



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

**Tuesday, June 11, 2019 - 9:30 a.m.**

**Laguna Woods Village Community Center Board Room 24351 El Toro Road,  
Laguna Woods, California**

**NOTICE OF MEETING AND AGENDA**

- 1. Call to Order / Establish Quorum - Juanita Skillman, President**
- 2. Pledge of Allegiance – Director Addington**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of the Meeting Minutes**
  - a. May 14, 2019 – Regular Open Session
- 6. Report of Chair**
- 7. Open Forum (Three Minutes per Speaker) - *At this time Members may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. There is a maximum time limit of three minutes per speaker and a speaker may only address the Board once during this period. The Board reserves the right to limit the total amount of time allotted for the Open Forum.***
- 8. Responses to Open Forum Speakers**
  - (a) Follow-up Report from May 14, 2019, Open Forum—Director Margolis
- 9. Update from VMS – Director Stone**
- 10. CEO Report**
- 11. Consent Calendar – *All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the Board by one***

*motion. In the event that an item is removed from the Consent Calendar by members of the Board, such item(s) shall be the subject of further discussion and action by the Board.*

- a. Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the Board consisting of the Treasurer and at least one other Board member reviewed the United Laguna Woods Mutual financials for the month of April, 2019, and such review is hereby ratified.

## **12. Unfinished Business**

- a. Entertain a Motion to Adopt a Resolution for Changes to the Mutual's Smoking Policy (**MAY initial notification-28-day notification for Member review to comply with Civil Code §4360 has been satisfied**)
- b. Entertain a Motion to Adopt a Resolution for Updates to the Policy for Distribution of Material by Residents and Resident Organizations (**MAY initial notification-28-day notification for Member review to comply with Civil Code §4360 has been satisfied**)
- c. Entertain a Motion to Adopt a Resolution to Revise Standard 18: Gutters and Downspouts (**MAY initial notification-28-day notification for Member review to comply with Civil Code §4360 has been satisfied**)

## **13. New Business**

- a. Entertain a Motion to Approve a Resolution to Discontinue the use of Herbicides Containing the Chemical Glyphosate and Approve an Unbudgeted Expense of \$15,000 for Alternative Herbicide Products

## **14. Committee Reports**

- a. Report of the Finance Committee / Financial Report – Director Morrison. The Committee met on May 28, 2019; next meeting July 30, 2019, 2:00 p.m. in the Sycamore Room
- b. Report of the Architectural Control and Standards Committee –Director Achrekar– The Committee did not meet in May, 2019; next meeting June 20, 2019, 9:30 a.m. in the Elm Room
- c. Report of the Communications Committee–Director Blackwell. Next meeting TBA
- d. Report of Member Hearings Committee--Director Achrekar. The Committee met on May 23, 2019; next meeting June 27, 2019, 9:00 a.m. in the Sycamore Room

- e. Report of the Governing Documents Review Committee – Director Blackwell. The Committee met on May 28, 2019; next meeting June 24, 2019, 1:30 p.m. in the Sycamore Room
- f. Report of the Landscape Committee –Director Blackwell. The Committee did not meet in May, 2019; next meeting June 13, 2019, 9:00 a.m. in the Board Room
- g. Report of the Maintenance & Construction Committee – Director Randazzo. The Committee did not meet in May, 2019; next meeting June 26, 2019, 9:00 a.m. in the Board Room
- h. Report of the Resident Advisory Committee – Director Achrekar. The Committee met on May 16, 2019; next meeting June 13, 2019, 4:00 p.m. in the Sycamore Room

#### **15. GRF Committee Highlights**

- a. Report of the Finance Committee—Director Morrison. The Committee did not meet in May, 2019; next meeting June 19, 2019, 1:30 p.m. in the Board Room
- b. Report of the Community Activities Committee—Director Margolis. The Committee met on May 9, 2019; next meeting July 11, 2019, 1:30 p.m. in the Board Room
- c. Report of the Landscape Committee – Director Blackwell. The Committee met on May 15, 2019; next meeting August 14, 2019, 1:30 p.m. in the Board Room
- d. Report of the Maintenance & Construction Committee—Director Randazzo. The Committee did not meeting in May, 2019; next meeting June 12, 2019, 9:30 a.m. in the Board Room
- e. Village Energy Task Force—Director Randazzo. The Task Force met on May 1, 2019; next meeting July 3, 2019, 1:30 p.m. in the Board Room
- f. Report of the Media and Communication Committee—Director Blackwell. The Committee met on May 20, 2019; next meeting June 17, 2019, 1:30 p.m. in the Board Room
- g. Report of the Mobility and Vehicles Committee—Director Addington. The Committee did not meet in May, 2019; next meeting June 5, 2019, 1:30 p.m. in the Board Room

- h. Report of the Security and Community Access Committee—Director Liberatore. The Committee did not meet in May, 2019; next meeting June 24, 2019, at 1:30 p.m. in the Board Room
- i. Laguna Woods Village Traffic Hearings – Director Tornø. The Hearings were held on May 15, 2019; next hearings June 19, 2019, 9:00 a.m. in the Board Room and 1:00 p.m. in the Sycamore Room
- j. Report of the Disaster Preparedness Task Force –Director Achrekar. The Task Force met on May 28, 2019; next meeting July 30, 2019, 9:30 a.m. in the Board Room

**16. Future Agenda Items** - *All matters listed under Future Agenda Items are Resolutions on 28-day public review or items for a future Board Meetings. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.*

- a. Committee Advisor Qualifications, Procedure and Policy
- b. Allow Guarantors

**17. Directors' Comments**

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

**EXECUTIVE SESSION NOTICE AND AGENDA**

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

*(a) May 14, 2019 – Regular Executive Session*

*Discuss and Consider Member Matters*

*Discuss Personnel Matters*

*Discuss and Consider Contractual Matters*

*Discuss and Consider Litigation Matters*

**19. Adjourn**





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

**Tuesday, May 14, 2019, 9:30 a.m.  
24351 El Toro Road, Laguna Woods, California**

**Directors Present:** Juanita Skillman, Carl Randazzo, Cash Achrekar, Maggie Blackwell, Gary Morrison, Elsie Addington, Manuel Armendariz, Reza Bastani, Anthony Liberatore, Sue Margolis and Andre Tornø

**Directors Absent:** None

**Staff Present:** Jeff Parker, CEO; Siobhan Foster, COO; Tim Moy, Eileen Paulin, Pamela Bashline and Cheryl Silva

**Others Present:** VMS: Ron Beldner, Dick Rader and Mary Stone  
Lisa Tashjian, Esq. of Beaumont Tashjian

**1. Call Meeting to Order/Establish Quorum**

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

**2. Pledge of Allegiance**

Director Morrison led the Pledge of Allegiance.

**3. Acknowledge Media**

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

**4. Approval of Agenda**

Director Blackwell made a motion to approve the agenda. The motion was seconded by Director Morrison.

Discussion ensued among the Directors.

Directors Liberatore and Blackwell called for the Orders of the Day.

President Skillman called for the vote and the motion passed by a vote of 8-2-1 (Directors Tornø and Armendariz opposed, Director Bastani abstained).

## **5. Approval of Minutes**

### **a. April 9, 2019 – Regular Open Session**

Director Achrekar made a motion to approve the minutes of April 9, 2019, Regular Open Session. The motion was seconded by Director Carl Randazzo.

The United Regular Open Session minutes of April 9, 2019, were approved without objection.

## **6. Report of the Chair**

President Skillman addressed SB 754 election by acclamation. There are three Board positions up for election this year. The Reserve Study presentation will be held on Wednesday at 1:30 p.m. in the Board Room.

## **7. Open Forum**

Members made comments regarding the following:

- Dust created from the Landscaping Carts;
- Spoke in favor of election by acclamation;
- Signs in the Laundry Room need to be updated;
- Tables and chairs in the Clubhouses need to be replaced.

## **8. Responses to Open Forum Speakers**

Several Directors responded to Member comments:

- Director Blackwell will discuss the dust with the Landscape Committee
- Director Morrison asked if mulch would help the area.
- Director Margolis commented that the trail is also used for horses;
- Director Skillman will look at addressing the tables in the clubhouses

### **a. Follow-up from the April 9, 2019, Board Meeting Open Forum – Director Margolis**

- Kurt Wiemann is working on the United landscaping issues and weed removal;
- Required permits for kitchen ceiling lights. Only one permit is required by the City for ceiling lights. The Mutual only requires a permission slip/permit.

## **9. Update from VMS - Director Beldner**

Director Beldner provided highlights from the April VMS Board Meeting and shared the presentation prepared by Tim Moy, Director of Security and Community Access.

Director Beldner answered questions from the Board

## **10. CEO Report**

CEO Jeff Parker reported on the following subjects:

- Village Broadcast of the I-5/EI Toro Road Presentation, and
- Community Center was closed over the weekend and the new HVAC system was installed;
- The Art Reception was held last night and new art work is now displayed in the Community Center. He thanked the Laguna Woods Art Association for their

participation in this project;

- New carpet was installed on the Bocce Ball Courts;
- Update on Upcoming Recreation Events: Memorial Day Ceremony on Monday, May 27<sup>th</sup> at 1:00 p.m. at Clubhouse 3, and Memorial Golf Tournament on Saturday, May 18<sup>th</sup> to benefit for the Laguna Wood Village Foundation.

Jeff Parker answered questions from the Board.

## **11. Consent Calendar**

### **11a. Architectural Controls and Standards Recommendations:**

- (1) Recommendation to Approve Denial of Appeal (126-D Majorca, 8A) to Retain Doors on an Unapproved Alteration

#### **126-D (Majorca, 8A) Appeal to Retain Two Doors on an Unauthorized Alteration**

#### **RESOLUTION 01-19-37 Variance Request**

**WHEREAS**, Mr. Roger Flynn of 126-D Avenida Majorca, a Majorca style unit, requests Board approval of an appeal to retain two doors on an unauthorized alteration which opens onto Common Area;

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected units on March 14, 2019, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on April 9, 2019.

**NOW THEREFORE BE IT RESOLVED**, on May 14, 2019, the Board of Directors hereby denies the appeal to retain two doors on an unauthorized alteration which opens onto Common Area;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Shareholder at 126-D and all future Shareholders at 126-D.

**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.

### **11b. Landscape Committee Recommendations:**

- (1) Recommendation to Approve the Request for Tree Removal – (85-B) one Carrotwood Tree

**RESOLUTION 01-19-38**  
**APPROVAL OF TREE REMOVAL**  
**OF ONE CARROTWOODTREE AT 85-B**

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

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

**WHEREAS** on April 11, 2019; the Landscape Committee reviewed a request to remove one Carrotwood Tree. The request was received from the Member at 85-B, who cited the reasons are the tree swarms with bees in the warm weather and he has an allergy to bee stings; and

**WHEREAS**, on April 11, 2019, the Landscape Committee recommended to approve the removal of one Carrotwood tree located at 85-B Calle Aragon due to visible signs of decay and damage in the trunk, as well as in the surface roots, and its potential for long term maintenance costs, and to plant a replacement tree at a suitable location;

**NOW THEREFORE BE IT RESOLVED**, May 14, 2019, the Board of Directors approves the request for the removal of one Carrotwood tree and to plant a replacement tree at a suitable location, and;

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

- (2) Recommendation to Approve the Request for Tree Removal – (539-A) one Canary Island Pine Tree

**RESOLUTION 01-19-39**  
**APPROVAL OF TREE REMOVAL**  
**OF ONE CANARY ISLAND PINE TREE AT 539-A**

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

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

**WHEREAS** on April 11, 2019; the Landscape Committee reviewed a request to remove one Canary Island Pine Tree. The request was received from the Member at 539-A, who cited the reasons as litter/debris, overgrown, and the proximity to the unit; and

**WHEREAS**, on April 11, 2019, the Landscape Committee recommended to approve the removal of one Canary Island Pine tree located at 539-A Via Estrada based on the United Mutual Tree Management Policy, which addresses the selective removal of pine trees that were planted in stands and since there are a total of five Canary Island Pine trees in this area, this tree is a candidate for removal;

**NOW THEREFORE BE IT RESOLVED**, May 14, 2019, the Board of Directors approves the request for the removal of one Canary Island Pine tree, and;

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

**11c. Finance Committee Recommendations:**

- (1) Approval of Resolution to Record Lien against Member ID# 947-406-07

**RESOLUTION 01-19-40**  
**RESOLUTION TO RECORD LIEN**

**WHEREAS**, Member ID 947-406-07; 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**, May 14, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-406-07 and;

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

(2) Approval of Resolution to Record Lien against Member ID# 947-377-92

**RESOLUTION 01-19-41**  
**RESOLUTION TO RECORD LIEN**

**WHEREAS,** Member ID 947-377-92; 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,** May 14, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-377-92 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.

(3) Approval of Resolution to Record Lien against Member ID# 947-374-27

**RESOLUTION 01-19-42**  
**RESOLUTION TO RECORD LIEN**

**WHEREAS,** Member ID 947-374-27; 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,** May 14, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-374-27 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.

**11d. 2019 Election Schedule and Resolution to Approve the Inspector of Election**

**RESOLUTION 01-19-43  
APPROVE INSPECTOR OF ELECTION SERVICES**

**WHEREAS**, Civil Code §5110 requires an association to select an independent third party or parties as an inspector of elections;

**WHEREAS**, for transparency purposes and due to the number of ballots received it is necessary to contract for an Inspector of Elections;

**WHEREAS**, an Inspector of Elections is used, among other tasks, to print and mail voter packages, inspect and tabulate ballots, and certify results; and,

**NOW THEREFORE BE IT RESOLVED**, May 14, 2019, that the Board of Directors of United Laguna Woods Mutual hereby approves single-sourcing a contract to UniLect to perform Inspectors of Election services for the 2019 Annual Meeting of the Corporate Members; and

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

**11e. Financial Review under Civil Code §5501**

**This item was removed from the Consent Calendar**

Director Addington made a motion to approve the Consent Calendar with the removal of agenda item 11e. The motion was seconded by Director Randazzo.

Discussion ensued among the Directors.

Director Armendariz removed agenda item (11e) from the consent calendar for discussion under Unfinished Business. The motion was seconded by Director Margolis.

Director Liberatore called for the Orders of the Day.

President Skillman called for the vote of the consent calendar and the motion passed unanimously.

**12. Unfinished Business**

**12a. Entertain a Motion to Adopt the Revised Payment Plan Agreement Form and a Resolution for an Assessment Payment Plan Agreement.**

Director Blackwell read the following resolution:

**RESOLUTION 01-19-44**  
**ASSESSMENT PAYMENT PLAN AGREEMENT**

**WHEREAS**, any Member who is in arrears on regular assessments is entitled to make a written request for a payment plan to the Board;

**WHEREAS**, each request for a delinquent assessment payment plan is approved or denied on a case-by-case basis after review by the Finance Committee;

**WHEREAS**, a Delinquent Assessment – Payment Plan form, which includes several payment options and conditions, is used to create an agreement between the delinquent Member and the Mutual;

**WHEREAS**, the United Finance Committee recommends a revised Payment Plan Agreement Form with changes submitted by legal counsel to help reinforce collection activity that will occur if a member breaches the agreed-to payment plan for delinquent assessments; and

**WHEREAS**, the Finance Committee recommends recovering costs associated with setting up a payment plan.

**NOW THEREFORE BE IT RESOLVED**, on May 14, 2019, the Board of Directors of this Corporation hereby adopts revisions to the Delinquent Assessment - Payment Plan Agreement form, as attached to this Corporate record, and introducing a one-time setup fee of \$50; 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.

**FEBRUARY Initial Notification—MARCH sent back to Committee for review  
28 day notification to comply with Civil Code §4360 has been satisfied.**

Director Blackwell made a motion to adopt the revised payment plan agreement form and the resolution for a payment plan fee policy for assessments. The motion was seconded by Director Randazzo.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed unanimously.



**12b. Entertain a Motion to Adopt a Resolution to Revise the Fees for Golf Cart Charging Violations.**

Director Blackwell read the following resolution:

**RESOLUTION 01-19-45**  
**GOLF CART POLICY AND PROCEDURES**

**WHEREAS**, The United Laguna Woods Mutual (United) Board adopted Resolution 01-17-136 Golf Cart Policy and Procedures to include fines for unpermitted golf carts using mutual electricity;

**WHEREAS**, cords, plugs and charging devices running through the property create a trip hazard and cause the property to otherwise be in an unsafe condition; and

**WHEREAS**, the safety risks associated with this conduct expose the Corporation to a risk of liability and expose any persons present on the property to risk of personal injury; and

**NOW THEREFORE BE IT RESOLVED**, all golf cart battery chargers must be elevated a minimum of six inches from the floor; and

**NOW THEREFORE BE IT RESOLVED**, in the interest of safety, residents found in United with unattended extension cords and/or golf cart chargers that are not a minimum of six inches above the floor will be subject to fines; and

**NOW THEREFORE BE IT RESOLVED**, on May 14, 2019, the Board of Directors of this Corporation hereby adopts the revisions to the Golf Cart Policy and Procedures to reference the Schedule of Traffic and Monetary Penalties, as attached to the official minutes of this meeting;

**FEES AND FINES**

Refer to the ULWM Fee Sheet and the Schedule of Traffic and Monetary Penalties.

**NOW THEREFORE BE IT RESOLVED**, that the Corporation's staff is authorized to take action to enforce this Resolution by citing occupants and/or guests and unplug any golf carts found in violation.

**RESOLVED FURTHER**, that Resolution 01-17-136 approved on October 17, 2017; is hereby superseded and canceled; 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.

**April Initial Notification**

**28 day notification to comply with Civil Code §4360 has been satisfied.**

Director Blackwell made a motion to adopt the revised golf cart fee for charging violations. The motion was seconded by Director Randazzo.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by a vote of 10-1-0 (Director Tornig opposed).

**12c. Entertain a Motion to Adopt the Community Property Resolution and Amended Financial Qualification Policy**

Director Blackwell read the following resolution:

**RESOLUTION 01-19-46**  
**COMMUNITY PROPERTY CONSIDERATION**

**WHEREAS**, United Laguna Woods Mutual (hereinafter "United" or "Corporation"), is a non-profit mutual benefit corporation, existing under and by virtue of the laws of the State of California, organized for the purpose of providing its Members with housing on a cooperative non-profit basis pursuant to the provisions set forth in its Articles of Incorporation and Bylaws and Board Resolutions (collectively referred to as the "Governing Documents");

**WHEREAS**, the Corporation's Amended and Restated Bylaws ("Bylaws") provides the purpose of the Corporation is to, among other things, "manage, maintain, preserve, and administer the business of a common interest development, specifically, a stock cooperative";

**WHEREAS**, the Bylaws provide that the Board of Directors of the Corporation is responsible for managing the business and affairs and exercising all corporate powers of the Corporation;

**WHEREAS**, United is a stock cooperative wherein each shareholder-member is granted the right to occupy a specific unit pursuant to an Occupancy Agreement together with ownership of one share in the cooperative, provided each shareholder-member meets the financial qualifications set forth in the Financial Qualifications Policy (rev. 5-23-18);

**WHEREAS**, the Board of Directors desires consistent policies regarding community property consideration, reporting rental property depreciation, and capital

gains consideration;

**NOW, THEREFORE,** be it resolved that on May 14, 2019, the following resolution is adopted by the Board of Directors:

1. Regarding community property, as set forth in the Financial Qualifications Policy (rev. 5-23-18) marital community property is excluded from assets to be considered in order to meet financial qualifications when only one partner is purchasing. Likewise, community property is not considered if a prospective member is purchasing a unit share as his/her sole property. Consideration of community property assets or community property contributions to purchase a unit share albeit as sole property may transmute the intended sole property into community property.

**BE IT FURTHER RESOLVED,** that the officers, directors and agents of this Corporation are authorized to carry out the purpose of this Resolution.

**APRIL Initial Notification**

**28 day notification to comply with Civil Code §4360 has been satisfied.**

#### **FINANCIAL QUALIFICATIONS POLICY**

**Revised May 14, 2019**

**Resolution 01-19-47**

Prospective shareholders of units in United Mutual (United) are required to meet minimum financial requirements for membership as set forth below. All income and assets claimed must be verified by presenting documentation acceptable to the United Mutual Board of Directors.

All applicants shall submit the most recent year's federal income tax return, signed and dated, including Schedules A and B, in addition to other verification documents. If income is derived from an owned business, the appropriate business tax schedules and a profit and loss statement are required.

Where there is more than one prospective shareholder, income and assets can be calculated collectively if each is eligible and intends to reside.

Membership applicants to United are required to submit a completed Financial Statement/Credit Information form together with satisfactory verification of identity, income and assets.

#### **ASSET REQUIREMENT**

The prospective shareholder shall submit satisfactory verification of assets equal to the purchase price of the share plus \$125,000. Prospective transferees (i.e., outside escrow) are required to demonstrate a minimum asset base of

\$125,000 only.

Acceptable assets will be those that are considered to be liquid, marketable or income producing. Only aged accounts (180 days) will be considered. Acceptable assets include, among others:

- Equity in U.S. residential property
- Savings accounts in U.S. financial institutions
- Cash value life insurance
- Certificates of deposit, money market accounts in U.S. financial institutions
- IRA, SEP, 401(k) and Keogh accounts
- U.S., state or municipal government bonds valued at current market prices
- American traded investments, (NYSE, Amex, OTC, NASDAQ, etc.) valued at current market prices
- Mortgages and promissory notes, provided that interest is reported on the applicant's tax return
- Equity in U.S. income producing real estate

Excluded from consideration are the following, among others:

- Mobile homes
- Recreational vehicles, boats and trailers
- Vacant land
- Automobiles
- Artwork, jewelry, furs and collections such as coins, dolls, stamps and other similar items
- Term life insurance
- Annuity funds, which cannot be withdrawn in lump sum
- Anticipated bequests or inheritances
- Promissory notes whose income is not reported on the prospective transferee tax return
- Community property: marital community property, except between the parties

#### INCOME REQUIREMENTS

Prospective shareholders shall submit from a recognized credit reporting agency (Equifax, TransUnion or Experian) a full credit report and FICO score dated within 60 days prior to the application submittal.

Prospective shareholders and transferees must provide satisfactory verification of income of at least \$40,000 per year at the time of purchase.

1. Acceptable verifications include, among others:

- The most recent federal tax returns

- W-2 forms or paycheck stubs
- Bank, credit union or investment account statements
- Letters from bankers
- Notices of annuities and social security payments
- Pensions
- Trust income
- Disability income
- Residential/commercial property rental income, after depreciation

2. Unacceptable income verifications include, among others:

- Letters from employers, accountants, bookkeepers and attorneys
- Income not reported on federal income tax returns
- Funds held outside U.S. borders
- Capital gains earnings

OWNERSHIP OF MULTIPLE MEMBERSHIPS

United does not permit ownership of more than one cooperative membership, except under an interim dual membership agreement, which is issued for six months.

FINANCIAL QUALIFICATION WAIVERS

Shareholders who purchase a replacement unit do not have to requalify financially for membership if there is no change to the membership vesting and the dual interim agreement is in effect.

Current members of one mutual who wish to purchase in another mutual are required to meet the financial requirements of the mutual in which they are purchasing.

A former member may obtain a waiver of financial qualifications if the replacement membership is purchased within 90 days of the closing of the sale of the previously owned membership, and vesting in the new unit is exactly the same as the vesting in the unit previously owned.

DISCRETIONARY AUTHORITY

The United Board of Directors may, but is not obligated to, deny or approve applications for membership based on the conditions herein. The board of directors, exercising prudent business judgment, may also deny or approve, in its sole and absolute discretion, applications based on other material factors, such as, but not limited to, history of bankruptcy, excess liabilities or history of noncompliance as a member in United, GRF or other Mutuals in Laguna Woods Village.

#### MEMBERSHIP

Membership in United is created and starts with the later occurring of the following:

- Written approval of membership by the United Mutual Board of Directors
  - Issuance of a membership stock certificate
  - The signing of an Occupancy Agreement
  - Upon close of escrow
- I. Upon membership approval, the Occupancy Agreement entitles the member to occupy the unit for three years, which is automatically renewed for three-year terms per Article 4 of the Occupancy Agreement, unless terminated by transfer or United's nonrenewal or termination by the board of directors.

Director Blackwell made a motion to adopt the community property consideration resolution and amended financial qualification policy. The motion was seconded by Director Randazzo.

Discussion ensued among the Directors.

Corrections were made to the Community Property resolution changing "unit" to "share."

President Skillman called for the vote on the corrected Community Property resolution and amended financial qualifications and the motion passed unanimously.

**12d. (11e.)** Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the Board consisting of the Treasurer and at least one other Board member reviewed the United Laguna Woods Mutual financials for the month of March 2019, and such review is hereby ratified. A copy of the confirmation form was passed out to Directors.

Director Armendariz made a motion to approve the financial review for the month of March 2019. The motion was seconded by Director Margolis.

Discussion ensued among the Directors.

President Skillman encouraged Director Armendariz to bring his concerns to the Finance Committee.

President Skillman called for the vote and the motion passed 7-4-0 (Directors Bastani, Torng, Armendariz and Margolis opposed).

#### **13. New Business**

**13a.** Entertain a Motion to Introduce a Resolution for Changes to the Mutual's Smoking Policy.

Director Blackwell read the following resolution:

**RESOLUTION 01-19-xx**  
**NON-SMOKING POLICY**

**WHEREAS**, the Governing Documents Review Committee has recommended adopting a Non-Smoking Policy, to fairly and reasonably address smoking in Laguna Woods Village; and

**WHEREAS**, United Laguna Woods Mutual has received numerous complaints from various residents concerning odors and annoyance in and around manors caused from residents' second-hand smoke and smoke infiltration;

**NOW THEREFORE BE IT RESOLVED**, May 14, 2019, that the Board of Directors of this Corporation hereby introduces the revised "Non-Smoking Policy," as attached to the official minutes of this meeting.

**RESOLVE FURTHER**, that Resolution 01-17-54 adopted February 14, 2017 is hereby superseded and canceled; 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.

**MAY Initial Notification**

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

Director Blackwell made a motion to introduce the resolution for changes to the Mutual's smoking policy for 28-day review. The motion was seconded by Director Morrison.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by 10-0-0 (Director Addington was absent for the vote).

**13b.** Entertain a Motion to Introduce a Resolution for Updates to the Policy for Distribution of Material by Residents and Resident Organizations

Director Blackwell read the following resolution:

**RESOLUTION 01-19-XX**  
**POLICY FOR DISTRIBUTION OF MATERIALS BY RESIDENTS**  
**AND RESIDENT ORGANIZATIONS**

**RESOLVED**, June 11, 2019, the Board of Directors of this Corporation hereby amends the following policy for the distribution of publications, advertisement, announcements, campaign material, petitions, and related printed literature (hereinafter "Material") by residents or resident organizations on property owned and managed by the United Laguna Woods Mutual; and

**RESOLVED FURTHER**, any materials for social, political, educational, or non-commercial purposes, including petitions to gather signatures, to be distributed to United Mutual residents shall bear identification as to its source and any individual or entity distributing such material shall comply with all of the following conditions:

**1. Distribution of Material**

- a. Door-to-door distribution of Material shall be permitted, as long as the act of distributing such Material does not rise to the level of creating a nuisance for Laguna Woods Village residents.
- b. Material that is distributed door-to-door may be **secured** under the doormat or near the thresholds of front doors or hung from doorknobs but may not be placed in USPS delivery points, or left on vehicles anywhere.
- c. Closed gates may not be opened.

**2. Petitions**

- a. Only Mutual Members, or their designated agents, are permitted to gather signatures on petitions.
- b. The petition must remain in the possession of the signature gatherer (there can be no unattended petitions).

**3. Posting of Material** - Postings that do not comply with these rules will be subject to removal.

- a. Posting locations are limited to those areas reserved for posting, such as Laundry Room bulletin boards and are available only for residents.
- b. Only one posting per subject matter, per organization, or per candidate, is allowed.
- c. The size of a posting in the laundry rooms shall not exceed 5.5" by 8.5" **(one half page)** to allow space for other postings.
- d. Each posting by a resident, or resident organization, must identify the posting individual's name, and posting date.
- e. Any Material considered lewd or vulgar will be subject to removal.
- f. All non-election postings shall be removed thirty (30) days after the posting date. Election postings will be removed after the election date.



- g. All Material must comply with federal, state, and community laws.
- h. Removing postings of others is prohibited.

**4. Knocking on Doors**

- a. Knocking on doors or ringing of doorbells to contact residents is only permitted weekdays from 10 a.m. to dusk, excluding national holidays.
- b. "No Solicitation" or "Do Not Disturb" signs must be honored.

**NOW THEREFORE BE IT RESOLVED**, that Resolution 01-15-03 approved on January 13, 2015; is hereby superseded and canceled; 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.

**MAY Initial Notification**

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

Director Blackwell made a motion to introduce the resolution for a policy for distribution of materials by residents and resident organizations for 28-day review. The motion was seconded by Director Achrekar.

Discussion ensued among the Directors.

Director Margolis amended the motion to change the posting size to 8.5x11. Director Achrekar seconded the amendment.

President Skillman called for the vote and the amendment failed by a vote of 5-5-1 (Directors Armendariz, Randazzo, Skillman, Blackwell, and Morrison opposed, Director Liberatore abstained)

President Skillman called for the vote and the motion passed by a vote of 8-3-0 (Directors Bastani, Achrekar, Margolis opposed)

**13c. Entertain a Motion to Introduce a Resolution to Revise Standard 18: Gutters and Downspouts**

Director Blackwell read the following resolution:

**RESOLUTION 01-19-XX**  
**REVISE ALTERATION STANDARD 18: GUTTERS AND DOWNSPOUTS**

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to amend Alteration Standards and create new Alteration Standards as necessary; and,

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard 18: Gutters and Downspouts.

**NOW THEREFORE BE IT RESOLVED**, May 14, 2019, that the Board of Directors of this Corporation hereby introduces the revisions to Alteration Standard 18: Gutters and Downspouts, attached as part of the official minutes of this meeting;

**RESOLVED FURTHER**, that Resolution 01-18-113, adopted November, 2018, 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 this resolution as written.

**MAY Initial Notification**

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

Director Achrekar made a motion to introduce the resolution to revise standard 18: gutters and downspouts for 28-day review. The motion was seconded by Director Blackwell.

President Skillman called for the vote and the motion passed by a vote of 10-0-0 (Director Liberatore was absent for the vote).

**14. Committee Reports**

**14a.** Report of the Finance Committee / Financial Report – Director Morrison showed a presentation on the Treasurer’s Report and reviewed the resale and lease reports. The Committee did not meet in April 2019; next meeting will be May 28, 2019, 2:00 p.m. in the Sycamore Room

**14b.** Report of the Architectural Control and Standards Committee – Director Achrekar gave a report from the last Committee meeting. The Committee reinforced not giving away common area and discussed gutters and downspouts. The Committee did not meet in May 2019; next meeting will be June 20, 2019, 9:30 a.m. in the Elm Room.

**14c.** Report of the Communications Committee – Director Blackwell encouraged the Directors to read the latest edition of The Breeze. The next meeting TBA.

**14d.** Report of Member Hearings Committee – Director Achrekar gave a report from the last Committee meeting. The Committee met on April 25, 2019; next meeting will be May 23, 2019, 9:00 a.m. in the Sycamore Room.

**14e.** Report of the Governing Documents Review Committee – Director Blackwell gave a report from the last Committee meeting. The Committee is reviewing policy for distributing materials, smoking policy, guarantors and task force documents. The Committee met on April 22, 2019; next meeting will be May 28, 2019, 10:00 a.m. in the Sycamore Room.

**14f.** Report of the Landscape Committee – Director Blackwell gave a report from the last Committee meeting, including the herbicide report. The Committee met on April 11, 2019; next meeting will be June 13, 2019, 10:00 a.m. in the Board Room.

**14g.** Report of the Maintenance & Construction Committee – Director Randazzo gave a report from the last Committee meeting. The Committee addressed the need for water detection devices, a solar update by Director Margolis and drainage issues at Avenida Sevilla & El Toro Rd. The Committee met on April 24, 2019; next meeting will be June 26, 2019, 9:00 a.m. in the Board Room.

**14h.** Report of the Resident Advisory Committee – Director Achrekar encouraged residents to attend this Committee meeting. The Committee met on April 11, 2019; next meeting will be May 16, 2019, 4:00 p.m. in the Sycamore Room.

## **15. GRF Committee Highlights**

**15a.** Report of the Finance Committee – Director Morrison gave highlights from the last Committee meeting. The Committee met on April 24, 2019; next meeting will be June 19, 2019, 1:30 p.m. in the Board Room.

**15b.** Report of the Community Activities Committee – Director Margolis gave highlights from the last Committee meeting. The Committee met on May 9, 2019; next meeting will be July 11, 2019, 1:30 p.m. in the Board Room.

**15c.** Report of the Landscape Committee – Director Blackwell gave highlights from the last Committee meeting. The Committee will be considering the disbandment of the Committee at the next meeting. The Committee did not meet in April 2019; next meeting will be May 15, 2019, 1:30 p.m. in the Board Room.

**15d.** Report of the Maintenance & Construction Committee – Director Randazzo gave highlights from the last Committee meeting. The Committee met on April 10, 2019; next meeting will be June 12, 2019, 9:30 a.m. in the Board Room.

- Village Energy Task Force Charter – Director Randazzo gave a report from the last Task Force meeting. The Task Force is working on a new pilot program for street lighting in Third, announced that the new chair is Steve Leonard, and reviewed energy projects in progress. The Task Force met on May 1, 2019; next meeting will be July 3, 2019 at 1:30 p.m. in the Board Room.

**15e.** Report of the Media and Communication Committee – Director Blackwell gave highlights from the last Committee meeting. The committee working on communication about RFDI gate project, television conversion from analog to HD, I-5/EI Toro Interchange project and Realtor tours. The Committee met on April 15, 2019; next meeting will be May 20, 2019, 1:30 p.m. in the Board Room.

**15f.** Report of the Mobility and Vehicles Committee – Director Addington gave highlights from the last Committee meeting. The transportation consultant will be reporting at the next meeting. The Committee met on April 3, 2019; next meeting will be June 5, 2019, 1:30 p.m. in the Board Room.

**15g.** Report of the Security and Community Access Committee – Director Liberatore. The Committee met on April 22, 2019; next meeting will be June 24, 2019, 1:30 p.m. in the Board Room.

- Laguna Woods Village Traffic Hearings – Director Torng summarized the results of the last traffic hearings. The Hearings were held on April 17, 2019; next hearings May 15, 2019, 9:00 a.m. in the Board Room and 1:00 p.m. in the Sycamore Room.

**15h.** Disaster Preparedness Task Force – Director Achrekar gave highlights from the last Committee meeting. The Task Force did not meet in April 2019; next meeting will be May 28, 2019, 9:30 a.m. in the Board Room.

## **16. Future Agenda Items**

**16a.** Approve the Committee Advisor Qualifications, Procedures and Policy

**16b.** VMS Roles and Responsibilities

## **17. Director's Comments**

- Director Achrekar encouraged residents to attend the Media Club event "Laguna Woods Got Talent" on May 30<sup>th</sup> 5:30 – 9:00 p.m. at Clubhouse 7, RSVP required.
- Director Torng recommended guidelines on the 28-day review items, advisor qualifications, chair qualifications for committees, encouraged residents to attend the Board Meetings.
- Director Bastani asked for chair qualifications for committees. Residents should go to Resident Services for assistance with television converter box.
- President Skillman commented that the Village Energy Task Force charter allows the chair to be a co-occupant.

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

The meeting recessed at 12:05 p.m. into the Executive Session.

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

*During the April 9, 2019, Regular Executive Session, the Board:*

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

*(a) March 12, 2019 – Regular Closed Meeting*

*Discussed Member Disciplinary Cases*

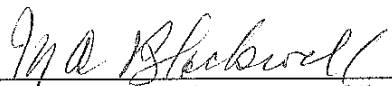
*Discussed and Considered Contractual Matters*

*Discussed Personnel Matters*

*Discussed and Considered Legal and Litigation Matters*

**19. Adjourn**

The meeting was adjourned at 3:50 p.m.

  
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Maggie Blackwell, Secretary of the Board  
United Laguna Woods Mutual

# RESOLUTION ATTACHMENTS

**ATTACHMENT 1  
 UNITED BOARD  
 2019 ELECTION SCHEDULED**

Appoint Inspectors of Election	4/9/2019
Approve Election Dates	4/9/2019
Record Date for Mailing of Meeting Notice	7/3/2019
Nominations Open	7/9/2019
Mail Annual Meeting Notice (postcard)	7/19/2019
Hearing Dates	7/25/2019
Copy of Mailing List	7/29/2019 & 8/9/2019
Nominations Close 5:00 pm	8/9/2019
Candidate Statement Due	8/9/2019
Candidate Video Agreement Due	8/9/2019
Record Date for Voting	8/13/2019
Ballot Information to Printer	8/14/2019
Meet the Candidates	8/16/2019
Candidate Video Filming	8/16/2019
Replay Meet the Candidates	8/19/19, 8/23/19 & 8/28/19
Mail Ballot Package	8/28/2019
Notice Tabulation Meeting	9/19/2019
Ballots Due Back	9/25/2019
Tabulation Meeting Counting of Ballots by Inspectors of Election	9/27/2019
Notice of Annual/Organizational Meeting	10/3/2019
Annual/Organizational Board Meeting Date	10/8/2019 9:30 A.M. BOARD ROOM



## **YEAR 2019 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES**

### **PURPOSE STATEMENT**

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

The collection of delinquent assessments is of vital concern to all Shareholders of United. Such efforts ensure that all Shareholders pay their fair share of the costs of services and facilities provided and maintained by United. Shareholders’ failure to pay assessments when due creates a cash-flow problem for United and causes those Shareholders who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations.

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

WE SINCERELY TRUST THAT ALL SHAREHOLDERS, IN THE SPIRIT OF COOPERATION AND IN RECOGNITION OF THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION, AND REIMBURSEMENT FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN YOUR BEST INTEREST AND THE BEST INTEREST OF THE COMMUNITY AS A WHOLE TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

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

### **BASIC POLICIES AND PROCEDURES**

Delinquency reports are made available monthly by United’s managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments United employs the following collection and lien enforcement procedures. The



policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of United's Board of Directors.

Pursuant to United's Governing Documents, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies:

**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 (1<sup>st</sup>) 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 (16<sup>th</sup>) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15<sup>th</sup>) 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 (16<sup>th</sup>) day of the month will incur a late fee in the amount of Fifty Dollars (\$50.00), which amount is

consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder's delinquent account is referred to United's collection agent for collections.

**4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder.** If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 5660 by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder's rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 ("IDR"), the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR") and the right to request debt validation. Notwithstanding the provisions of this paragraph, United may cause a pre-lien letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder's leasehold interest, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and/or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

**5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest.** If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

**6. Enforcement of a Lien.** United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount,

totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

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

**7. Inspection of Books and Records.** A Shareholder is entitled to inspect United's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5200, *et seq.*

**8. Application of Payments.** Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys' fees.

**9. Account Sent to United's Collection Agent In Error.** In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

**10. Payment Under Protest.** A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

**11. Right to Dispute the Debt.** A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for

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

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

**13. Right to Request Alternative Dispute Resolution ("ADR").** A Shareholder has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 *et seq.* before United may initiate foreclosure against the Shareholder's leasehold interest, except that binding arbitration shall not be available if United intends to initiate a judicial foreclosure.

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

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

**16. Termination of Shareholder's Rights under Occupancy Agreement.** Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United, or to pursue any other discipline set forth in United's governing documents, including but not limited to a termination of the Shareholder's rights under the Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

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

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

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

**20. Additional Mailing Addresses.** Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. The Shareholder's request shall be in writing and shall be mailed to United in a way that shall indicate that United has received it. A Shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, United shall only be required to send notices to the indicated secondary address from the point United receives the request.

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

**22. Notice and Hearing Prior to Suspension of Shareholder Privileges.** Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting. (Civil Code Section 5855(a).) The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

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

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

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

**BOARD OF DIRECTORS  
UNITED LAGUNA WOODS MUTUAL**

**United Laguna Woods Mutual  
Village Management Services, Inc., Agent  
24351 El Toro Road  
Laguna Woods, California 92637**

**DELINQUENT ASSESSMENT – PAYMENT PLAN AGREEMENT**

**Current Form**

**Manor No.:  
Assessment Delinquency:**

**Subject: ASSESSMENT DELINQUENCY**

The undersigned hereby acknowledges the assessment delinquency shown above. He or she also acknowledges the rights of United Laguna Woods Mutual (the Mutual) to collect such assessments, together with accrued late charges, interest and collection costs, in accordance with the laws of the State of California and the governing documents of the Mutual.

The following reflects the standards that have been adopted by the Board of Directors.  
The undersigned agrees to repay the delinquency debt according to the following plan:

- ☐ The delinquent balance will be paid off in its entirety within \_\_\_\_\_ months. To achieve this, extra monthly payments will be made in the amount of \$ \_\_\_\_\_. **These payments will be in addition to the regular monthly assessment.** Extra payments will commence on \_\_\_\_\_ and be made on or before the first of each successive month until the delinquency and accrued late charges are paid in full.
- ☐ Payment in full of the delinquent amount will be made in a lump sum on or before \_\_\_\_\_. **This payment will be in addition to the regular monthly assessment.**
- ☐ The undersigned states that the manor is presently for sale, and will present a copy of the executed listing agreement in conjunction with this agreement. If the listing agreement expires before the manor is sold, a new executed listing agreement must be presented. The total term of all listing agreements shall not exceed one year from the date of the subject delinquency. Payment in full of the delinquent amount will be made from the proceeds of sale of the manor, through escrow. Further, undersigned understands and agrees that accrued fees, charges and legal collection costs will be collected through escrow.
- ☐ Member's payment plan proposal that is in accordance with the standards for payment plans adopted by the Mutual:

\_\_\_\_\_  
**This will be in addition to the regular monthly assessment.**

The undersigned understands that late charges and fees will continue to accrue, in accordance with the Collection and Lien Enforcement Policy of the Mutual, until the delinquency is paid in full. Also, the undersigned understands that the Mutual reserves the right to pursue all available legal means to collect the sums due if the terms of this agreement are breached. Similarly, the undersigned understands that he or she has the right to meet with the Board of Directors of the Mutual to discuss a reasonable alternative payment plan option (see the fourth option above), according to the payment plan standards adopted by the Board of Directors of the Mutual.

Date: \_\_\_\_\_ Member's Signature \_\_\_\_\_  
Mutual Officer's Signature \_\_\_\_\_

**Return signed form to:**  
Manor Payment Representative  
PO Box 2220  
Laguna Woods, CA 92654-2220

**Or:**  
Manor Payment Representative  
24351 El Toro Road  
Laguna Woods, CA 92637

**Phone:** (949) 597-4221 **Fax:** (949) 472-4154

Manor Number: \_\_\_\_\_

Member Name: \_\_\_\_\_ Driver License # \_\_\_\_\_

The undersigned hereby acknowledges the rights of United Laguna Woods Mutual (the Mutual) to collect assessments, together with accrued late charges, interest and collection fees and costs, in accordance with the laws of the State of California and the governing documents of the Mutual. The following reflects the standards that have been adopted by the Board of Directors. Refer to the Payment Plan Standards For Delinquent Assessment Payments document for more details.

**The total amount owed as of [date] is \$ \_\_\_\_\_, this includes assessments, late charges, interest, and collection fees and costs (the "Delinquent Amount").** The undersigned agrees to repay the Delinquent Amount according to the following plan:

**Check One:**

- ☐ **INSTALLMENTS:** The Delinquent Amount will be paid off in its entirety within \_\_\_\_\_ months. To achieve this, extra monthly payments will be made in the amount of \$ \_\_\_\_\_. **These payments will be in addition to the regular monthly assessment, which may come due during the term of the payment plan and the administrative fee described below.** Extra payments will commence on \_\_\_\_\_ and be made on or before the first of each successive month until the delinquency and accrued late charges are paid in full. With this standard payment option, the undersigned is also required to submit a completed financial statement form (enclosed) as well as a copy of pages one and two of the two most recent federal tax returns, which may be redacted to protect private and confidential information.
- ☐ **LUMP SUM:** Payment in full of the Delinquent Amount will be made in a lump sum on or before \_\_\_\_\_. **This payment will be in addition to the regular monthly assessment, which may come due prior to receipt of the lump sum payment.**
- ☐ **ESCROW:** The undersigned states that the manor is presently for sale, and will present a copy of the executed listing agreement in conjunction with this agreement. If the listing agreement expires before the manor is sold, a new executed listing agreement must be presented. The total term of the payment plan under this option cannot exceed 90 days. Payment in full of the Delinquent Amount will be made from the proceeds of sale of the manor, through escrow. Further, the undersigned understands and agrees that accrued fees, charges and legal collection costs will be collected through escrow. This option allows a request for review by the Board of Directors for an extension, in the event escrow does not close.
- ☐ **OTHER:** The undersigned's payment plan proposal that is in accordance with the standards for payment plans adopted by the Mutual, attached hereto and incorporated herein by reference thereto as Exhibit A. **Payments contemplated in the undersigned's payment plan are in addition to the regular monthly assessment, which may come due during the term of the payment plan and the administrative fee described below.**

**Initial All:**

- ☐ The undersigned understands that interest will accrue at the rate of 12% per annum, in accordance with the Collection and Lien Enforcement Policy of the Mutual, until the delinquency is paid in full. In addition, the undersigned shall pay a one-time administrative setup fee of \$50.00 due upon approval of this agreement. The undersigned will be responsible for all attorneys' fees, costs, interest, late charges and assessments incurred before this agreement and the undersigned's assessment account will be deemed "paid in full."
- ☐ The undersigned understands that the Mutual will pursue all available legal means to collect the sums due on the manor including, but not limited to recording of a lien for an additional cost of a minimum of \$625, which will be added to the Delinquent Amount. If a payment is not received by the due date stated, the Mutual shall, without any further notice to the undersigned, have the power and authority to pursue any and all collection remedies against the undersigned and/or the undersigned's property, including but not limited to non-judicial foreclosure, judicial foreclosure, any remedies available, and a lawsuit for purposes of securing a money judgment. The undersigned knowingly and voluntarily waives any and all claims against the Mutual and its agents and attorneys, and the undersigned waives any and all defenses available related to or arising out of this matter, the amounts as set forth in this agreement, and any other obligation stated herein.
- ☐ The undersigned understands that he or she has the right to meet with the Board of Directors of the Mutual to discuss a reasonable alternative payment plan option (see "Other" above), according to the payment plan standards adopted by the Board of Directors of the Mutual.

Undersigned/Member Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mutual Officer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Return signed form by mail to:**

Assessment Payment Representative  
PO Box 2220  
Laguna Woods, CA 92654-2220

**Or deliver in person to:**

Assessment Payment Representative  
24351 El Toro Road  
Laguna Woods, CA 92637  
Phone: (949) 597-4221 Fax: (949) 472-4154



Security Division				
SCHEDULE OF TRAFFIC MONETARY PENALTIES				
Moving Violations	1st	2nd	3rd	4th (or more)
600 - Speeding ( 6 - 10 MPH )	\$25.00	\$50.00		
601 - Speeding (11 - 15 MPH )	\$50.00	\$100.00		
602 - Speeding ( 16 MPH and Over)	\$100.00	\$200.00		
610 - Failure to Stop	\$50.00	\$100.00	\$200.00	
620 - Right of Way	\$25.00	\$50.00		
630 - Turn Signal	\$25.00	\$50.00		
640 - Left of Center	\$25.00	\$50.00		
650 - Hit and Run	\$200.00	\$400.00		
660 - Valid Driver's License Not Produced	\$200.00	\$400.00		
680 - Reckless	\$150.00	\$300.00	\$300.00	\$300.00
690 - Headlight Violation	\$25.00	\$25.00	\$25.00	\$25.00
691 - Riding a Bicycle on Sidewalk	\$25.00	\$25.00	\$50.00	\$50.00
<b>695 - Other Moving</b>	\$25.00	\$50.00		
Parking Violations	1st	2nd	3rd	4th (or more)
010 - Abandoned Vehicle	\$25.00	\$25.00	\$50.00	\$50.00
700 - No Parking Zone	\$25.00	\$50.00	\$75.00	\$100.00
714 - Unpermitted Electric Plug-In (EV)	\$240.00	\$480.00	\$480.00	\$480.00
<b>000 - Unpermitted Electric Plug-In (Golf Cart)</b>	<b>\$100.00</b>	<b>\$150.00</b>	<b>\$200.00</b>	<b>\$250.00</b>
716 - Unattended Extension Cords & Battery Charger	\$50.00	\$100.00	\$150.00	\$150.00
720 - Limited Time Parking	\$25.00	\$25.00	\$50.00	\$75.00
721 - Recreational Vehicle Parked over 6 Hr. Limit	\$25.00	\$25.00	\$50.00	\$75.00
722 - Advertising on Vehicle Parked Overnight	\$25.00	\$25.00	\$50.00	\$75.00
723 - Vehicle Used for Storage	\$50.00	\$100.00	\$150.00	\$200.00
724 - Parked on sidewalk or Grass	\$25.00	\$25.00	\$50.00	\$75.00
725 - Expired Vehicle Registration	\$50.00	\$100.00	\$150.00	\$150.00
726 - Parked Obstructing Access	\$25.00	\$25.00	\$50.00	\$75.00
727 - No Valid GRF Vehicle Decal or Parking Permit Displayed	\$25.00	\$25.00	\$50.00	\$50.00
800 - Fire Hydrant	\$25.00	\$50.00	\$50.00	\$50.00
<b>730 - Other Parking Violations</b>	\$25.00	\$25.00	\$50.00	\$50.00
Handicap Parking Violations	1st	2nd	3rd	4th (or more)
810 - Handicapped Parking				
<b>With Placard &amp; Handicap I.D. verification</b>	\$0.00	\$25.00	\$50.00	\$75.00
811 - Handicapped Parking				
<b>No Placard or Handicap I.D. Displayed</b>	\$150.00	\$200.00	\$250.00	\$275.00
Pedestrian Violations	1st	2nd	3rd	4th (or more)
750 -Pedestrian Violations	\$25.00	\$25.00	\$50.00	\$50.00
RV Parking Violations	1st	2nd	3rd	4th (or more)
820 - Hazardous Material	\$75.00	\$100.00	\$150.00	
830 - Wheel Block	\$25.00	\$50.00	\$75.00	\$100.00
840 - Jack Support (R & R Section "W" Violation)	\$25.00	\$50.00	\$75.00	\$100.00
850 - Maintenance or Repair	\$25.00	\$50.00	\$75.00	\$100.00
860 - Miscellaneous (Minor)	\$25.00	\$50.00	\$75.00	
870 - Miscellaneous (Major)	\$50.00	\$100.00	\$150.00	
RV Lot Parking Violations				
Miscellaneous (Minor)	Miscellaneous (Major)		Miscellaneous (Major)	
Flat Tires	Expired Registration		Unauthorized vehicle in space	
Failure to provide Registration paperwork	Utilizing RV vehicle as living quarters		Vehicle utilized for storage	
	Clutter		Generator running unattended	
	Storage outside of vehicle		Portable sheds or tents erected outside of vehicle	
	Wash-rack violation		Illegal Jack (R & R Section "X" Violation)	

Checks Payable to "GRF" w/ reference# in memo box  
 Pay in person by leaving check in "Payment box"  
 or mailing to:

Attention: Security Division  
 24351 El Toro Road  
 Laguna Woods, CA 92637



## FINANCIAL QUALIFICATIONS POLICY

Revised, 2019  
Resolution 01-19-47

Prospective shareholders of units in United Mutual (United) are required to meet minimum financial requirements for membership as set forth below. All income and assets claimed must be verified by presenting documentation acceptable to the United Mutual Board of Directors.

All applicants shall submit the most recent year's federal income tax return, signed and dated, including Schedules A and B, in addition to other verification documents. If income is derived from an owned business, the appropriate business tax schedules and a profit and loss statement are required.

Where there is more than one prospective shareholder, income and assets can be calculated collectively if each is eligible and intends to reside.

Membership applicants to United are required to submit a completed Financial Statement/Credit Information form together with satisfactory verification of identity, income and assets.

### **ASSET REQUIREMENT**

The prospective shareholder shall submit satisfactory verification of assets equal to the purchase price of the unit plus \$125,000. Prospective transferees (i.e., outside escrow) are required to demonstrate a minimum asset base of \$125,000 only.

Acceptable assets will be those that are considered to be liquid, marketable or income producing. Only aged accounts (180 days) will be considered. Acceptable assets include, among others:

- Equity in U.S. residential property
- Savings accounts in U.S. financial institutions
- Cash value life insurance
- Certificates of deposit, money market accounts in U.S. financial institutions
- IRA, SEP, 401(k) and Keogh accounts
- U.S., state or municipal government bonds valued at current market prices
- American traded investments, (NYSE, Amex, OTC, NASDAQ, etc.) valued at current market prices
- Mortgages and promissory notes, provided that interest is reported on the applicant's tax return
- Equity in U.S. income producing real estate

Excluded from consideration are the following, among others:

- Mobile homes
- Recreational vehicles, boats and trailers
- Vacant land
- Automobiles
- Artwork, jewelry, furs and collections such as coins, dolls, stamps and other similar items
- Term life insurance
- Annuity funds, which cannot be withdrawn in lump sum
- Anticipated bequests or inheritances
- Promissory notes whose income is not reported on the perspective transferee tax return
- Community property: **marital community property, except between the parties**

### **INCOME REQUIREMENTS**

Prospective shareholders shall submit from a recognized credit reporting agency (Equifax, TransUnion or Experian) a full credit report and FICO score dated within 60 days prior to the application submittal.

Prospective shareholders and transferees must provide satisfactory verification of income of at least \$40,000 per year at the time of purchase.

1. Acceptable verifications include, among others:

- The most recent federal tax returns
- W-2 forms or paycheck stubs
- Bank, credit union or investment account statements
- Letters from bankers
- Notices of annuities and social security payments
- Pensions
- Trust income
- Disability income
- Residential/commercial property rental income, **after depreciation**

2. Unacceptable income verifications include, among others:

- Letters from employers, accountants, bookkeepers and attorneys
- Income not reported on federal income tax returns
- Funds held outside U.S. borders
- **Capital gains earnings**

## **OWNERSHIP OF MULTIPLE MEMBERSHIPS**

United does not permit ownership of more than one cooperative membership, except under an interim dual membership agreement, which is issued for six months.

## **FINANCIAL QUALIFICATION WAIVERS**

Shareholders who purchase a replacement unit do not have to requalify financially for membership if there is no change to the membership vesting and the dual interim agreement is in effect.

Current members of one mutual who wish to purchase in another mutual are required to meet the financial requirements of the mutual in which they are purchasing.

A former member may obtain a waiver of financial qualifications if the replacement membership is purchased within 90 days of the closing of the sale of the previously owned membership, and vesting in the new unit is exactly the same as the vesting in the unit previously owned.

## **DISCRETIONARY AUTHORITY**

The United Board of Directors may, but is not obligated to, deny or approve applications for membership based on the conditions herein. The board of directors, exercising prudent business judgment, may also deny or approve, in its sole and absolute discretion, applications based on other material factors, such as, but not limited to, history of bankruptcy, excess liabilities or history of noncompliance as a member in United, GRF or other mutuals in Laguna Woods Village.

## **MEMBERSHIP**

Membership in United is created and starts with the later occurring of the following:

- Written approval of membership by the United Mutual Board of Directors
  - Issuance of a membership stock certificate
  - The signing of an Occupancy Agreement
  - Upon close of escrow
- I. Upon membership approval, the Occupancy Agreement entitles the member to occupy the unit for three years, which is automatically renewed for three-year terms per Article 4 of the Occupancy Agreement, unless terminated by transfer or United's nonrenewal or termination by the board of directors.

## ATTACHMENT 3

### Redline of Governing Documents Review Committee's Proposed Changes to the Smoking Policy

#### United Non-Smoking Policy Adopted February 14, 2017 Resolution 01-17-26

The purpose of this document is to define the policies of United Laguna Woods Mutual (ULWM) regarding smoking or vaping in private units and common area.

#### I. Purpose

The purpose of this document is to define the policies of United Laguna Woods Mutual (ULWM) regarding smoking in private units and common area.

#### II. Definitions

For the purposes of this policy:

- a. Common area means the area which is available for use by more than one person.
- b. Community Rules are defined as the Bylaws, Occupancy Restrictions, Articles of Incorporation, or any rules and regulations of ULWM.
- c. Enclosed is defined as an area closed in by a roof and contiguous walls or windows, connected floor to ceiling with appropriate opening for ingress and egress.
- d. Member is defined as any person entitled to membership in ULWM.
- e. Multi-unit residential facility means a building or portion thereof that contains more than one dwelling unit.
- f. Private residence is defined as that portion of any Cooperative which is not in common with other owners.
- g. Smoking or vaping is defined as inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, e-cigarette, pipe, cannabis, or other combustible substance in any manner or in any form.

#### III. Conditions

Smoking and vaping is prohibited in the entirety of United Laguna Woods Village, including Common Areas, but may be allowed in the following areas as long as a nuisance is not created:

- The interior of units as long as smoke is not permitted to escape the unit;

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- The interior of enclosed balconies and enclosed patios as long as smoke is not permitted to escape the foregoing enclosures;
- Enclosed vehicles as long as smoke is not permitted to escape the vehicle;
- Any other authorized smoking areas established by the Board.

Smoking is prohibited in the following areas:

- a. ~~Enclosed areas of all public places, including lobbies, elevators, hallways and other areas used by members of the public.~~
- b. ~~Elevators, hallways, recreation rooms, laundry rooms, stairs, and other common areas in multi-unit residential facilities.~~
- c. ~~Unenclosed hallways, entryways, breezeways, stairways and other common areas accessible and useable by more than one residence.~~
- d. ~~Balconies and patios in residential facilities. For the purpose of this policy, balconies and patios shall include unenclosed and screened patios and balconies as well as enclosed patios and balconies unless windows and doors are closed to prevent the escape of smoke.~~
- e. ~~Carports and parking areas.~~
- f. ~~In an enclosed vehicle.~~
- g. ~~Any common area within 20 feet from any building so long as smoke does not enter any enclosed area in which smoking is prohibited.~~
- h. ~~Private residence with open windows and/or doors.~~
- i. ~~Smoking marijuana is only permitted inside a residence.~~

#### ~~IV. Enforcement~~

ULWM is authorized to take disciplinary action against a Member found to be in violation of the Non-Smoking 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 following by anyone they allow into the community. This includes any Co- occupant, lessee, or guest, care provider, vendor, invitee, or contractor.

ATTACHMENT 3  
Redline of Proposed Updates to Policy

**Resolution 01-15-03**

**Policy for Distribution of Materials by Residents and Resident Organizations**

**RESOLVED**, June 11, 2019, the Board of Directors of this Corporation hereby ~~establishes-amends~~ the following policy for the distribution of publications, advertisement, announcements, campaign material, petitions, and related printed literature (hereinafter "Material") by residents or resident organizations on property owned and managed by the United Laguna Woods Mutual; and

**RESOLVED FURTHER**, any materials for social, political, educational, or non-commercial purposes, including petitions to gather signatures, to be distributed to United Mutual residents shall bear identification as to its source and any individual or entity distributing such material shall comply with all of the following conditions:

**1. Distribution of Material**

- a. Door-to-door distribution of Material shall be permitted, as long as the act of distributing such Material does not rise to the level of creating a nuisance for Laguna Woods Village residents.
- b. Material that is distributed door-to-door may only be secured under the doormat or near on the thresholds of front doors. Material may not be hung from doorknobs but may not be nor placed in USPS delivery points, nor or left on vehicles in carports anywhere.
- b-c. Closed gates may not be opened.

**2. Petitions**

- a. Only Mutual Members, or their designated agents, are permitted to gather signatures on petitions.
- b. The petition must remain in the possession of the signature gatherer (there can be no unattended petitions).

**3. Posting of Material - Postings that do not comply with these rules will be subject to removal.**

- a. Posting locations are limited to those areas reserved for posting, such as Laundry Room bulletin boards and are available only for residents.
- b. Only one posting per subject matter, per organization, or per candidate, is allowed ~~on the posting site~~.
- c. The size of ~~the a~~ posting in the laundry rooms shall not exceed 5.5" by 8.5" **(one half page)** to allow space for other postings.
- d. Each posting by a resident, or resident organization, must identify the posting individual's name, and posting date.
- e. Any Material considered lewd or vulgar will be subject to removal.
- f. All non-election Postings-postings shall be removed after thirty (30) days after the posting date. For election postings, removal after the election date.
- g. All Material must comply with federal, state, and community ~~and federal~~ laws.
- h. Removing postings of others is prohibited.



## **STANDARD 18: GUTTERS & DOWNSPOUTS**

OCTOBER 2010, RESOLUTION 01-10-224

GENERAL REQUIREMENTS REVISED JUNE 2011, RESOLUTION 01-11-104

GENERAL REQUIREMENTS REVISED JANUARY 2016, RESOLUTION 01-16-08

GENERAL REQUIREMENTS REVISED JUNE 2018, RESOLUTION 01-18-57

REVISED NOVEMBER 2018, RESOLUTION 01-18-113

REVISED JUNE 2019, RESOLUTION 01-19-XX

### **1.0 GENERAL REQUIREMENTS**

**SEE STANDARD SECTION 1: GENERAL REQUIREMENTS**

### **2.0 APPLICATIONS**

- 2.1** Gutters must be a minimum 5" wide, measured at the top.
- 2.2** Alteration aluminum gutters and downspouts are not allowed to be connected to original steel gutters and downspouts. If the alteration gutter system must be connected to an original steel gutter system, the Member is responsible for replacing the original steel gutter system with new aluminum that matches the original style and color.
- 2.3** Gutters are to be made of aluminum with a minimum gauge of .027. Vinyl coated aluminum is permitted. Copper or steel gutters and downspouts are not permitted.
- 2.4** Gutters are required to slope one inch for every 20 feet toward the downspout.
- 2.5** Gutters in excess of 35 feet in length are to be sloped down both directions from the middle and have a downspout installed at each end.
- 2.6** Gutters attached to the Mutual owned fascia are required to be attached using ring shank spikes or wood screws. Smooth, striated and spiral spikes are prohibited.



- 2.7** Hidden hangers and spikes are required to be spaced at a minimum of 30 inch.
- 2.8** All penetrations must be properly sealed. Exposed wood must be properly primed and painted to match the existing paint of the building.
- 2.9** Applications to roofs where hangers penetrate or may harm the roofing in any way will not be allowed. Attachments to buildings with PVC roofs are required to be approved by the Alteration Division prior to installation. Member shall be responsible for all damages to roofs.
- 2.10** Downspouts are required to be 3" x 4" and are to be located in areas free from obstacles such as electric meters, hose bibs and sidewalks; and in the most inconspicuous location as possible.

The ends of downspouts must drain into a proper drainage system such as a drywell, or onto pavement, or a splash block that routes the water at least five feet downhill from the foundation of the building and onto properly graded soil.

- 2.11** Drywells must be five feet away from buildings, if possible.



## **STANDARD 18: GUTTERS & DOWNSPOUTS**

OCTOBER 2010, RESOLUTION 01-10-224

GENERAL REQUIREMENTS REVISED JUNE 2011, RESOLUTION 01-11-104

GENERAL REQUIREMENTS REVISED JANUARY 2016, RESOLUTION 01-16-08

GENERAL REQUIREMENTS REVISED JUNE 2018, RESOLUTION 01-18-57

REVISED NOVEMBER 2018, RESOLUTION 01-18-113

REVISED JUNE 2019, RESOLUTION 01-19-XX

### **1.0 GENERAL REQUIREMENTS**

**SEE STANDARD SECTION 1: GENERAL REQUIREMENTS**

### **2.0 APPLICATIONS**

~~2.1~~ All gutters and downspouts will be of the same style and color to match existing gutters on the building.

~~2.22.1~~ Gutters must be a minimum 5" wide, measured at the top.

~~2.32.2~~ Alteration aluminum gutters and downspouts are not allowed to be connected to original steel gutters and downspouts. If the alteration gutter system must be connected to an original steel gutter system, the Member is responsible for replacing the original steel gutter system with new aluminum that matches the original style and color.

~~2.42.3~~ Gutters are to be made of aluminum with a minimum gauge of .027. Vinyl coated aluminum is permitted. Copper or steel gutters and downspouts are not permitted.

~~2.52.4~~ Gutters are required to slope one inch for every 20 feet toward the downspout.

~~2.62.5~~ Gutters in excess of 35 feet in length are to be sloped down both directions from the middle and have a downspout installed at each end.

**2.72.6** Gutters attached to the Mutual owned fascia are required to be attached using ring shank spikes or wood screws. Smooth, striated and spiral spikes are prohibited.

**2.82.7** Hidden hangers and spikes are required to be spaced at a minimum of 30 inch.

**2.92.8** All penetrations must be properly sealed. Exposed wood must be properly primed and painted to match the existing paint of the building.

**2.102.9** Applications to roofs where hangers penetrate or may harm the roofing in any way will not be allowed. Attachments to buildings with PVC roofs are required to be approved by the Alteration Division prior to installation. Member shall be responsible for all damages to roofs.

**2.112.10** Downspouts are required to be 3" x 4" and are to be located in areas free from obstacles such as electric meters, hose bibs and sidewalks; and in the most inconspicuous location as possible.

**2.12** The ends of downspouts must drain into a proper drainage system such as a drywell, or onto pavement, or a splash block that routes the water at least three-five feet downhill from the foundation of the building and onto properly graded soil. ~~Downspouts are prohibited from draining directly onto a roadway and/or into the storm drain system.~~

**2.11** Drywells must be five feet away from buildings, if possible.

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**FINANCIAL REVIEW CONFIRMATION CHECKLIST FOR  
THE BOARD OF DIRECTORS OF  
THE UNITED LAGUNA WOODS MUTUAL  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

Pursuant to California *Civil Code* Section 5500, unless the governing documents impose more stringent requirements, the Board of Directors of United Laguna Woods Mutual ("United") is required to review various financial documents and statements on at least a monthly basis. Furthermore, this review requirement may be satisfied by a subcommittee of the Board, which consists of United's treasurer and at least one (1) other Board member. (*Civil Code* § 5501.)

This Financial Review Confirmation Checklist ("Checklist") is designed for use in keeping track of the financial review obligations required by the *Civil Code*. It also serves to document the completion/satisfaction of these financial review obligations by the Board of Directors and/or the designated subcommittee of the Board.

Accordingly, the undersigned Board members, or designated subcommittee members, hereby affirm that they reviewed the following documents for the period ending April 30, 2019:

- ☐ 1. A current reconciliation of United's operating and reserve accounts; and
- ☐ 2. The current year's actual operating revenues and expenses, compared to the current year's budget; and
- ☐ 3. The latest account statements prepared by the financial institutions where United has its operating and reserve accounts; and
- ☐ 4. The income and expense statement for United's operating and reserve accounts; and
- ☐ 5. The check register, monthly general ledger, and delinquent assessment receivable reports.

*I certify that the above financial documents were reviewed to the best of my ability, in my fiduciary capacity as a member of the United Board of Directors or subcommittee of the Board of Directors. Nothing contained herein is intended nor shall be construed as any guarantee, nor waiver of any of United's legal rights or remedies, all of which are expressly reserved.*

**UNITED LAGUNA WOODS MUTUAL**

Signature: R Gary Morrison  
Print Name: R Gary Morrison  
Title: Treasurer  
Date: 6.3.2018

**UNITED LAGUNA WOODS MUTUAL**

Signature: E Addington  
Print Name: Elsie Addington  
Title: Director  
Date: June 3, 2019

*I certify that the above financial documents were reviewed to the best of my ability, in my fiduciary capacity as a member of the United Board of Directors or subcommittee of the Board of Directors. Nothing contained herein is intended nor shall be construed as any guarantee, nor waiver of any of United's legal rights or remedies, all of which are expressly reserved.*

**UNITED LAGUNA WOODS MUTUAL**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**UNITED LAGUNA WOODS MUTUAL**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**UNITED LAGUNA WOODS MUTUAL**

Signature: Andre Törng

Print Name: ANDRE TÖRNG

Title: Board Director (United)

Date: 6/4/2019

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## STAFF REPORT

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**DATE:** June 11, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Non-Smoking Policy

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### **RECOMMENDATION**

Adopt the attached resolution amending the current Non-Smoking Policy.

### **BACKGROUND**

On February 14, 2017, the Board of Directors approved Resolution 01-17-26, Non-Smoking Policy. On April 22, 2019, the Governing Documents Review Committee discussed the amendments to the Non-Smoking Policy. By way of consensus, the committee is recommending to the Board to adopt the amendments proposed by legal counsel.

### **DISCUSSION**

The purpose of the amendment is to clarify language regarding smoking in Common Area. Legal Counsel provided direction and suggestions that was incorporated.

In summary, the amendments recommend smoking be prohibited in the entirety of United Laguna Woods Village, other than in the following areas:

1. The interior of Units as long as smoke is not permitted to escape the Unit;
2. The interior of enclosed balconies and enclosed patios as long as smoke is not permitted to escape the foregoing enclosures;
3. Enclosed vehicles as long as smoke is not permitted to escape the vehicle; and
4. Any other authorized smoking areas established by the Board.

### **FINANCIAL ANALYSIS**

There is no financial impact.

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Francis Gomez, Operations Manager  
Tim Moy, Chief of Security  
Siobhan Foster, Chief Operating Officer

### **ATTACHMENT(S)**

Attachment 1: Proposed Resolution  
Attachment 2: Proposed Amended Non-Smoking Policy

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ATTACHMENT 1



**RESOLUTION 01-19-xx**  
**Non-Smoking Policy**

**WHEREAS**, the Governing Documents Review Committee has recommended adopting a Non-Smoking Policy, to fairly and reasonably address smoking in Laguna Woods Village; and

**WHEREAS**, United Laguna Woods Mutual has received numerous complaints from various residents concerning odors and annoyance in and around manors caused from residents second-hand smoke and smoke infiltration;

**NOW THEREFORE BE IT RESOLVED**, June 11, 2019, that the Board of Directors of this Corporation hereby adopts the revised "Non-Smoking Policy," as attached to the official minutes of this meeting.

**RESOLVE FURTHER**, that Resolution 01-17-54 adopted February 14, 2017 is hereby superseded and canceled; 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.

**MAY Initial Notification**

**28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.**

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## ATTACHMENT 2

### **Non-Smoking Policy**

Resolution 01-19-XX; Adopted June XX, 2019

#### **I. Purpose**

The purpose of this document is to define the policies of United Laguna Woods Mutual (United) regarding smoking or vaping in private units and Common Area.

#### **II. Definitions**

For the purposes of this policy:

- a. Common area means the area which is available for use by more than one person.
- b. Community Rules are defined as the Bylaws, Occupancy Restrictions, Articles of Incorporation, or any rules and regulations of United.
- c. Enclosed is defined as an area closed in by a roof and contiguous walls or windows, connected floor to ceiling with appropriate opening for ingress and egress.
- d. Member is defined as any person entitled to membership in United.
- e. Multi-unit residential facility means a building or portion thereof that contains more than one dwelling unit.
- f. Private residence is defined as that portion of any Cooperative which is not in common with other owners.
- g. Smoking or vaping is defined as inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, e-cigarette, pipe, cannabis, or other combustible substance in any manner or in any form.

#### **III. Conditions**

Smoking and vaping is prohibited in the entirety of United Laguna Woods Village including Common Areas, but may be allowed in the following areas as long as a nuisance is not created:

- a. The interior of Units as long as smoke is not permitted to escape the Unit.
- b. The interior of enclosed balconies and enclosed patios as long as smoke is not permitted to escape the foregoing enclosures.
- c. Enclosed vehicles as long as smoke is not permitted to escape the vehicle.
- d. Any other authorized smoking area established by the Board.

#### **IV. Enforcement**

United is authorized to take disciplinary action against a Member found to be in violation of the Non-Smoking 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 following by anyone they allow into the community. This includes any Co-occupant, lessee, or guest, care provider, vendor, invitee, or contractor.

Per Resolution 01-08-21, adopted February 12, 2008, the following guidelines define the responsibility for remediation costs associated with second-hand smoke infiltration:

- a. Remediation costs considered reasonable would be paid for by the Member responsible for the second-hand smoke.
- b. Remediation costs due to defects or damages to property which is United responsibility would be paid for by United.
- c. Remediation costs beyond those which would be construed as reasonable would be borne by complainant.

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



## STAFF REPORT

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**DATE:** June 11, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Policy for Distribution of Materials by Residents and Resident Organizations

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### **RECOMMENDATION**

Approve the attached resolution to approve the Policy for Distribution of Materials by Residents and Resident Organizations.

### **BACKGROUND**

Civil Code Section 4515 that went into effect January 1, 2018 allows residents of common interest developments to peacefully participate in politically expressive activities related to common interest developments within their community. This includes, but is not limited to, the ability to peacefully assemble, utilize the common areas for meetings and gatherings, and to canvass and petition within the community pertaining to association elections and legislation.

The existing United canvassing policy approved via Resolution 01-15-03 on January 13, 2015 needs to be updated to reflect current state law.

### **DISCUSSION**

The applicability of the law as to United, which has no common area meeting spaces, is limited; specifically, only Civil Code Section 4515, Subsections (b)(4) - (5) and (d) apply as follows.

Civil Code Section 4515(b)(4)-(5) provides:

“The governing documents, including bylaws and operating rules, shall not prohibit a member or resident of a common interest development from doing any of the following:

(4) Canvassing and petitioning the members, the association board, and

(5) Distributing or circulating, without prior permission, information about common interest development living, association elections, legislation, election to public office, or the initiative, referendum, or recall processes, or other issues of concern to members and residents at reasonable hours and in a reasonable manner.”

Civil Code Section 4515(d) provides:

“A member or resident of a common interest development who is prevented by the association or its agents from engaging in any of the activities described in this section may bring a civil or small claims court action to enjoin the enforcement of a governing document, including a bylaw and operating rule that violates this section. The court may assess a civil penalty of not more than five hundred dollars (\$500) for each violation.”

Members must be allowed to circulate information of concern, including petitioning and canvassing members and/or the association’s board, in a reasonable manner. It is important to note, violations of the code by the association permit a member to recover up to five hundred dollars for each violation.

On March 25, 2019, the Governing Documents Review Committee reviewed the existing canvassing policy (Resolution 01-15-03) and determined it is not consistent with the new state law. The Committee made updates to the current policy to address the concerns and requested the updated policy be brought to the next meeting as written.

On April 22, 2019, the Committee reviewed the updated policy. After discussion, President Skillman made a motion to have staff make the Committee’s updates to the policy and send the proposed policy to the Board for consideration. Treasurer Morrison seconded the motion. The Committee was in unanimous support.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Siobhan Foster, COO

**Reviewed By:** Eve Morton, Administrative Coordinator

**Committee Routing:** Governing Documents Review Committee

### **ATTACHMENT(S)**

ATT 1: GRF Resolution (90-18-11) Re: Canvassing

ATT 2: Redline of Proposed Updates to Current Policy

ATT 3: Proposed Updates to Current Policy: Resolution 01-19-XX



**ATTACHMENT 1**  
**GRF Resolution Regarding Canvassing**

**RESOLUTION 90-18-11**  
**Civil Code Section §4515**

**WHEREAS**, California Civil Code Section §4515 went into effect as of January 1, 2018; and

**WHEREAS**, Civil Code Section §4515 expresses the legislative intent that members and residents of common interest developments have the ability to exercise their rights under law to peacefully assemble and freely communicate with respect to common interest development living or for social, political or educational purposes; and

**WHEREAS**, Civil Code Section §4515 precludes the governing documents of common interest developments from prohibiting members or residents from those activities prescribed in Section §4515 (b)(1)-(5).

**NOW THEREFORE, BE IT RESOLVED**, March 6, 2018, that to the extent the

provision of any prior resolution violates Civil Code Section §4515, that Section §4515 supersedes the provision and the provision shall not be enforced; and

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

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ATTACHMENT 2  
Redline of Proposed Updates to Policy

**Resolution 01-15-03**

**Policy for Distribution of Materials by Residents and Resident Organizations**

**RESOLVED**, June 11, 2019, the Board of Directors of this Corporation hereby ~~establishes-amends~~ the following policy for the distribution of publications, advertisement, announcements, campaign material, petitions, and related printed literature (hereinafter "Material") by residents or resident organizations on property owned and managed by the United Laguna Woods Mutual; and

**RESOLVED FURTHER**, any materials for social, political, educational, or non-commercial purposes, including petitions to gather signatures, to be distributed to United Mutual residents shall bear identification as to its source and any individual or entity distributing such material shall comply with all of the following conditions:

**1. Distribution of Material**

- a. Door-to-door distribution of Material shall be permitted, as long as the act of distributing such Material does not rise to the level of creating a nuisance for Laguna Woods Village residents.
- b. Material that is distributed door-to-door may only be secured under the doormat or near on the thresholds of front doors. Material may not be hung from doorknobs but may not be nor placed in USPS delivery points, nor or left on vehicles in carports anywhere.
- b-c. Closed gates may not be opened.

**2. Petitions**

- a. Only Mutual Members, or their designated agents, are permitted to gather signatures on petitions.
- b. The petition must remain in the possession of the signature gatherer (there can be no unattended petitions).

**3. Posting of Material - Postings that do not comply with these rules will be subject to removal.**

- a. Posting locations are limited to those areas reserved for posting, such as Laundry Room bulletin boards and are available only for residents.
- b. Only one posting per subject matter, per organization, or per candidate, is allowed ~~on the posting site~~.
- c. The size of ~~the a~~ posting in the laundry rooms shall not exceed 5.5" by 8.5" (**one half page**) to allow space for other postings.
- d. Each posting by a resident, or resident organization, must identify the posting individual's name, and posting date.
- e. Any Material considered lewd or vulgar will be subject to removal.
- f. All non-election Postings-postings shall be removed after thirty (30) days after the posting date. For election postings, removal after the election date.
- g. All Material must comply with federal, state, and community ~~and federal~~ laws.
- h. Removing postings of others is prohibited.

**4. Knocking on Doors**

- a. Knocking on doors or ringing of doorbells to contact residents is only permitted weekdays from 10 a.m. to dusk, excluding national holidays.  
~~h.b.~~ "No Solicitation" or "Do Not Disturb" signs must be honored.

~~Postings that do not comply with these rules will be subject to removal.~~

**NOW THEREFORE BE IT RESOLVED**, that Resolution 01-15-03 approved on January 13, 2015; is hereby superseded and canceled; 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.

**May Initial Notification**

**28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.**

**ATTACHMENT 3**  
**Clean Copy of Proposed Updates to Policy/Resolution**

**Resolution 01-19-XX**

**Policy for Distribution of Materials by Residents and Resident Organizations**

**RESOLVED**, June 11, 2019, the Board of Directors of this Corporation hereby amends the following policy for the distribution of publications, advertisement, announcements, campaign material, petitions, and related printed literature (hereinafter “Material”) by residents or resident organizations on property owned and managed by the United Laguna Woods Mutual; and

**RESOLVED FURTHER**, any materials for social, political, educational, or non-commercial purposes, including petitions to gather signatures, to be distributed to United Mutual residents shall bear identification as to its source and any individual or entity distributing such material shall comply with all of the following conditions:

**1. Distribution of Material**

- a. Door-to-door distribution of Material shall be permitted, as long as the act of distributing such Material does not rise to the level of creating a nuisance for Laguna Woods Village residents.
- b. Material that is distributed door-to-door may be **secured** under the doormat or near the thresholds of front doors, or hung from doorknobs but may not be placed in USPS delivery points, or left on vehicles anywhere.
- c. Closed gates may not be opened.

**2. Petitions**

- a. Only Mutual Members, or their designated agents, are permitted to gather signatures on petitions.
- b. The petition must remain in the possession of the signature gatherer (there can be no unattended petitions).

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- a. Posting locations are limited to those areas reserved for posting, such as Laundry Room bulletin boards and are available only for residents.
- b. Only one posting per subject matter, per organization, or per candidate, is allowed.
- c. The size of a posting in the laundry rooms shall not exceed 5.5” by 8.5” **(one half page)** to allow space for other postings.
- d. Each posting by a resident, or resident organization, must identify the posting individual’s name, and posting date.
- e. Any Material considered lewd or vulgar will be subject to removal.
- f. All non-election postings shall be removed after thirty (30) days after the posting date. For election postings, removal after the election date.
- g. All Material must comply with federal, state, and community laws.
- h. Removing postings of others is prohibited.

**4. Knocking on Doors**

- a. Knocking on doors or ringing of doorbells to contact residents is only permitted weekdays from 10 a.m. to dusk, excluding national holidays.

b. "No Solicitation" or "Do Not Disturb" signs must be honored.

**NOW THEREFORE BE IT RESOLVED**, that Resolution 01-15-03 approved on January 13, 2015; is hereby superseded and canceled; 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.

**May Initial Notification**

**28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.**



## STAFF REPORT

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**DATE:** June 11, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Revision of Alteration Standard 18: Gutters and Downspouts

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### **RECOMMENDATION**

Approve a resolution to adopt revisions to Alteration Standard 18: Gutters and Downspouts.

### **BACKGROUND**

On April 18, 2019, the Architectural Controls and Standards Committee (ACSC) reviewed this Standard. The Committee voted to recommend the item for approval by the Board.

The ACSC requested staff to review and revise the current Alteration Standards for applicability, usefulness, and current technology.

There are currently 32 Alteration Standards available for Members to use to perform alterations to their unit. Many have not been reviewed or updated for years to reflect changes in technology, materials, and work methods.

Alteration Standard 18: Gutters and Downspouts was last revised in November 2018, via Resolution 01-18-113.

### **DISCUSSION**

Due to the continued popularity of the various components involved in the remodel process, the ACSC has reviewed the existing standard pertaining to Alteration Standard 18: Gutters and Downspouts. The following sections are proposed to be revised as follows:

- 2.1 ~~All gutters and downspouts will be of the same style or color to match existing gutters on the building.~~
- 2.12 The ends of downspouts must drain into a proper drainage system such as a drywell, or onto pavement, or a splash block that routes the water at least ~~three~~ five feet downhill from the foundation of the building and onto properly graded soil. ~~Downspouts are prohibited from draining directly onto a roadway and/or into the storm drain system.~~
- 2.11 Drywells must be five feet away from buildings, if possible.

## **FINANCIAL ANALYSIS**

None.

**Prepared By:** Brett Crane, Permits, Inspections and Restoration Manager

**Reviewed By:** Eve Morton, Alterations Coordinator

## **ATTACHMENT(S)**

**Attachment 1:** Resolution 01-19-XX Revise Alteration Standard 18: Gutters and Downspouts

**Attachment 2:** Revised Alteration Standard 18: Gutters and Downspouts

**Attachment 3:** Redline of Proposed Updates to Alteration Standard 18: Gutters and Downspouts



**Attachment 1**

**RESOLUTION 01-19-XX**

**Revise Alteration Standard 18: Gutters and Downspouts**

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to amend Alteration Standards and create new Alteration Standards as necessary; and,

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard 18: Gutters and Downspouts.

**NOW THEREFORE BE IT RESOLVED**, June 11, 2019, that the Board of Directors of this Corporation hereby introduces the revisions to Alteration Standard 18: Gutters and Downspouts, attached as part of the official minutes of this meeting;

**RESOLVED FURTHER**, that Resolution 01-18-113, adopted November, 2018, 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 this resolution as written.

MAY Initial Notification

28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.

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## ATTACHMENT 2



### **STANDARD 18: GUTTERS & DOWNSPOUTS**

OCTOBER 2010, RESOLUTION 01-10-224

GENERAL REQUIREMENTS REVISED JUNE 2011, RESOLUTION 01-11-104

GENERAL REQUIREMENTS REVISED JANUARY 2016, RESOLUTION 01-16-08

GENERAL REQUIREMENTS REVISED JUNE 2018, RESOLUTION 01-18-57

REVISED NOVEMBER 2018, RESOLUTION 01-18-113

REVISED JUNE 2019, RESOLUTION 01-19-XX

#### **1.0 GENERAL REQUIREMENTS**

**SEE STANDARD SECTION 1: GENERAL REQUIREMENTS**

#### **2.0 APPLICATIONS**

- 2.1** Gutters must be a minimum 5" wide, measured at the top.
- 2.2** Alteration aluminum gutters and downspouts are not allowed to be connected to original steel gutters and downspouts. If the alteration gutter system must be connected to an original steel gutter system, the Member is responsible for replacing the original steel gutter system with new aluminum that matches the original style and color.
- 2.3** Gutters are to be made of aluminum with a minimum gauge of .027. Vinyl coated aluminum is permitted. Copper or steel gutters and downspouts are not permitted.
- 2.4** Gutters are required to slope one inch for every 20 feet toward the downspout.
- 2.5** Gutters in excess of 35 feet in length are to be sloped down both directions from the middle and have a downspout installed at each end.
- 2.6** Gutters attached to the Mutual owned fascia are required to be attached using ring shank spikes or wood screws. Smooth, striated and spiral spikes are prohibited.

- 2.7** Hidden hangers and spikes are required to be spaced at a minimum of 30 inch.
- 2.8** All penetrations must be properly sealed. Exposed wood must be properly primed and painted to match the existing paint of the building.
- 2.9** Applications to roofs where hangers penetrate or may harm the roofing in any way will not be allowed. Attachments to buildings with PVC roofs are required to be approved by the Alteration Division prior to installation. Member shall be responsible for all damages to roofs.
- 2.10** Downspouts are required to be 3" x 4" and are to be located in areas free from obstacles such as electric meters, hose bibs and sidewalks; and in the most inconspicuous location as possible.

The ends of downspouts must drain into a proper drainage system such as a drywell, or onto pavement, or a splash block that routes the water at least five feet downhill from the foundation of the building and onto properly graded soil.

- 2.11** Drywells must be five feet away from buildings, if possible.



## **STANDARD 18: GUTTERS & DOWNSPOUTS**

OCTOBER 2010, RESOLUTION 01-10-224

GENERAL REQUIREMENTS REVISED JUNE 2011, RESOLUTION 01-11-104

GENERAL REQUIREMENTS REVISED JANUARY 2016, RESOLUTION 01-16-08

GENERAL REQUIREMENTS REVISED JUNE 2018, RESOLUTION 01-18-57

REVISED NOVEMBER 2018, RESOLUTION 01-18-113

REVISED JUNE 2019, RESOLUTION 01-19-XX

### **1.0 GENERAL REQUIREMENTS**

**SEE STANDARD SECTION 1: GENERAL REQUIREMENTS**

### **2.0 APPLICATIONS**

~~2.1~~ All gutters and downspouts will be of the same style and color to match existing gutters on the building.

~~2.22.1~~ Gutters must be a minimum 5" wide, measured at the top.

~~2.32.2~~ Alteration aluminum gutters and downspouts are not allowed to be connected to original steel gutters and downspouts. If the alteration gutter system must be connected to an original steel gutter system, the Member is responsible for replacing the original steel gutter system with new aluminum that matches the original style and color.

~~2.42.3~~ Gutters are to be made of aluminum with a minimum gauge of .027. Vinyl coated aluminum is permitted. Copper or steel gutters and downspouts are not permitted.

~~2.52.4~~ Gutters are required to slope one inch for every 20 feet toward the downspout.

~~2.62.5~~ Gutters in excess of 35 feet in length are to be sloped down both directions from the middle and have a downspout installed at each end.

**2.72.6** Gutters attached to the Mutual owned fascia are required to be attached using ring shank spikes or wood screws. Smooth, striated and spiral spikes are prohibited.

**2.82.7** Hidden hangers and spikes are required to be spaced at a minimum of 30 inch.

**2.92.8** All penetrations must be properly sealed. Exposed wood must be properly primed and painted to match the existing paint of the building.

**2.102.9** Applications to roofs where hangers penetrate or may harm the roofing in any way will not be allowed. Attachments to buildings with PVC roofs are required to be approved by the Alteration Division prior to installation. Member shall be responsible for all damages to roofs.

**2.112.10** Downspouts are required to be 3" x 4" and are to be located in areas free from obstacles such as electric meters, hose bibs and sidewalks; and in the most inconspicuous location as possible.

**2.12** The ends of downspouts must drain into a proper drainage system such as a drywell, or onto pavement, or a splash block that routes the water at least three-five feet downhill from the foundation of the building and onto properly graded soil. ~~Downspouts are prohibited from draining directly onto a roadway and/or into the storm drain system.~~

**2.11** Drywells must be five feet away from buildings, if possible.



## STAFF REPORT

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**DATE:** June 11, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Alternative Herbicide Trial Report

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### **RECOMMENDATION**

1. Direct Staff to discontinue the use of herbicides containing the chemical glyphosate
2. Approve an unbudgeted expense of \$15,000 for alternative herbicide products.

### **BACKGROUND**

At the January 8, 2019, Regular Open Board meeting, Staff was directed to investigate a viable alternative to Roundup and other herbicides that contain glyphosate.

### **DISCUSSION**

In response to concerns from the community regarding the safety of the herbicide Round Up<sup>®</sup> and its main ingredient glyphosate, Staff was directed to investigate the potential use of viable alternative products.

Most of the natural, organic, and alternative products have the potential to increase the cost of weed control dramatically. There are several key variables; cost per gallon, the effective quantity, the application rate, and the number of applications. These variables have the potential to increase the costs of any weed control program.

With all of the conflicting available information, Staff decided to test the efficacy of six of the leading alternative herbicides. As the efficacy of Roundup<sup>®</sup> is well known, it was used as the control. To reduce the number of variables, Staff standardized the trials (Attachment 1).

Each product has different costs per gallon, different claims to safety, different levels of efficacy, and different application price levels. By creating a trial program, each of these important factors was addressed. The data produced from the trials will allow the Board to make an educated decision on an alternative product to glyphosate (Attachment 2).

Finale<sup>®</sup> outperformed the entire group of alternative products and was the only product that killed the Kikuyu grass completely. The trial showed that Finale<sup>®</sup> at four ounces per gallon rate, along with one half ounce of Oroboost<sup>®</sup> additive, is a viable alternative to glyphosate products. If the Board desires to eliminate Roundup<sup>®</sup> and other glyphosate products from the herbicide program in Laguna Woods Village, the recommendation is Finale<sup>®</sup> with Oroboost<sup>®</sup>.

### **FINANCIAL ANALYSIS**

Based upon the historic usage of Roundup<sup>®</sup>, the estimated additional annual cost for the use of the Finale<sup>®</sup> blend will be approximately \$15,000. Please see the attached detailed report for additional financial information.

**Prepared By:** Kurt Wieman, Senior Field Services Manager

**Reviewed By:** Eve Morton, Landscape Operations Coordinator

### **ATTACHMENT(S)**

**ATTACHMENT 1:** Resolution 01-19-XX, Alternative Herbicides

**ATTACHMENT 2:** Alternative Herbicide Final Report with Financials



**RESOLUTION 01-19-XX**  
**Alternative Herbicides**

**WHEREAS**, in response to concerns from the community regarding the safety of the herbicide Roundup® and its main ingredient glyphosate, the Board directed Staff to investigate the potential use of viable alternative products;

**WHEREAS**, Staff has determined that viable alternatives exist and are as efficacious as glyphosate; and

**WHEREAS**, on April 11, 2019, the Landscape Committee recommended to eliminate the use herbicide Roundup® and its main ingredient, glyphosate, within the Mutual.

**NOW THEREFORE BE IT RESOLVED**, June 11, 2019, the Board of Directors does hereby eliminate the use of glyphosate based products within the Mutual;

**RESOLVED FURTHER**, the Board of Director's authorizes an unbudgeted expenditure of \$15,000 from the Operating Fund for the increased cost of alternative herbicides;

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

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# Alternative Herbicide Trials

Laguna Woods Village

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APRIL 8, 2019

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Village Management Services, Inc.



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# Alternative Herbicide Trials

## Laguna Woods Village

### Introduction

In response to concerns from the community regarding the safety of the herbicide Roundup® and its main ingredient glyphosate, the Landscape Committees from the Golden Rain Foundation, United Laguna Woods Mutual, and Third Laguna Hills Mutual directed staff to investigate the potential use of alternative products.

In recent years there has been an interest in the landscape and agricultural industries with alternative herbicides to control weeds. In response, many herbicide manufacturers have entered the market with synthetic, organic, natural, and other safe alternative products. Throughout the green industry there are different views on which herbicide to use, which is the most effective, and which is the safest. In the green industry, weeds are referred to as pests; the terms “herbicide” and “pesticide” in this context are synonyms and are used interchangeably. Results of these herbicides have varied based on the volume of product that was applied, the type of weeds treated, the type of weather or season in which it was applied, the application equipment, the sponsor of the test, and human error.

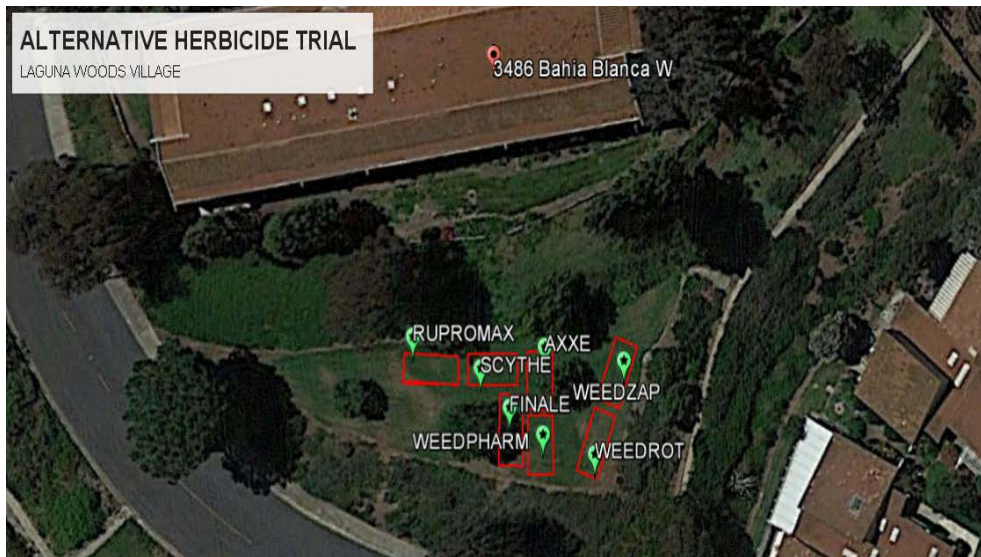
Most of the natural, organic, and alternative products have the potential to increase the cost of weed control dramatically. There are several variables; cost per gallon, the effective quantity, the application rate, and the number of applications. These variables have the potential to increase the costs of any weed control program.

With all of the conflicting available information, Staff decided to test the efficacy of six of the leading alternative herbicides. As the efficacy of Roundup® is well known; it was used as the control. To reduce the number of variables, Staff standardized the trials. To oversee and verify the methodology and metric, Staff employed the services of MTC Landscape Services, an expert in agronomics and landscape methodology. The principal, M. Tom Carrasco, is a licensed Pest Control Adviser (PCA). PCAs are licensed by the State of California as professional consultants who serve the California agriculture, landscape, and horticulture industry.

The safety aspect of alternatives to glyphosate is also a factor to be considered. Many of the organic alternatives do include EPA registration numbers and strong signal words such as DANGER and WARNING. The level of safety, according to the EPA, from least to most toxic is as follows: CAUTION, WARNING, DANGER, and POISON. These strong signal words on some of the alternative herbicides indicate that these products may be a concern for the employee applying the product, but they are also a possible concern for the public and the environment.

## **Trial Location and Plan**

The location of the trial was adjacent to 3486 Bahia Blanca West. The location is northwest facing with six to ten hours of partial sun during February and March. The total square footage of the trial area is 5,852 square feet. Each product was applied in a dedicated, marked location of 200 square feet each.



Most herbicides, including glyphosate, either contain or require an added adjuvant to improve their efficacy. The adjuvants help with the spreading, adhesion, and penetration of the main product. For these tests, Oroboost® was used; it is certified organic and possesses superior penetration properties. A recent University of Illinois study concluded that Oroboost®-treated applications are absorbed into the leaf more quickly, and move a greater percentage of the systemic herbicide to the roots faster than herbicide alone. This product also treats the issue of water quality that greatly affects the efficacy of any herbicide.

## **Protocol Summary**

With today's environmental and human safety awareness levels, the Landscape Management Team at Laguna Woods Village took a proactive approach to testing alternatives to the herbicide glyphosate. There have been many products entering the market claiming to be an alternative to glyphosate. Each product has different costs per application, different claims to safety, different levels of efficacy, and different price levels. By creating a trial program, we address each of these important factors. The data will allow the Board Members and Management to make an educated decision on an alternative product to glyphosate and consider alternative methods to their standard application protocol.

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## **Testing Protocol**

1. Identical, individual, new, 1- gallon spray tanks were used to apply each product.
2. All applications were performed by a licensed Qualified Applicator (QAL)
3. Products were all sprayed by the same applicator to reduce inconsistencies.
4. Each product was sprayed at the highest labeled rate.
5. Each alternative herbicide was mixed with one half ounce per gallon, of Oroboost®.
6. All plots were 200 square feet for each product
7. The chosen location turf was 85% Kikuyu and 15% mixed turf. Each plot was representative of this.
8. Irrigation was turned off for 24 hours to arrive at maximum effectiveness of the herbicides
9. A 1/2 gallon of final solution of each alternative herbicide was sprayed on its 200 square foot plot. This is equivalent to 2.5 gallons per 1000 sq. feet which is considered standard in the industry as “sprayed to wet.” This is also the setting that most spray tanks are calibrated to at the factory.
10. Pictures of each plot were taken prior to each application
11. As directed by the individual labels, a second application was applied two weeks after the initial application. These products included: Scythe®, Axxe, Weed Pharm, Finale® and Weed Zap.

## **PRODUCTS**

The seven products tested:

1. **ROUNDUP® (Control)**
2. **WEED ZAP®**
3. **WEED ROT®**
4. **SCYTHE®**
5. **FINALE®**
6. **AXXE®**
7. **WEED PHARM®**



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## **Discussion**

Kikuyu grass is the number one weed that the crews in Laguna Woods Village have to manage every day, especially along planter edges and tree wells. A native grass of South Africa, Kikuyu was brought to the United States and Southern California in 1913. This grass was to be used for slope stabilization along the new roads and highways being built in the rapidly growing Southern California counties. Soon it made its way into home lawns, golf courses, parks, and later homeowner association turf grass areas. It grows from a thick network of rhizomatous roots and sends out stolons, which extend along the ground. Because of its rapid growth and aggressive nature, it is categorized as a noxious weed in some regions.

The majority of the herbicide use in the Village is dedicated to the maintenance of tree wells and shrub beds. Therefore, the location of the trial site, with a heavy kikuyu grass stand, was ideal for the alternative herbicide test. Kikuyu is a very tough grass to eradicate, with a thick cuticle (upper leaf layer) with underground stems and shoots which proved impervious for the organic, certified organic or natural products.

The following products provided an initial burndown which gave the appearance of success; in the following weeks the regrowth of the Kikuyu was evident. These products included Scythe®, WeedPharm®, Axze®, WeedRot®, and Weed Zap®.

Finale® herbicide and the control product, Roundup®, outperformed all of the other tested products by far. Both of these products killed the Kikuyu grass to the roots. The original tests, performed by Staff last summer, used Finale® but did not include Oroboost®.

After the initial two applications were performed, core samples from the best visually performing plots were taken to the lab where they were tested and given an ideal growing environment to encourage regrowth. These core samples were taken from the Roundup®, Finale®, Scythe® and WeedPharm® test areas. The core samples for Roundup® and Finale® indicated no regrowth while the Scythe® and WeedPharm® core samples showed regrowth (Appendix A).

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## **Summary**

Finale® outperformed the entire group of alternative products and was the only product that killed the Kikuyu grass completely. The trial showed that Finale® at four ounces per gallon, along with one half ounce of Oroboost® additive, is a viable alternative to glyphosate products. If the Boards desire to eliminate Roundup® and other glyphosate products from the herbicide program in Laguna Woods Village, the recommendation is Finale® with Oroboost®.

Staff also recommends using a turf grass plant growth regulator. Plant growth regulators (PGR) stop the turf edges from growing for an extended period of time, reducing the need to apply herbicides. This will greatly reduce future turf runner growth and reduce the number of times Staff would need to spray herbicides to edge the turf. The edging of the Kikuyu turf at Laguna Woods Village makes up the majority of the herbicide applications and costs could be greatly reduced by using these technologies. There is a potential for labor savings and a reduction in the use of herbicides with these products. Staff will test PGRs and perform a cost analysis for review. Staff will also continue testing new non-glyphosate products as they become available and will provide pertinent updates to the Landscape Committees.

Kurt Wiemann  
Senior Field Services Manager  
Village Management Services, Inc.

M. Tom Carrasco  
MTC Landscape Services  
PCA, QAL

**Appendix A:** Test Photos

**Appendix B:** Financial Analysis

\*This report should not be considered a written recommendation or a legal document pertaining to the safety of these products. MTC Landscape Services and its staff members produce unbiased fact- based data on the trial and herbicide effectiveness. MTC Landscape Services assumes no liability and is indemnified for the trial work, short term or long term effects to or damage to the environment, common area, the staff members, or residents at Laguna Woods Village.



# Test Photos

**ROUNDUP®**

**Application Rate: 1 ounce per gallon**

**Signal Word- Caution**

**Type of Herbicide- Synthetic**

**Active Ingredient- Glyphosate**



**Week 1**



**Week 2**



**Week 3**



**Week 4**



### Roundup®



No regrowth can be seen in the Lab core test



# Test Photos

## WEED ZAP®

Signal Word- N/A

Type of Herbicide- "Certified Organic" OMRI, Prop 25 b exempt, Topical

Active Ingredient- Cinnamon Oil, Clove Oil



Week 1



Week 2



Week 3



Week 4



# Test Photos

## WEED ROT®

Signal Word- N/A

Type of Herbicide- Natural, Prop 25 b exempt, Systemic

Active Ingredient- Organic Citric acid, Coconut Oil (SLS)



Week 1



Week 2



Week 3



Week 4



# Test Photos

## SCYTHE®

**Signal Word-** Warning

**Type of Herbicide-** Natural/Synthetic- contains Petroleum, Topical

**Active Ingredient-** Pelargonic Acid, Fatty Acids



**Week 1**

**Week 2**



**Week 3**

**Week 4**



### Scythe®



Regrowth can be seen in the Lab core test



# Test Photos

**FINALE®**

**Signal Word-** Warning

**Type of Herbicide-** Synthetic, Locally Systemic

**Active Ingredient-** Glufosinate- ammonium



**Week 1**



**Week 2**





# Test Photos

---

Week 3

Week 4

**Finale®**



No regrowth can be seen in the Lab core test



# Test Photos

**AXXE**

**Signal Word-** Warning

**Type of Herbicide-** "Certified Organic", Topical

**Active Ingredient-** Ammonium-Nonanoate



**Week 1**

**Week 2**



**Week 3**

**Week 4**



# Test Photos

## WEED PHARM

**Signal Word-** Danger

**Type of Herbicide-** "Certified Organic" Washington State, Topical

**Active Ingredient-** Acetic Acid



**Week 1**



**Week 2**



**Week 3**



**Week 4**



### WeedPharm®



Regrowth can be seen in the Lab core test

## Appendix B

Brand Name	Raw Cost per Gallon	Raw Cost Difference	Price per Ounce	Rate oz/per Gallon of Finished Mix	Cost of Herbicide per Finished Gallon	Cost of Oroboost Portion	Cost of Finished Gallon of Mix Ready to Use	Percentage Higher than Roundup
Roundup	\$36.50	0%	\$0.29	1	\$0.29	-	\$0.29	-
Scythe	\$59.30	62%	\$0.46	12	\$5.56	\$0.28	\$5.84	1948%
Axxe	\$75.64	107%	\$0.59	16	\$9.46	\$0.28	\$9.74	3314%
Weedpharm	\$29.95	-18%	\$0.23	undiluted	\$29.95	\$0.28	\$30.23	10501%
Weedzap	\$72.25	98%	\$0.56	6.4	\$3.61	\$0.28	\$3.89	1265%
Finale	\$53.78	47%	\$0.42	4	\$1.68	\$0.28	\$1.96	588%
Weedrot	\$52.50	44%	\$0.41	24	\$9.84	\$0.28	\$10.12	27%
Oroboost	\$71.25	n/a	\$0.56	0.5				

All Mutuals			
Historical Roundup Usage	2016	2017	Average
Gallons	198.4	200.0	199.2
Annual Cost (All Mutuals)	\$7,242	\$7,299	\$7,270

Breakdown by Mutual			
	2016	2017	Average
United	\$2,650	\$2,671	\$2,661
Third	\$4,077	\$4,109	\$4,093
GRF	\$514	\$518	\$516
	\$7,242	\$7,299	\$7,270

Gallons			
United	73	73	73
Third	112	113	112
GRF	14	14	14
Total	198.4	200.0	199.2

United Mutual					Third Mutual					Golden Rain Foundation				
Annual Alternative Herbicide Estimate					Annual Alternative Herbicide Estimate					Annual Alternative Herbicide Estimate				
Product	PPG	# Gallons	Total		Product	PPG	# Gallons	Total		Product	PPG	# Gallons	Total	
Average Annual Usage					Average Annual Usage					Average Annual Usage				
Round Up	\$36.50	73	\$2,661		Round Up	\$36.50	112	\$4,093		Round Up	\$36.50	14	\$516	
Estimated Annual Usage					Estimated Annual Usage					Estimated Annual Usage				
Finale	\$53.78	292	\$15,683		Finale	\$53.78	449	\$24,124		Finale	\$53.78	57	\$3,042	
Oroboost	\$71.25	25	\$1,781		Oroboost	\$71.25	56	\$3,995		Oroboost	\$71.25	7	\$504	
Total Cost of Finale/Oroboost:			\$17,464		Total Cost of Finale/Oroboost:			\$28,119		Total Cost of Finale/Oroboost:			\$3,546	
Increase to Current Budget:			\$14,803		Increase to Current Budget:			\$24,026		Increase to Current Budget:			\$3,030	

## Financial Report

As of April 30, 2019



### INCOME STATEMENT (in Thousands)

#### ACTUAL

<b>Assessment Revenue</b>	<b>\$13,471</b>
<b>Non-assessment Revenue</b>	<b>\$652</b>
<b>Total Revenue</b>	<b>\$14,123</b>
<b>Total Expense</b>	<b>\$14,078</b>
<b>Net Revenue/(Expense)</b>	<b>\$45</b>

1

## Financial Report

As of April 30, 2019



### INCOME STATEMENT OPERATING FUND w/o Depreciation (in Thousands)

#### ACTUAL

<b>Assessment Revenue</b>	<b>\$9,349</b>
<b>Non-assessment Revenue</b>	<b>\$500</b>
<b>Total Revenue</b>	<b>\$9,849</b>
<b>Total Expense</b>	<b>\$9,363</b>
<b>Operating Surplus</b>	<b>\$486</b>

2

## Financial Report

As of April 30, 2019



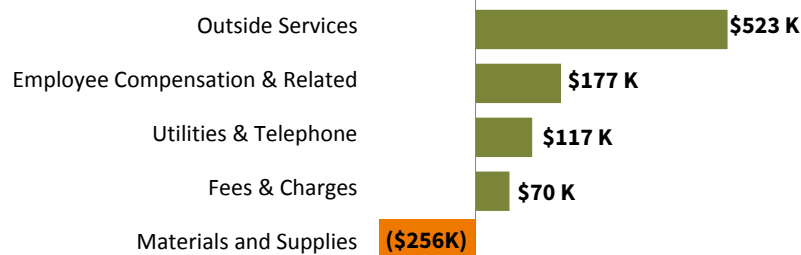
### INCOME STATEMENT (in Thousands)

	ACTUAL	BUDGET	VARIANCE
<b>Assessment Revenue</b>	<b>\$13,471</b>	<b>\$13,039</b>	<b>\$432</b>
<b>Non-assessment Revenue</b>	<b>\$652</b>	<b>\$571</b>	<b>\$81</b>
<b>Total Revenue</b>	<b>\$14,123</b>	<b>\$13,610</b>	<b>\$513</b>
<b>Total Expense</b>	<b>\$14,078</b>	<b>\$14,264</b>	<b>\$186</b>
<b>Net Revenue/(Expense)</b>	<b>\$45</b>	<b>(\$654)</b>	<b>\$699</b>

3

## Financial Report

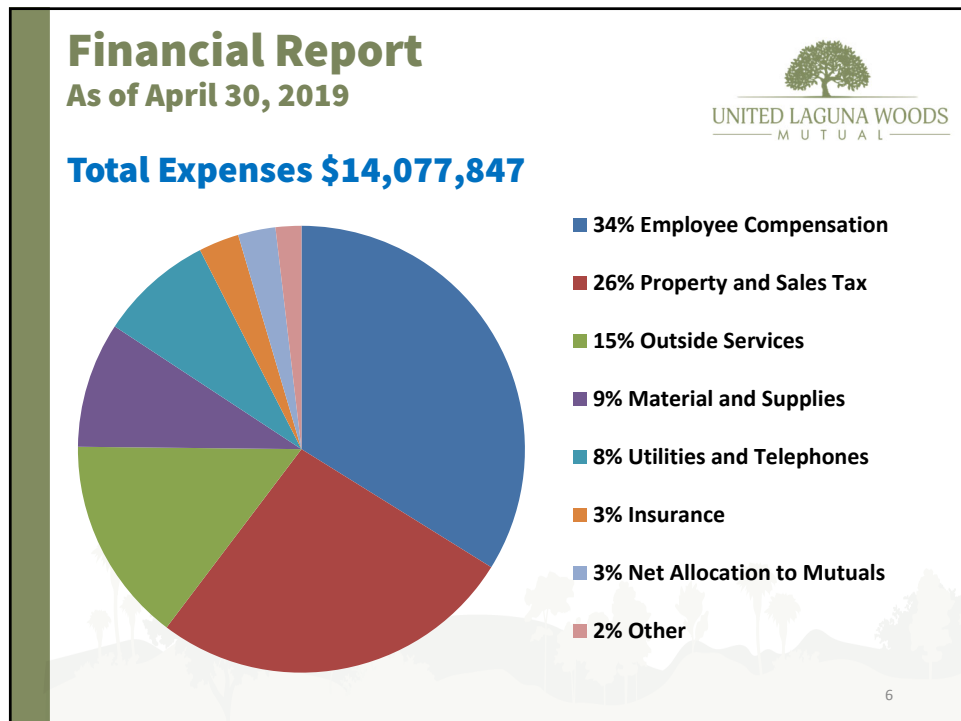
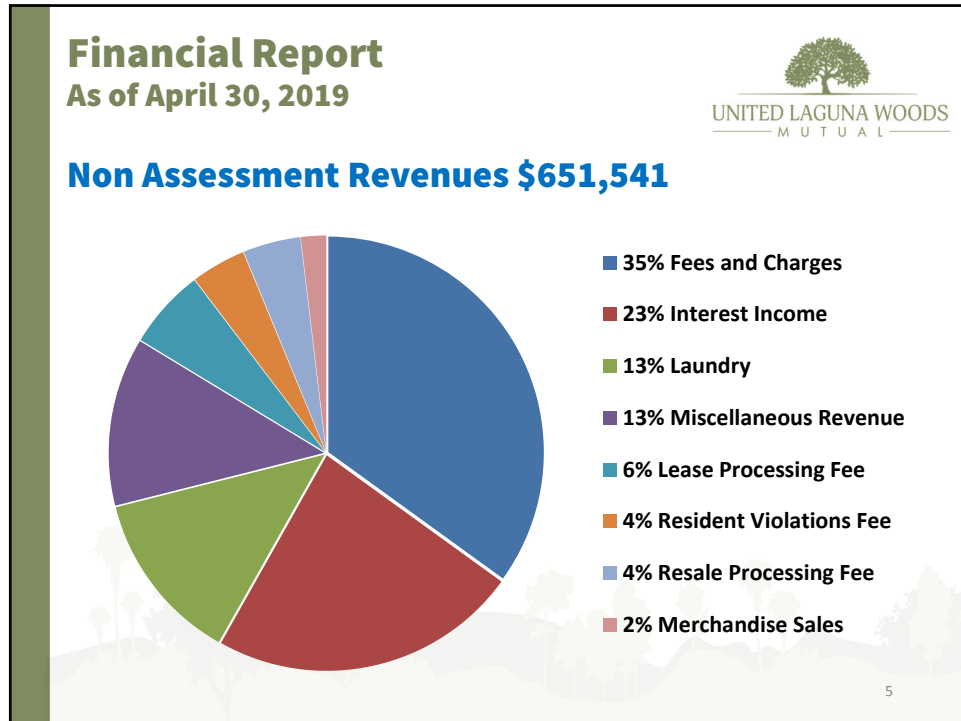
As of April 30, 2019




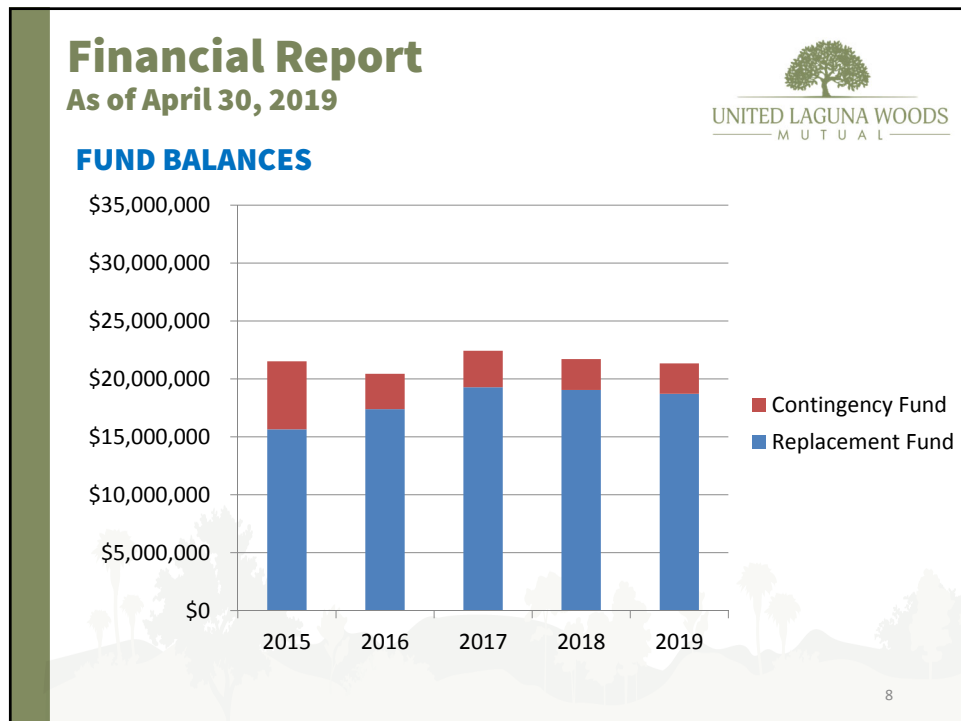
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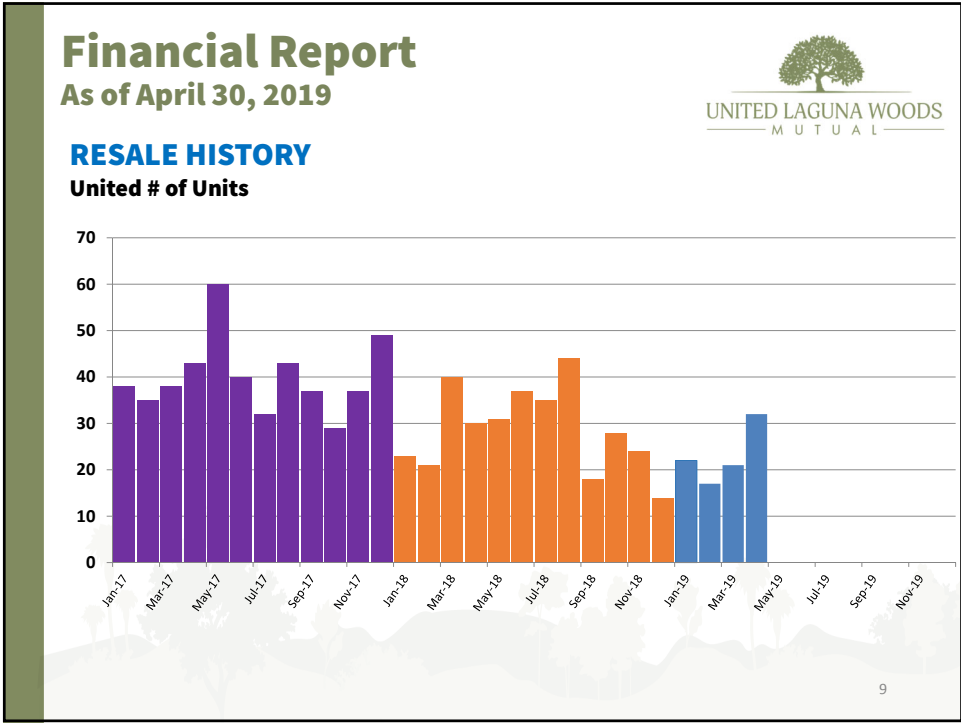
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<b>Financial Report</b> <b>As of April 30, 2019</b>	
	
<b>NON OPERATING FUND BALANCES</b>	<b>ACTUAL</b> (in Thousands)
<b>BEGINNING BALANCES: 1/1/19</b>	<b>\$21,713</b>
<b>Contributions &amp; Interest</b>	<b>4,274</b>
<b>Expenditures</b>	<b>(4,645)</b>
<b>Current Balances: 4/30/19</b>	<b>\$21,342</b>





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OPEN MEETING

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

Tuesday, May 28, 2019 – 2:00 p.m.

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

**MEMBERS PRESENT:** Gary Morrison – Chair, Juanita Skillman, Carl Randazzo, Sue Margolis, Elsie Addington

**OTHERS PRESENT:** Manuel Armendariz, Andre Torng, Dick Rader (VMS), Ron Beldner (VMS)

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Betty Parker, Steve Hormuth

**Call to Order**

Director Morrison chaired the meeting and called it to order at 2:00 p.m.

**Approval of Agenda**

A motion was made and carried unanimously to approve the agenda as presented.

**Approval of the Regular Meeting Report of March 26, 2019**

A motion was made and carried unanimously to approve the Committee report as presented.

**Member Comments (Items Not on the Agenda)**

Director Armendariz distributed a handout to all attendees titled Status of Compliance by United Laguna Woods Mutual and its Directors With the 2019 Changes in Davis-Stirling Act Regarding Finances and Accounting as of May 28, 2019. Director Armendariz verbally summarized the handout stating that his concerns over civil code section 5500 had been addressed with the exception of the cash account being reported entirely as an Operating Fund. A motion was made and carried by a vote of 4-0-1 (Director Addington abstained), to ask legal counsel to write an opinion letter regarding civil code section 5500 and the intent of the law.

**Review Preliminary Financial Statements dated April 30, 2019**

The Committee reviewed Financial Statements for April 30, 2019. Discussion ensued and questions were addressed.

### **Investment Policy**

The Committee discussed the current investment policy that is approved by the United Board via resolution 01-17-38. Director Morrison asked for input on the Investment Policy and the potential adjustment of risk tolerance. Opinions ranged from status-quo to expanding the portfolio to include some equity exposure.

Director Randazzo left the meeting at 3:20 p.m.

### **Bank Reconciliation Procedures**

Steve Hormuth, Controller, provided a verbal update on the process used to reconcile the Mutual Cash Account to the month-end bank statement. Director Torng commented on standard operating procedures utilized by staff and the need for documentation. Director Armendariz commented on the bank reconciliation process confirming that staff was following industry practices.

### **EZ Pay Service**

The Committee discussed the EZ Pay Service utilization by the residents for payments of monthly assessments and requested follow up with legal counsel to determine if auto debit enrollment can be made mandatory for new members, or if an additional fee can be charged to those members who are not enrolled.

### **2019 Reserve Study Update**

The Committee discussed the results of the 2019 Reserve Study. A motion was made to increase reserve contributions for the 2020 business plan by \$7.50 as a basis for discussions. The motion failed for a lack of a second. Director Skillman commented on reviewing reserve contributions amounts after the Special Landscape and M&C meetings occurring on May 30, 2019 and May 31, 2019 respectively. Staff will prepare 2020 Version 1 Budgets with the recommendations provided by the Reserve Study Specialist of increasing reserve contribution by \$7.78 per manor per month.

### **Member Comments**

Director Beldner commented on upcoming 2020 budget meetings and ideas for reductions.

### **Date of Next Meeting**

Tuesday, July 30, 2019 at 2:00 p.m.

### **Recess to Closed Session**

The meeting recessed to closed session at 3:55 p.m.

**DRAFT**

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Gary Morrison, Chair

# Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

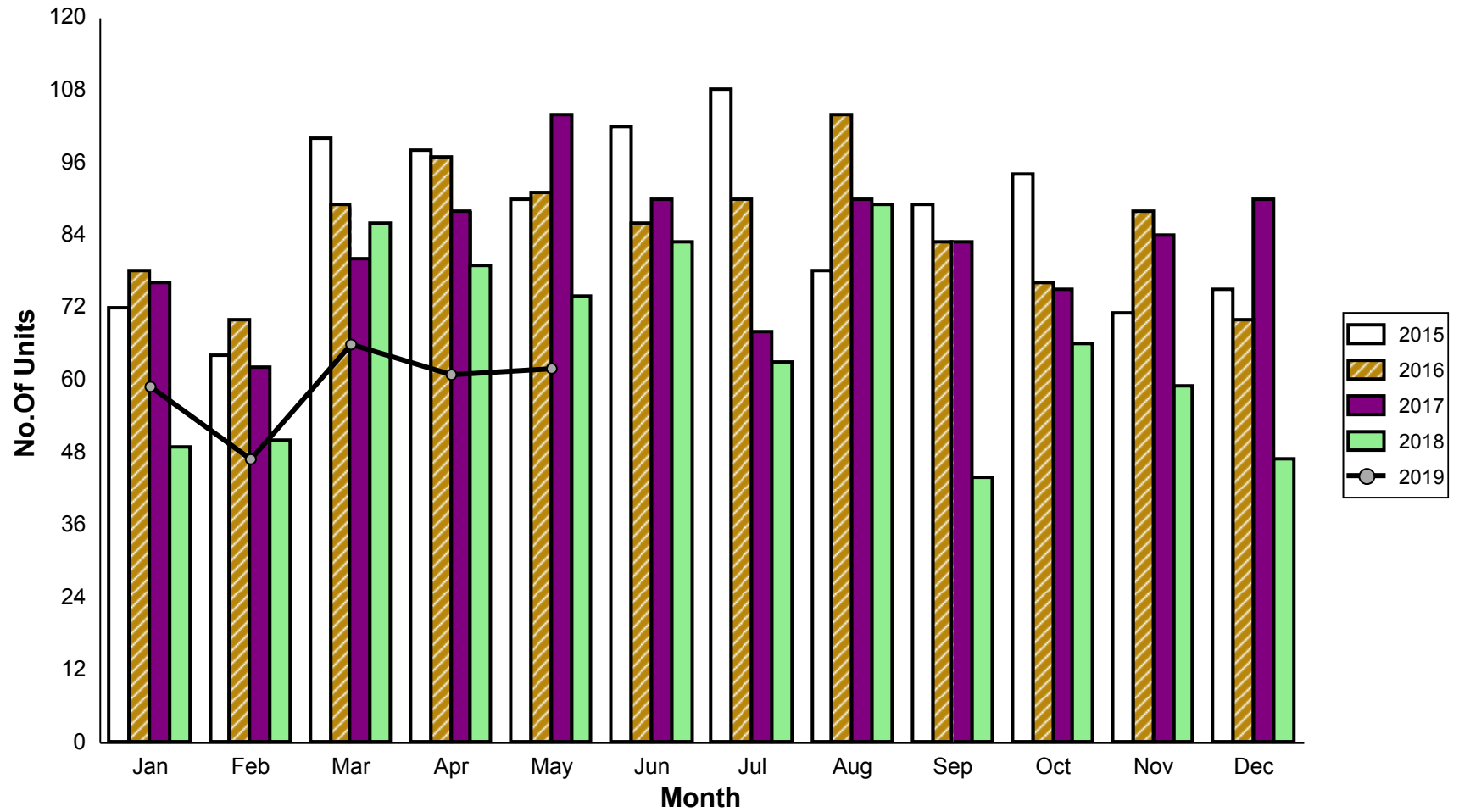
REPORT PERIOD

May, 2019

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	59	49	\$17,913,250	\$14,821,540	\$314,268	\$308,782
February	47	50	\$14,680,050	\$18,660,142	\$319,132	\$373,203
March	66	86	\$23,445,712	\$28,065,799	\$355,238	\$359,818
April	61	79	\$20,041,551	\$27,694,226	\$328,550	\$364,398
May	62	74	\$22,261,286	\$24,187,990	\$359,053	\$350,551
June		* 83		* \$28,002,538		* \$378,413
July		* 63		* \$19,434,100		* \$329,392
August		* 89		* \$28,612,100		* \$340,620
September		* 44		* \$17,185,192		* \$409,171
October		* 66		* \$22,702,400		* \$366,168
November		* 59		* \$17,330,500		* \$320,935
December		* 47		* \$17,262,399		* \$383,609
TOTAL	295.00	338.00	\$98,341,849	\$113,429,697		
MON AVG	59.00	67.00	\$19,668,370	\$22,685,939	\$335,248	\$351,350

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison





# Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

United

May, 2019

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	22	23	\$5,282,150	\$6,014,390	\$240,098	\$261,495
February	17	21	\$4,256,150	\$6,059,250	\$250,362	\$288,536
March	21	40	\$6,355,000	\$11,156,600	\$302,619	\$278,915
April	33	30	\$9,292,051	\$8,824,600	\$281,577	\$294,153
May	26	31	\$6,249,503	\$8,735,000	\$240,366	\$281,774
June		* 37		* \$11,021,400		* \$297,876
July		* 35		* \$9,541,300		* \$272,609
August		* 44		* \$11,285,100		* \$256,480
September		* 18		* \$4,632,500		* \$257,361
October		* 28		* \$8,556,100		* \$305,575
November		* 24		* \$6,194,000		* \$258,083
December		* 14		* \$3,368,300		* \$240,593
TOTAL	119.00	145.00	\$31,434,854	\$40,789,840		
MON AVG	23.00	29.00	\$6,286,971	\$8,157,968	\$263,004	\$280,975
% CHANGE - YTD	-17.9%		-22.9%		-6.4%	

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation

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# Resales Report

## United Laguna Woods Mutual

### May, 2019

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
05/24/2019	25-G	1	\$305,000	Majorca	Vantage Real Estate	Century 21 Rainbow	Corner Escrow Inc.
05/24/2019	60-P	1	\$140,000	Cadiz	Century 21 Rainbow	Century 21 Rainbow	Corner Escrow Inc.
05/28/2019	61-A	1	\$160,000	Cadiz	Coldwell Banker Platinum Properties	Century 21 Rainbow	Sterling Escrow II
05/15/2019	73-N	1	\$212,500	Casa Blanca	Century 21 Rainbow	Pacific Sotheby's International	Corner Escrow Inc.
05/01/2019	75-B	1	\$215,000	Majorca	Laguna Premier Realty, Inc	Tarbell Realtors	Pacific Closing Services
05/20/2019	255-C	1	\$200,000	Majorca	Laguna Premier Realty, Inc	First Team Real Estate	Granite Escrow
05/30/2019	327-A	1	\$339,000	Seville	Laguna Premier Realty, Inc	Coldwell Banker Residential	Pacific Closing Services
05/02/2019	445-B	1	\$238,000	La Corona	Coldwell Banker Residential	Coldwell Banker Residential	Corner Escrow Inc.
05/03/2019	447-F	1	\$230,000	Granada	Century 21 Rainbow	Century 21 Rainbow	Corner Escrow Inc.
05/28/2019	454-C	1	\$447,500	Madrid	Regency Real Estate	Windem Real Estate	Granite Escrow
05/03/2019	486-B	1	\$279,000	Valencia	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
05/15/2019	517-D	1	\$430,000	Cordoba	Regency Real Estate	HomeSmart Evergreen	Generations Escrow
05/20/2019	551-D	1	\$230,003	Granada	Tarbell Realtors	James Hahn, Broker	Escrow Options Group
05/28/2019	557-C	1	\$155,000	Cadiz	Laguna Woods Village Realty	Seniority Realty	Granite Escrow
05/16/2019	636-Q	1	\$266,000	Castilla	Century 21 Rainbow	Laguna Premier Realty, Inc	Granite Escrow
05/22/2019	699-A	1	\$225,000	San Sebastian	BHHS California Properties	BHHS California Properties	Pickford Escrow
05/02/2019	712-B	1	\$165,500	Cadiz	Century 21 Rainbow	Regency Real Estate	Corner Escrow Inc.
05/13/2019	731-N	1	\$179,000	Casa Blanca	Laguna Premier Realty, Inc	Century 21 Rainbow	Granite Escrow
05/23/2019	743-D	1	\$192,000	Majorca	Century 21 Rainbow	Sotheby's International Realty	Corner Escrow Inc.
05/21/2019	760-A	1	\$220,000	Valencia	Laguna Premier Realty, Inc	Realty One Group	Pacific Closing Services
05/17/2019	764-P	1	\$145,000	Cadiz	HomeSmart Evergreen	Realty Quest	Corner Escrow Inc.
05/30/2019	2031-F	1	\$148,000	Coronado	Desert Sea Real Estate	Desert Sea Real Estate	Coast Cities Escrow
05/29/2019	2089-B	1	\$220,000	San Sebastian	Laguna Premier Realty, Inc	LifeStyle Homes	Granite Escrow

# **Resales Report** **United Laguna Woods Mutual** **May, 2019**

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
05/22/2019	2091-B	1	\$300,000	Cordoba	Laguna Premier Realty, Inc	Seniority Realty	Pacific Closing Services
05/28/2019	2158-A	1	\$330,000	Seville	Laguna Premier Realty, Inc	Wells Realty Group	Granite Escrow
05/31/2019	2211-C	1	\$278,000	Casa Contenta	First Team Real Estate	Keller Williams OC Coastal Realty	Granite Escrow

Number of Resales: 26

Total Resale Price: \$6,249,503

Average Resale Price: \$240,366

Median Resale Price: \$222,500



# MONTHLY LEASING REPORT

Report Period:  
May-2019

MONTH	LEASES IN EFFECT				Total this year	Total last year	Total Expirations	New Monthly Transactions		
	3 Months	6 Months	12 Months	Renewed				Leases	Renewals	Extensions
January	35	44	312	163	554	500	29	30	25	0
February	29	43	296	191	559	520	19	30	31	0
March	16	34	270	224	544	506	54	25	29	1
April	13	30	254	255	552	478	45	43	36	0
May	22	27	229	282	560	491	33	58	36	1
June						512				
July						524				
August						540				
September						524				
October						527				
November						546				
December						558				
Monthly Average	23.0	35.6	272.2	223.0	553.8	May 499.0	36.0	37.2	31.4	0.4
Percentage Leased	560 / 6323 = 9%									

New Leases = Units Sublet

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## **OPEN MEETING**

### **REGULAR MEETING OF THE UNITED LAGUNA WOODS MUTUAL GOVERNING DOCUMENTS REVIEW COMMITTEE**

Tuesday, May 28, 2019 – 10:00 A.M.  
Laguna Woods Village Community Center, Sycamore Room  
24351 El Toro Road, Laguna Woods, CA 92637

**MEMBERS PRESENT:** Maggie Blackwell - Chair, Juanita Skillman, Andre Torng, Anthony Liberatore, Advisor Bevan Strom, Advisor Mary Stone

**MEMBERS ABSENT:**

**OTHERS PRESENT:** Gary Morrison, Carl Randazzo, Elsie Addington, Dick Rader, Sherri Davis

**STAFF PRESENT:** Siobhan Foster, Pamela Bashline, Eve Morton, Christine Spahr

### **REPORT**

#### **1. Call to Order**

Chair Blackwell called the meeting to order at 10:03 am.

#### **2. Acknowledgement of Press**

No press was present.

#### **3. Approval of the Agenda**

President Skillman moved to approve the agenda. The committee was in unanimous support.

#### **4. Approval of Report from the April 22, 2019 Meeting**

President Skillman made a motion to approve the Report. Director Torng seconded. The Report was approved by consensus.

#### **5. Chair's Remarks**

Chair Blackwell stated that the committee may not finalize discussion of all the agenda items at this meeting.

## **6. Member Comments (Items not on the agenda)**

Dick Rader (270-D) suggested a future agenda item of a guide to United Governance for residents and include items such as what is the Trust, what are the Bylaws, etc. Advisor Stone has something along those lines as a PowerPoint. The committee requested this topic be a future agenda item and perhaps a guide like this could be included in the Move-In packet at some point.

The committee requested that United Attorney Jeff Beaumont leave off the confidential verbiage on his memos that are written for this committee since they are discussed in Open meetings.

### Consent Calendar:

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

None.

### Reports:

None.

### Items for Discussion and Consideration:

## **7. Review and Discuss Committee Advisor Policies**

Chair Blackwell reviewed the current rules regarding advisors for the different Boards. In United, Advisors are appointed by the Chair and have no voting power. The GRF Advisor policy disagrees with the United Advisor policy. Third advisors are allowed to vote in committees.

Discussion ensued on whether advisors may chair a committee.

Discussion ensued on how task forces are set up versus committees.

Director Liberatore disagrees with term "charter" for a committee. He reviewed the definition. The correct word is a mandate.

Director Randazzo reviewed a first draft of a joint agreement regarding advisors.

Advisor Stone suggested an ethics policy for advisors.

Director Liberatore made a motion to end this discussion. Three members were in favor. Director Torng didn't vote. The motion passed.



President Skillman made a motion to accept the proposed Advisor Policy as written. No second so motion failed.

#### **8. Review and Discuss Possibility of a Lender Application**

President Skillman made a motion to accept the resolution as written by the United attorney and move it on to the Board. No second. Motion failed.

President Skillman made a motion to have Ms. Bashline make updates to this resolution, to submit those updates to Attorney Beaumont for his review and recommendations, and to bring them back to the next committee. The committee was in unanimous support.

#### **9. Review and Discuss Move In and Move Out Rules and Regulations**

Discussion ensued on what could be done to enforce these rules.

Suggestions included:

- Send the rules out with the Fee Schedule in November.
- Ask realtors to hand out these rules.
- At gate entry, give the rules to moving trucks.
- Put this information in to the Breeze periodically.
- Reoccurring taped Spot on TV 6

The committee requested the current Move In/Move out flyer be separated into separate flyers since both are not needed at same time.

The committee requested that the word "sorry" and "please" be removed from the current flyer and to just state the rules simply and factually.

Director Torng made a motion to move this topic to the Security Access committee to discuss. No second so motion failed.

The Committee requested that Attorney Beaumont review the current Seller Buyer agreement and his updates be brought to the next meeting.

Change word "manor" to "unit" throughout these documents.

The Committee requested that Security Director, Tim Moy, attend the next meeting to comment on enforcement of the move in and move out rules.

Concluding Business:

**10. Committee Member Comments**

President Skillman stated that the committee has added good input to today's agenda items and outside counsel will also help with finalizing of some items.

Director Liberatore asked that a future agenda item should be to discuss Executive committees and how the word "charter" is misused.

Director Torng is looking forward to discussing guarantors at a future meeting.

Advisor Stone suggested asking Staff what rules and policies could be eliminated.

**11. Future Agenda Items**

- a. Discuss Guarantors
- b. Discuss Executive Meetings and how the word "charter" is used
- c. Discuss Creating a Guide to United Governance for Residents

**12. Date of next meeting is June 24, 2019**

**13. Adjournment at 12 p.m.**

  
Maggie Blackwell, Chair