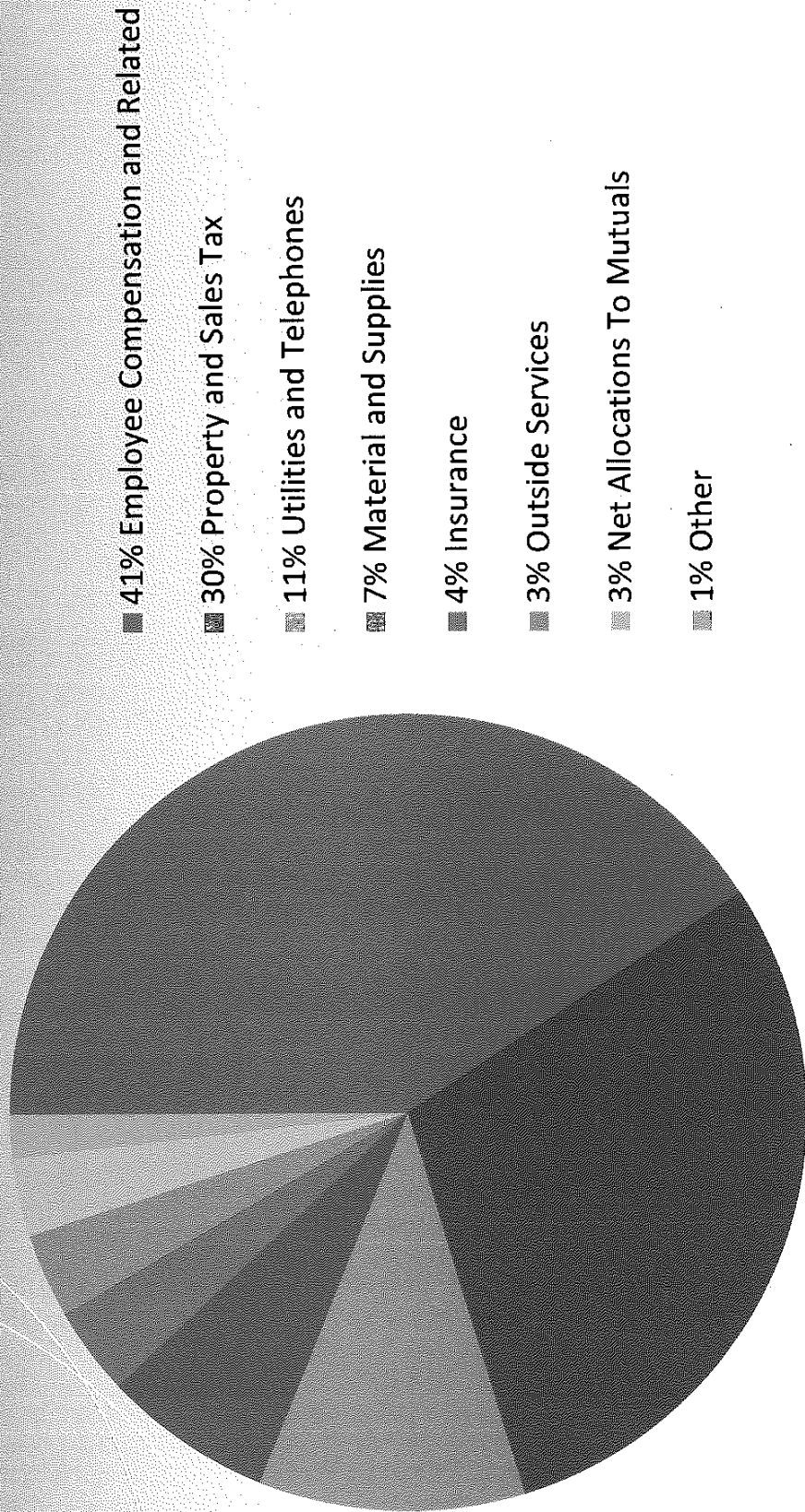
Timing Of Reserve Expenditures:

- Schedule delays due to inclement weather
- Wasteline Replacements, researching epoxy lining
- Water Heater Replacements, researching methods

Total Non Assessment Revenues \$239,448 as of February 28, 2017



Total Expenses \$5,242,526 as of February 28, 2017



United Treasurers Report
as of February 28, 2017 (in Thousands)

FUND BALANCES

ACTUAL

BEGINNING BALANCES: 1/1/17

\$20,412

Contributions & Interest

2,037

Expenditures

(1,002)

Current Balances: 2/28/17

\$21,447

Monthly Resale Report

PREPARED BY
Community Services Department

MUTUAL
All Mutuals

REPORT PERIOD
March, 2017

MONTH	NO. OF RE-SALES		TOTAL SALES VOLUME IN \$		AVG. RE-SALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	76	78	\$23,481,992	\$20,660,350	\$308,974	\$264,876
February	64	70	\$18,628,200	\$20,379,400	\$291,066	\$291,134
March	80	89	\$23,616,800	\$22,910,361	\$298,947	\$257,420
April		* 97		* \$28,616,128		* \$295,012
May		* 91		* \$24,537,100		* \$269,638
June		* 86		* \$22,067,900		* \$256,603
July		* 91		* \$27,013,400		* \$296,851
August		* 104		* \$32,699,074		* \$314,414
September		* 83		* \$23,485,500		* \$282,958
October		* 76		* \$21,449,050		* \$282,224
November		* 88		* \$27,762,000		* \$315,477
December		* 70		* \$20,628,100		* \$294,687

TOTAL	220.00	237.00	\$65,726,992	\$63,950,111		
MON. AVG	73.00	79.00	\$21,908,997	\$21,316,704	\$299,662	\$271,143

* Amount is excluded from percent calculation

Agenda Item # 12a111
Page 1 of 4

Monthly Resale Report

PREPARED BY
Community Services Department

MUTUAL
United

REPORT PERIOD
March, 2017

MONTH	NO. OF RESALES		TOTAL SALES VOLUME IN \$		AVG. RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	38	46	\$8,968,930	\$9,883,000	\$236,024	\$214,848
February	36	38	\$8,740,700	\$9,023,400	\$242,797	\$237,458
March	38	45	\$9,580,000	\$8,501,500	\$252,105	\$188,922
April		*		\$10,445,600		* \$217,617
May		*		\$10,833,200		* \$230,494
June		*		\$9,229,600		* \$209,764
July		45		\$10,900,900		* \$242,242
August		48		\$11,613,874		* \$241,956
September		42		\$10,834,000		* \$257,952
October		36		\$8,062,550		* \$223,960
November		45		\$11,308,800		* \$251,307
December		34		\$8,099,300		* \$238,215
TOTAL	112.00	129.00	\$27,289,630	\$27,407,900		
MON. AVG	37.00	43.00	\$9,096,543	\$9,135,967	\$243,642	\$213,743
% CHANGE YTD	-13.2%		-0.4%		14.0%	

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

Agenda Item # 12a111
Page 2 of 4

Monthly Resale Report

PREPARED BY
Community Services Department

MUTUAL
Third

REPORT PERIOD
March, 2017

MONTH	NO. OF RESALES		TOTAL SALES VOLUME IN \$		AVG. RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	38	30	\$14,513,062	\$10,663,350	\$381,923	\$355,445
February	28	31	\$9,887,500	\$11,354,000	\$353,125	\$366,258
March	42	44	\$14,036,800	\$14,408,861	\$342,361	\$327,474
April	*	49	*	\$18,170,528	*	\$370,827
May	*	44	*	\$13,703,900	*	\$311,452
June	*	42	*	\$12,838,300	*	\$305,674
July	*	46	*	\$16,112,500	*	\$350,272
August	*	56	*	\$21,085,200	*	\$376,521
September	*	41	*	\$12,651,500	*	\$308,573
October	*	40	*	\$13,386,500	*	\$334,663
November	*	43	*	\$16,453,200	*	\$382,633
December	*	36	*	\$12,528,800	*	\$348,022
TOTAL	108.00	105.00	\$38,437,362	\$36,426,211		
MON. AVG	36.00	35.00	\$12,812,454	\$12,142,070	\$359,136	\$349,726
% CHANGE YTD	2.9%		5.5%		2.7%	

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

Agenda Item # 12a111
Page 3 of 4

UNITED LAGUNA WOODS MUTUAL

MONTHLY LEASING REPORT

Report Period:
Mar-17

MONTH	LEASES IN EFFECT					New Monthly Transactions			Total Expirations	Total this year	Total last year
	1 Month	3 Months	6 Months	12 Months	12+Months	Leases	Renewals	Extensions			
JAN.	1	35	67	408	8	38	2	0	44	519	484
FEB.	0	33	66	406	9	40	0	1	33	514	481
MARCH	1	32	60	415	10	60	0	1	65	518	468
APRIL											
MAY											
JUNE											
JULY											
AUGUST											
SEPT.											
OCT.											
NOV.											
DECEMBER											
Monthly Average	0.7	33.3	64	410	9	46	0.7	0.7	47.3	517	478

514 / 6323 = 8%

New Leases = Units Sublet

ULWM Membership Disciplinary Report

	Jan	Feb	Mar
Total Number of Cases:	228	302	324
Cases Resolved this Month:	23	105	43

Allegations:			
Abandoned Vehicle:	8	11	21
Alteration Maintenance:	6	7	7
Animal Nuisance:	20	17	19
Assessment Delinquency:	2	2	2
Balcony Clutter:	5	12	12
Breezeway Clutter:	8	8	9
Carport Clutter:	25	34	40
Common Area Clutter:	3	9	11
Electrical Upgrade:	1	1	1
Electrical Vehicle:	0	0	0
Illegal Occupancy	19	33	39
Interior Clutter:	7	10	9
Landscape:	10	26	27
Nuisance:	28	46	48
Other:	4	3	0
Short Term Rentals:	27	19	15
Traffic Violations:	4	7	7
Patio Clutter:	20	22	21
Unauthorized Alteration:	28	33	33
Vehicle Oil:	3	4	3

Balcony Clutter, Carport Clutter, Common Area Clutter and Landscape violations have increased in the past few months. This is a normal trend for this time of the year as Members are doing spring cleaning. Staff anticipates that this will decrease in the next month.



YEAR 2017 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

The following is a statement (the "Policy Statement") of the specific procedures, policies and practices employed by United Laguna 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.

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, 14 and 20, 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 "fees" in United's Bylaws, are referred to in this paragraph and throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein.

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of Two Hundred Dollars (\$200) (the "Administrative Collection Fee"), which is charged by United's managing agent to cover staff's costs to prepare the files for delivery to United's collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United's Board, and may be collected by United's collection agent on United's behalf, and remitted to United's managing agent, or may be directly collected by United's managing agent. **IT IS THE SHAREHOLDER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE.** All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder's designee at his or her address as shown on the books and records of United 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 Twenty Dollars (\$20.00), which amount is consistent with statutory authority. Further, both state law and United's governing documents provide for

interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), 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 subject to the same 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"), and the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR"). 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, 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 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.

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

14. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late fees 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.

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

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

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

18. Additional Mailing Addresses. Shareholders have the right to provide a secondary address 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.

19. Charges Subject to Change. All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

20. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late fees 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.

21. 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.

22. 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.

23. 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**

RESOLUTION 01-17-xx

2017 Collection & Lien Enforcement Policy

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

WHEREAS, the Mutual would like to formalize certain practices and procedures used for the collection of non-assessment delinquencies such as fines, fees, and chargeable services pursuant to the Governing Documents and current law;

NOW THEREFORE BE IT RESOLVED, April 11, 2017, that the Board of Directors hereby adopts a revised 2017 United Laguna Woods Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; 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.

LAND USE ALTERATION POLICY

ADOPTED APRIL 2002, RESOLUTION U-02-46
REVISED NOVEMBER 2002, RESOLUTION U-02-155
REVISED APRIL 2004, RESOLUTION 01-04-54
REVISED MAY 2007, RESOLUTION 01-07-45
REVISED MAY 2008, RESOLUTION 01-08-73

REVISED April 11, 2017, RESOLUTION 01-17-XX

WHEREAS, the Board of Directors of United Laguna Woods Mutual ("Board") established policies and procedures for the construction of any alterations, additions and expansions; and

WHEREAS, the Board, through Resolutions U-02-46, U-02-155, 01-04-54, 01-07-45 and 01-08-73 (collectively referred to as the "Land Use Policy") adopted and implemented the Land Use Policy to allow members, in limited circumstances, to make exclusive use of certain portions of the common area to expand the footprint of their manor; and

WHEREAS, members have expressed concern over the Land Use Policy and, in general, the Board's policy to allow members to use common area for their exclusive use by making alterations to manors that expand the structure beyond the original footprint; and

WHEREAS, the Board has consulted with staff, legal counsel and heard from the members (including in a town hall meeting on February 28, 2017, in Clubhouse 3) and has decided to terminate the Land Use Policy and not allow members to make exclusive use of common area through such alterations; and

NOW THEREFORE BE IT RESOLVED, April 11, 2017, that the Land Use Policy be rescinded; and

BE IT FURTHER RESOLVED, that the Board of Directors shall not approve any alterations expanding the original footprint of manors, but that all such alterations currently in place, which have already been approved under the Land Use Policy, are grandfathered; 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.



STAFF REPORT

DATE: April 11, 2017
FOR: Board of Directors
SUBJECT: Qualifiers for Subleasing Manors as Attached to Resolution 01-13-50

RECOMMENDATION

The Governing Documents Review Committee recommends that the Board approve amendments to the Qualifiers for Subleasing Manors as attached to Resolution 01-13-50.

BACKGROUND

As quoted from Resolution 01-13-50, "from time to time Qualifiers (including but not limited to the Pre-Existing Qualifiers) may be adopted, amended and/or repealed by United, and United members shall be subject to such Qualifiers, provided, however, such changes in Qualifiers may, depending on the nature of the change and the provisions of California Civil Code Section 4740 (and any successor statute thereto), only be applicable to future members of United and not existing member." The Qualifiers for Subleasing Manors, Resolution 01-13-50 was amended to coincide with the Interim Dual Ownership agreement (Attachment 1).

DISCUSSION

The Governing Documents Review Committee met on March 27 to discuss amendments for subleasing manors. The Committee recommends striking or replacing certain section of No.3 of the Qualifiers for Subleasing Manors policy including changing "members" to "shareholders".

FINANCIAL ANALYSIS

None

Prepared By: Eve Morton, Administrative Assistant

Reviewed By: Lori Moss, Community Manager

Committee Routing: Governing Documents Review

ATTACHMENT(S)

Attachment 1: Redline of proposed changes to Qualifiers for Subleasing Manors

Attachment 1

QUALIFIERS FOR SUBLEASING MANORS
Resolution 01-13-50, Adopted March 20, 2013
Amended February 9, 2016; Amended December 2, 2016

1. A cap on the number of manors that may be subleased at any one time in United's development equal to twenty percent (20%) of the total manors (as set forth under United Resolution 01-10-222); and
2. Subleases may be no shorter in duration than ninety (90) days and no longer than twelve (12) months; subsequent renewal subject to # 7 below. No manor may be advertised for sublease shorter in duration than ninety (90) days in any print media (such as newspapers, magazines, local bulletin boards, etc.) and/or on any website (including without limitation Airbnb, VRBO, social media, listing service and/or any other hosting platform); and
3. ~~A prohibition on any membershareholder owning more than one membershareholdership/manor in United, and/or being identified as the "membershareholder" under more than one Occupancy Agreement, at any one time, except as provided for and subject to certain conditions. Under United's Interim Dual Ownership Agreement (as provided in Resolutions U-02-164, 01-10-222 and 01-03-147), including but not limited to the requirements that (i) a membershareholder may not sublease a manor listed for sale during any permitted period of dual ownership, (ii) the membershareholder must reasonably proceed to sell the manor listed for sale within six (6) months from the membershareholder's signing of the Interim Dual Ownership Agreement, (iii) the Board is prohibited from approving any individual membershareholder's request for an Interim Dual Ownership Agreement more frequently than one (1) time in any two (2) year period and (iv) with respect to dual ownership, both trustees and beneficiaries under any trust having any ownership interest in a manor/membershareholdership shall be considered a membershareholder with respect to such manor/membershareholdership; and~~
4. No shareholder may sublease his/her manor if delinquent to the Corporation, except with Board approval and subject to an assignment of rents (as set forth in Resolutions U-91-73 and U-01-10); and
5. All sublessees must meet the age requirements for occupancy and residency as required and established under United's governing documents and California Civil Code Section 51.3 (and any successor statute); and
6. Shareholders and/or sublessees must provide to United, as set forth in United's governing documents and pursuant to yearly renewal requirement obligations, the following information with respect to each sublessee of the shareholder's manor, on such form(s) as United may prescribe from time to time: full name; age and birth date; statistical information; identity verification; written agreement to comply with United's governing documents; telephone number; and other information and documentation required by United under its Application for Permit to Lease Premises and any related documents; and

7. Shareholder pay certain fees related to the sublease of the shareholder's manor, including without limitation fees related to lease permits processing; lease permits, lease permit extensions, lease permit renewals, secured deposits of third-party charges and application costs. Sublease materials must be submitted to the Managing Agent no less than thirty (30) days or no more than ninety (90) days in advance of the sublease date. Sublease materials may be submitted on a rush basis subject to a fee of up to \$500; and
8. Shareholder must transfer their rights to use the common areas, facilities and amenities of United's development to the shareholder's sublessee, and that the shareholder and their sublessee comply with any and all prohibitions and/or restrictions established by Golden Rain Foundation ("GRF") with respect to the use of GRF's common amenities and facilities; and
9. The requirement that sublessees of a shareholder's manor must, at all times, comply with all of the provisions of United's governing documents applicable to the residency, occupancy and use of manors and United's development; and
10. United has the right to levy fines and impose discipline against a shareholder for the violation of United's governing documents by the shareholder's sublessee, and/or, to the extent permitted by United's Bylaws and applicable laws, to impose discipline against the sublessee for such violation; and
11. United has a non-exclusive grant to enforce United's governing documents against the shareholder's sublessee if the shareholder fails to gain the sublessee's compliance, including but not limited to the ability of United to evict the sublessee under an unlawful detainer action; and
12. United has an assignment of rents in the event the shareholder is delinquent in the payment of their carrying charges and/or assessments, as provided in United's Occupancy Agreement, and the requirement that the sublessee pay their rent payments to United upon United's notice and demand of such assignment; and
13. The shareholder be financially liable to United for any damage within the shareholder's manor or other portions of United's development caused by the sublessee; and
14. The shareholder be the responsible party to obtain any required approval from United for any and all proposed alterations, additions, improvements and modifications to the shareholder's manor; and
15. Only a shareholder of United named under an Occupancy Agreement has the right to sublease no less than their entire manor.



STAFF REPORT

DATE: April 11, 2017
FOR: Board of Directors
SUBJECT: Policy and Schedule of Monetary Penalties

RECOMMENDATION

The Governing Documents Review Committee recommends that the Board approve the amendments to the Policy and Schedule of Monetary Penalties.

BACKGROUND

At the March 14, 2017, Board Meeting the United Board updated the Collection and Lien Policy to include collections on non-assessments fines, fees, and chargeable services; therefore the Schedule of Monetary Penalties required an overview and update.

FINANCIAL ANALYSIS

On March 27, 2017 the Governing Documents Review Committee met to review the policy and make recommendations (Attachment 1). Some of the changes deleted fees that are applicable to GRF and not necessarily United. Others reflect increasing maximum amounts of penalties to \$500 and minimums from \$25 to \$100 in accordance with Civil Code Section §5850.

Prepared By: Eve Morton, Administrative Assistant

Reviewed By: Lori Moss, Community Manager

ATTACHMENT(S)

Attachment 1: Redline of Schedule of Monetary Penalties

ATTACHMENT 1 (Schedule of Monetary Penalties)

SCHEDULE OF MONETARY PENALTIES

Your Boards of Directors are required by California Law, Section 5310 and Section 5850 of the Civil Code, to distribute to you a Schedule of Monetary Penalties which can be imposed by the Corporations for violation of the Corporations' Governing Documents and Rules and Regulations.

The following schedules identify the violations and potential monetary penalties which may be imposed upon a MemberShareholder, Co-occupant, Guest or Lessee. Such penalties may be imposed following a hearing by the Board of Directors of the Mutual or GRF (unless otherwise stated by their Bylaws), for a violation of those Governing Documents and Rules and Regulations by the MemberShareholder, Co-occupant, Guest or Lessee.

	Range of Penalties
Golf Course Rules Violations	
Slow play	\$25.00 - \$200.00
Failure to rake traps or repair ball marks	\$25.00 - \$200.00
Improper operation of golf cart	\$25.00 - \$200.00
Playing holes out of order	\$25.00 - \$200.00
Practicing on golf course; hitting more than one ball to each green	\$25.00 - \$200.00
Animal Control Rules Violations	
Dog not on leash; dog not under control; unreasonable noise (barking)	\$25.00 - \$200.00
Dog owner not picking up and disposing of feces	\$25.00 - \$200.00
Breeding animals for sale or commercial gain	\$50.00 - \$500.00
Injury to persons, pets, or damage to property caused by animal	\$50.00 - \$500.00
Permitting a Nuisance	
Examples: unreasonable noise, disturbance, clutter or other activity which annoys, obstructs or interferes with the rights of other persons	\$25.00 - \$500.00
Permitting any Illegal Act to be committed in or about the dwelling unit, Common or limited common area, or premises owned by the Corporation	\$50.00 - \$500.00
Unauthorized, Illegal Use, Alteration of GRF Facilities, Property or Equipment	\$50.00 - \$200.00
Unauthorized, Illegal Use, Alteration of Dwelling Unit, Common/Limited Common Area or Property owned or managed by the Corporation	\$50.00 - \$500.00
Failure to correct Fire, Safety, Health Hazard, or other dangerous condition	\$50.00 - \$500.00
Nonpayment of Fees or Charges for Use of Facilities or Services, Chargeable Services and/or Late Charges on said fees or charges on same	\$25.00 - \$500.00
Residency/Occupancy Violations: Examples: Unauthorized, Illegal Occupants; Guest Visitations Exceeding 60 Calendar Days Within 12 Months; Advertising subleases shorter in duration than ninety (90) days	\$50.00 - \$500.00

Second or Subsequent Violations of the Same Rule: Ongoing violation of the same event of United Mutual's rules and regulations without the need to hold an additional <u>membershareholder</u> disciplinary hearing after the first noticed hearing.	Daily fine in accordance with current Monetary Penalty Schedule until compliance is achieved.
Resolution 01-11-160, adopted September 13, 2011	
Any violations of the Governing Documents or Rules, not specifically identified in this schedule	\$25.00 - \$500.00

SCHEDULE OF MONETARY PENALTIES (continued)

~~MemberShareholders~~ are advised that the Bylaws of the Mutual Corporations and ~~Golden Rain Foundation~~ provide that, in addition to, or instead of the ~~any~~ monetary penalty~~penalties~~, the Board of Directors of the Corporation may impose the following optional penalties, following a hearing, for a violation of the ~~Governing Documents or Rules and Regulations until all obligations are met:~~

1. Suspension of the right to use any facilities ~~owned, operated or managed by the Corporation and/or Golden Rain Foundation~~, for a period not to exceed 30 days for each breach (applicable to United Mutual, Third Mutual and Mutual Fifty), and not to exceed 90 days for each breach (applicable to ~~Golden Rain Foundation~~)until all obligations are met.
2. Suspension of the right to vote in a Mutual election, whether by voice, ballot or written consent, on any and all matters brought before the ~~MemberShareholders~~, for a period not to exceed one (1) year.until all obligations are met.
3. The Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief. ~~(for all Corporations.)~~
4. GRF may recommend to the Mutual Corporation that the Mutual Board of Directors take disciplinary action against a resident Member of GRF~~United Laguna Woods Mutual~~, to the extent possible under the Mutual's Bylaws, Rules and Regulations, for a violation of GRF's Bylaws or Rules and Regulations.

~~United, Third, Mutual Fifty, and GRF Bylaws and Rules and Regulations provide that MemberShareholders/residents who receive a traffic violation notice may elect to waive their right to a hearing and attend Traffic School or forfeit a fine for certain violations and under certain circumstances.~~

~~Delinquent regular or special assessments or other monetary obligations, plus any costs of collection, late charges and interest, shall become a lien on the owner's interest in the common interest development upon recordation of a Notice of Delinquent Assessment in the Official Records of Orange County, California; and said lien may be enforced as provided by Sections 5650-5690 of the California Civil Code, and as otherwise permitted by law.~~

~~If you have questions regarding the above information, please contact the Compliance Department at (949) 268-CALL, please contact the Compliance Supervisor during regular business hours at (949) 268-2570.~~



STAFF REPORT

DATE: April 11, 2017
FOR: The United Board of Directors
SUBJECT: Laguna Hills Memorial Day Half-Marathon, 10K and 5K

RECOMMENDATION

Staff recommends that the Board host the Laguna Hills Memorial Day Half Marathon, 10K and 5K event on May 29, 2017.

BACKGROUND

For the past 18 years, Laguna Woods Village has hosted a portion of the City of Laguna Hills Memorial Day Half Marathon, 10K and 5K event. The race is a collaboration between the hospital, the City of Laguna Hills, and Laguna Woods Village, who created the 5k event in 1994. The event is scheduled for May 29, 2017, and is expected to draw nearly 8,000 runners and spectators.

DISCUSSION

The City of Laguna Hills has once again requested (Attachment 1) that United allow a portion of the course to traverse the Village.

If approved by United Laguna Woods Mutual, the course would begin on Calle de La Louisa, and enter the Village by way of Gate 2, traverse around Via Estrada, to Calle Aragon, to Avenida Sevilla, to Avenida Majorca and back to Via Estrada and back out Gate 2 (Attachment 2).

Gates 2 and 4 will be closed from 5:45-8:30 a.m. The following Cul-de-sacs will be closed from 6:30 a.m.-8:30 a.m.: 9, 10, 21, 22, 23, 24, 40, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60 and 61.

Signs will be placed along the course a week in advance of the event, advising residents that no driving would be allowed during the race and no parking would be allowed on the race course between 5:30 and 8:30 a.m. on race day. In addition, Staff would include the notice in the "What's Up in the Village" weekly blast on May 12, 19, and 26; in the Globe; and send robo phone calls to those households affected by the race closures.

FINANCIAL ANALYSIS

None.

Agenda Item # 14C
Page 1 of 4

Prepared By: Heather Rasmussen, Senior Public Affairs Specialist

Reviewed By: Lori Moss, Community Manager

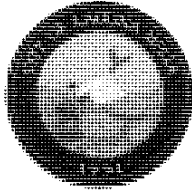
Committee Routing: GRF Security and Community Access Committee

ATTACHMENT(S)

Attachment 1: Request Letter from the City of Laguna Hills

Attachment 2: Laguna Hills Half Marathon, 10K and 5K Course Map

Attachment 1



Heather Rasmussen
Senior Public Affairs Specialist
Professional Community Management – Laguna Woods Village
24351 El Toro Road
Laguna Woods, CA. 92637

Dear Ms. Rasmussen:

For the past eighteen years, both avid runners and community members have enjoyed the City of Laguna Hills Memorial Day Half Marathon, 10K and 5K, Honoring the USMC Dark Horse Battalion event over the Memorial Day weekend. The community event has been successful for many reasons, primarily due to the collaboration between the hospital, the City of Laguna Hills, and the Golden Rain Foundation and Laguna Woods Village, who created the 5k event in 1994. The event is scheduled for Monday May 29, 2017, and is once again expected to draw nearly 8,000 runners and spectators.

The City of Laguna Hills is again working with Renegade Racing as the event management company. It is our hope that as in years past, the Golden Rain Foundation and Laguna Woods Village will allow the participants to run or walk through its beautiful community. The proposed course for the 5k is the same that was used for last year's event, and the half marathon and 10K will once again follow the 5k route for the first three miles of the race. The goal again is to minimize the impact on your residents by having participants enter and exit through Gate 2, which will allow complete access to Gate 3 for the duration of the event. Staff from Renegade Racing and community volunteers will be available to ensure that the road closures run smoothly.

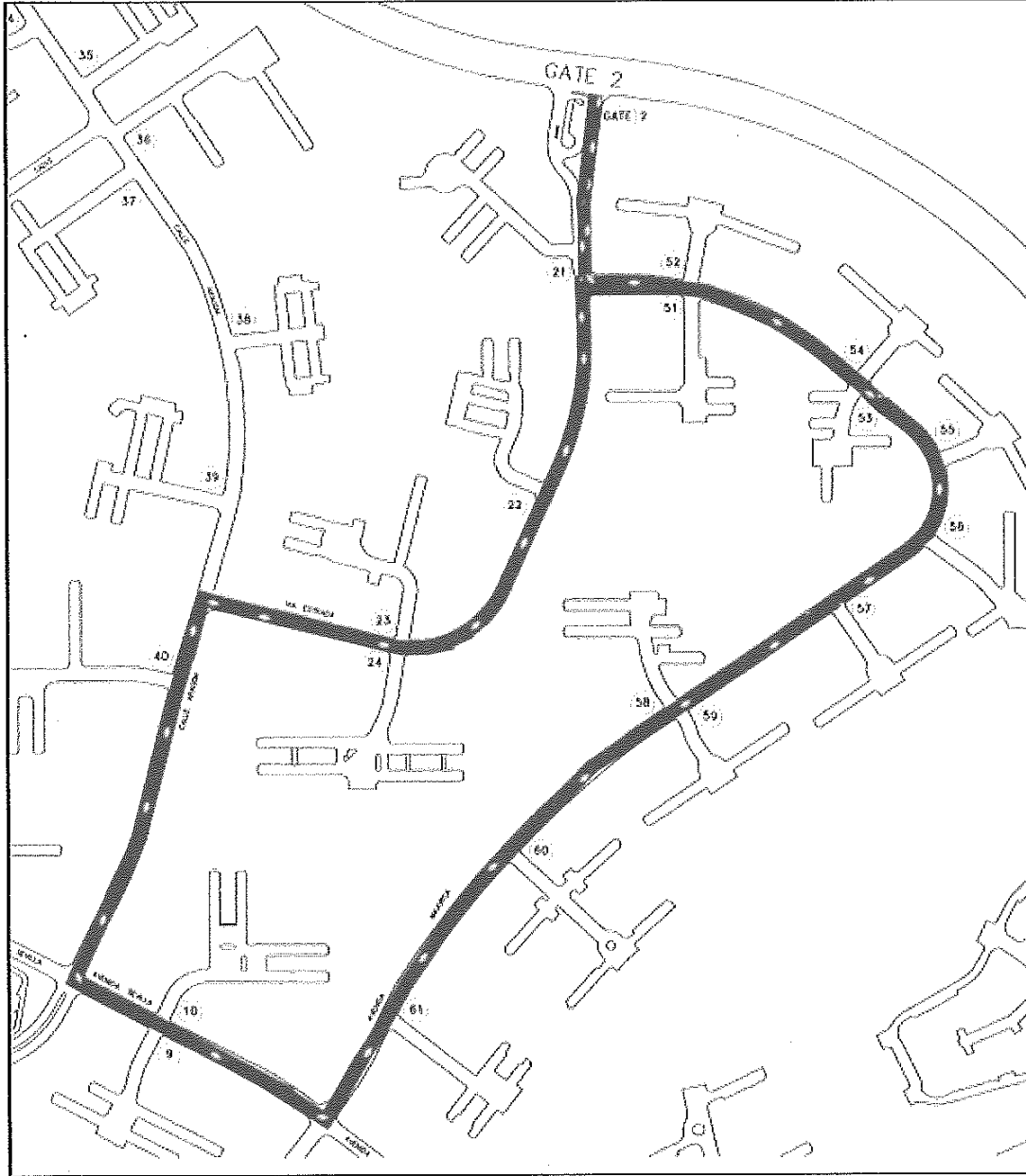
The generosity of the Golden Rain Foundation and Laguna Woods Village has contributed to the event's success for eighteen years. Many of the participants consider the loop through the village to be the highlight of the course. A booth will be provided to Laguna Woods Village in the event expo, and you will be permitted to place an insert in the goodie bags that will be distributed to expo participants and runners. We look forward to celebrating the 19 year anniversary of the event, and to working with the Golden Rain Foundation and Laguna Woods Village staff.

Thank you for your consideration of the request. If you have any questions or concerns, please feel free to contact me at (949) 707-2686.

Sincerely,

Dan Meehan
City of Laguna Hills

Attachment 2: Laguna Hills Half Marathon, 10K and 5K Course Map (Laguna Woods Village)



RESOLUTION 01-17-XX

Appointment of Officers

RESOLVED, on April 11, 2017, pursuant to United Laguna Woods Mutual Bylaws Article IX which sets guidelines, terms and responsibilities for the election of Officers to this Corporation the following persons are hereby elected to the office indicated next to their names to serve:

President

1st Vice President

2nd Vice President

Secretary

Treasurer

RESOLVED FURTHER, that the following Staff persons are hereby appointed as a non-voting ex Officio officers of this Corporation:

***Bradley Hudson
Lori Moss***

***Vice President ex Officio
Vice President ex Officio***

RESOLVED FURTHER, that Resolution 01-16-108, adopted November 8, 2016, is hereby amended to the extent that it differs; and

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