



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

**Tuesday, August 13, 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 Achrekar**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of the Meeting Minutes**
  - a. July 8, 2019 – All Boards All Directors Special Meeting (2020 Budget)
  - b. July 9, 2019 – Regular Open Session
  - c. July 11, 2019 – United Special Meeting (2020 Budget)
- 6. Report of Chair**
  - **Disaster Preparedness Report – Tim Moy**
  - **Update on 2020 Budget Version 2 – Gary Morrison**
- 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 July 9, 2019, Open Forum – Director Margolis**

**9. a. Update from VMS – Director Rader**

- b. Introduction of Candidates for United Mutual VMS Board Director to Fill Director Vacancy (Term Ending 2021)** Interview, Secret Ballot and Election of new United Board Member

**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. Finance Committee Recommendations:**

- (1) Approval Resolution to File in Small Claims Court against Member ID #947-423-49

- b.** 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 June 2019, and such review is hereby ratified.

**12. Unfinished Business**

- a.** Entertain a Motion to Adopt a Resolution for Enforcement of Move-In and Move-Out Rules and Regulations (**JULY 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 Traffic School Eligibility (**JULY 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 Introduce a Revised Resolution to Allow Guarantors for Prospective Members (**AUGUST initial notification-Must postpone 28-days for Member review to comply with Civil Code §4360**)
- b.** Entertain a Motion to Approve 2020 Collection and Lien Enforcement Policy
- c.** Entertain a Motion to Approve Supplemental Funding for the 2019 Water Heater Replacement Program

#### **14. Committee Reports**

- a. Report of the Finance Committee / Financial Report – Director Morrison. The Committee met in July 30, 2019; next meeting September 24, 2019, 2:00 p.m. in the Sycamore Room
  - (1) Treasurer's Report
  - (2) Resales/Leasing Reports
  - (3) United Finance Committee Report
- b. Report of the Architectural Control and Standards Committee – Director Achrekar. The Committee did not meet in July 2019; next meeting August 15, 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 July 25, 2019; next meeting August 22, 2019, 9:00 a.m. in the Sycamore Room
- e. Report of the Governing Documents Review Committee – Director Blackwell. The Committee met on July 22, 2019; next meeting August 26, 2019, 1:30 p.m. in the Sycamore Room
- f. Report of the Landscape Committee – Director Blackwell. The Committee met on August 8, 2019; next meeting October 10, 2019, 9:00 a.m. in the Board Room
- g. Report of the Maintenance & Construction Committee – Director Randazzo. The Committee did not meet in July 2019; next meeting August 28, 2019, 9:00 a.m. in the Board Room
- h. Report of the Resident Advisory Committee – Director Achrekar. The Committee met on July 11, 2019; next meeting August 15, 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 July 2019; next meeting August 21, 2019, 1:30 p.m. in the Board Room
- b. Report of the Community Activities Committee – Director Margolis. The Committee met on July 11, 2019 and July 23, 2019; next meeting September 12, 2019, 1:30 p.m. in the Board Room

- c. Report of the Landscape Committee – Director Blackwell. The Committee did not meet in July 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 meet in July 2019; next meeting August 14, 2019, 9:30 a.m. in the Board Room
    - PAC Renovation Ad-Hoc Committee; next meeting August 15, 2019, 2:00 p.m. in the Board Room
  - e. Village Energy Task Force – Director Randazzo. The Task Force met on July 3, 2019; next meeting September 4, 2019, 1:30 p.m. in the Board Room
  - f. Report of the Media and Communication Committee – Director Blackwell. The Committee met on July 15, 2019; next meeting August 19, 2019, 1:30 p.m. in the Board Room
  - g. Report of the Mobility and Vehicles Committee – Director Addington. The Committee met on August 7, 2019; next meeting October 2, 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 July 2019; next meeting August 26, 2019, at 1:30 p.m. in the Board Room
  - i. Laguna Woods Village Traffic Hearings – Director Torng. The Hearings were held on July 17, 2019; next hearings August 21, 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 July 30, 2019; next meeting September 24, 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. Recognition Agreement for Lenders

**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) July 9, 2019 – Regular Executive Session*

*Discuss and Consider Member Matters*

*Discuss Personnel Matters*

*Discuss and Consider Contractual Matters*

*Discuss and Consider Litigation Matters*

**19. Adjourn**

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Village Management Services, Inc.

## MINUTES OF THE ALL BOARDS ALL DIRECTORS

**July 8, 2019**

The Open Meeting of the All Boards All Directors on Monday, July 08, 2019, at 1:30 P.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Beth Perak - Chair, Rosemarie diLorenzo, Juanita Skillman, Ryna Rothberg

Directors Absent: None

Staff Present: Jeff Parker, Betty Parker, Chris Swanson, Siobhan Foster

Others Present: GRF: Annette Sabol Soule, Joan Milliman, Judith Troutman, Pat English, Bert Moldow, Ray Gros

United Mutual: Gary Morrison, Manuel Armendariz, Cash Achrekar, Carl Randazzo, Sue Margolis; Elsie Addington, Andre Torng, Maggie Blackwell

Third Mutual: Steve Parsons, Jon Pearlstone, John Frankel, Roy Bruninghaus

### **CALL TO ORDER**

GRF President Beth Perak served as Chair of the meeting and stated that it was a special meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 1:33 P.M.

### **ACKNOWLEDGMENT OF THE PRESS**

A representative from the Globe was in attendance.

### **APPROVAL OF AGENDA**

A motion was made and carried unanimously to approve the agenda with the following amendments:

- Conduct Member Comments before review of the 2020 Business Plan.

### **MEMBERS COMMENTS (ITEMS NOT ON THE AGENDA)**

Members of the community provided comments on a various topics regarding the proposed 2020 Business Plan.

### **REVIEW PRELIMINARY 2020 BUSINESS PLAN WITH CEO**

Jeff Parker, CEO, presented the 2020 Business Plan providing an over view of all three corporations. Throughout the presentation, questions were asked and answers were provided. No action was directed on this item.

**BOARD MEMBER COMMENTS**

Director Perak thanked everyone for a team effort.

**ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 3:36 PM.

  
Beth Perak, Chair  
All Boards All Directors





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

**Tuesday, July 9, 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 Torng

Directors Absent: None

Staff Present: Jeff Parker, CEO; Siobhan Foster, COO; Chuck Holland, Chris Spahr, Tim Moy, Betty Parker, and Daniel Hillburn

Others Present: VMS: Dick Rader  
Jeff Beaumont, 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 Armendariz 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 Morrison made a motion, seconded by Director Randazzo to approve the agenda.

Director Randazzo made an amendment to add the following item to the agenda. The motion was seconded by Director Blackwell and the amendment passed by a vote of 10-0-1 (Director Bastani abstained).

- 13c. Discuss and Consider Investment Management Services—SageView Advisory Group

Discussion ensued among the Directors.

Director Randazzo made a motion, to approve the agenda as amended. The motion was seconded by Director Blackwell.

President Skillman called for the vote on the amended agenda and the motion passed by a vote of 8-2-1 (Directors Torng and Armendariz opposed; Director Bastani abstained).

## **5. Approval of Minutes**

- a. June 11, 2019 – Regular Open Session
- b. June 25, 2019 – Special Open Meeting (Handyman Program)

Director Blackwell made a motion to approve the minutes of June 11, 2019, Regular Open Session and June 25, 2019, Special Open Meeting. The motion was seconded by Director Randazzo.

President Skillman called for the vote and the United Regular Open Session minutes of June 11, 2019 and United Special Open Meeting minutes of June 25, 2019, were approved without objection.

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

President Skillman introduced Tim Moy, Director of Security and Community Access, to give an update on Earthquake Preparedness.

Tim Moy, Director of Security and Community Access, gave an update on Earthquake Preparedness.

President Skillman commented about the Budgets.

## **7. Open Forum**

Members made comments regarding the following:

- Thanked the Men's Golf Club for their donation to the LWV Foundation and read "thank you" notes received from the residents
- The benefits of the LWV Foundation;
- Policy to allow guarantors;
- Tree trimming;
- Continuing the Handyman Program;
- Report on the solar energy panels;
- Water damage and mole in a neighbor's unit.

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

Several Directors responded to Member comments:

- President Skillman commented that the Chair of the Maintenance and Construction Committee will give a report on the solar energy project during Committee Reports;

- Director Blackwell commented about the tree trimming schedule and allowing guarantors;
- Director Morrison commented about the pilot Handyman Program, upgrading the water supply lines and allowing guarantors;
- Director Randazzo commented about the grade of the copper lines, water intrusion and Handyman Trial Program; He noted that the solar energy report was published at the last Maintenance and Construction Committee;
- President Skillman commented about a Chargeable Service Program;
- Director Armendariz commented about the Handyman Program, Solar Energy Program, and the importance of the Good Neighbor Program in the event of an emergency;
- Director Achrekar is chairing the Handyman Program Task Force and asked residents to be patient for the results from the Task Force; he also commented on Laguna Woods Village Foundation donations;
- Director Torng commented about allowing guarantors, tree trimming, responses to work requests and the Solar Energy Project.

**a. Follow-up from the June 11, 2019, Board Meeting Open Forum – Director Margolis**

Director Margolis responded to Member comments:

- To manage the dust on the maintenance and horse trail, half will be paved in part of the asphalt paving project in October or November, and the other half will be maintained with the usual mulch and path materials for the horses.
- The best strategy to combat transients jumping over walls is to plant large, thorny, obstructive plants near the problem areas;
- No arm will be installed on Gate 4 because the Gate is exit-only; a motorized gate will be installed to replace the manual gate when closed at night.

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

President Skillman announced that Director Beldner was ill and there would be no VMS Update.

**10. CEO Report**

CEO Jeff Parker reported on the following subjects:

- 2020 Tree Trimming Schedule (which will include the discussed tree);
- The Business Planning Committee will continue on Wednesday, July 10 at 8:30 a.m. for Version 1;
- SB-754, a bill relating to HOA elections by acclamation that the Laguna Woods Village, is now in the Assembly and could be sent to the Governor's desk as soon as August;
- The GRF Cost Sharing Task Force will meet on July 17<sup>th</sup> at 1:30 p.m. in the Board Room;
- Staff is reviewing the process of how Resident Services tickets are processed and closed in order to make Resident Services more efficient;

- Gate retrofit is complete for gates 1, 3, 7 & 9. Construction began on Monday, June 24 for Gates 4 and 10, and Gate 14 to be reopened in early August.

## **11. Consent Calendar**

### **11a. Architectural Control and Standards Committee Recommendations:**

- (1) Recommend Approval – 327-D (Sevilla, 5) Room Addition on Front Patio

#### **RESOLUTION 01-19-52** **Variance Request**

**WHEREAS**, Mr. Gregory McLaughlin of 327-D Avenida Carmel, a Seville (Plan 5) style unit, requests Board approval of a request to construct a room addition on his front patio;

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected units on June 5, 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 June 20, 2019.

**NOW THEREFORE BE IT RESOLVED**, on July 9 2019, the Board of Directors hereby approved the request to construct a room addition on his front patio;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Shareholder at 327-D and all future Shareholders at 327-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 Removals: Building 48 Calle Cadiz – Three Canary Island Pine

#### **RESOLUTION 01-19-53** **Approval of Removal of** **Three Canary Island Pine Trees at Building 48 Calle Cadiz**

**WHEREAS**, on June 13, 2019, the Landscape Committee reviewed a request for the removal of three Canary Island Pine trees. The request was received from the Maintenance and Construction Department, who cited the reasons as the existing concrete walkways were damaged caused by the three subject pine trees and, if the trees remain, there is potential for future damage to the new walkways due to proximity of the trees and their subsequent root growth; and

**WHEREAS**, on June 13, 2019, the Landscape Committee recommended to approve the removal of three Canary Island Pine trees located at Building 48 Calle Cadiz based on potential for future damage to the new walkways due to proximity of the trees and their subsequent root growth;

**NOW THEREFORE BE IT RESOLVED**, July 9, 2019, the Board of Directors approves the request for the removal of three Canary Island Pine trees, 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 Deny the Request for Tree Removal: 916-D Avenida Majorca, Aleppo Pine

**RESOLUTION 01-19-54**

**Denial of Removal of One Aleppo Pine Tree – 916-D**

**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 June 13, 2019, the Landscape Committee reviewed a request to remove one Aleppo Pine tree. The request was received from the Member at 916-D, who cited the reasons as structural damage, sewer pipe and roof damage, and needles clogging the drains;

**WHEREAS**, the Committee recommended to deny the removal of one Canary Island Pine tree located at 916-D due to no visible signs of decay or disease, minimal surface roots, displays a well-balanced canopy and there is no visible damage to the patio wall or sidewalk. The mainline was cleared in December 2015, with no record of roots being present;

**NOW THEREFORE BE IT RESOLVED**, July 9, 2019, the Board of Directors denies the request for the removal of one Aleppo Pine tree at 916-D, 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 #947-454-74

**RESOLUTION 01-19-55**  
**Recording of a Lien**

**WHEREAS,** Member ID 947-454-74; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED,** July 9, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-454-74 and;

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

- (2) Approval of Resolution to Record Lien against Member ID #947-414-07

**RESOLUTION 01-19-56**  
**Recording of a Lien**

**WHEREAS,** Member ID 947-414-07; 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,** July 9, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-414-07 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.

(3) Approval of Resolution to Record Lien against Member ID #947-403-75

**RESOLUTION 01-19-57**  
**Recording of a Lien**

**WHEREAS**, Member ID 947-403-75; 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**, July 9, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-403-75 and;

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

Director Randazzo made a motion to approve the Consent Calendar resolutions. The motion was seconded by Director Morrison.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion to approve the Consent Calendar resolutions passed unanimously.

**12. Unfinished Business**

**12a.** Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the Board consisting of the Treasurer and at least one other Board member reviewed the United Laguna Woods Mutual financials for the month of May, 2019, and such review is hereby ratified.

Director Blackwell made a motion, seconded by Director Randazzo, to approve the financial review.

Discussion ensued among the Directors.

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

**13. New Business**

**13a. Entertain a Motion to Introduce a Resolution for Enforcement of Move-In and Move-Out Rules and Regulations**

Director Blackwell read the following resolution:

**RESOLUTION 01-19-XX**  
**Move-In/Move-Out Hours**

**WHEREAS**, the Governing Documents Review Committee has recommended adopting the Move-In/Move-Out Hours, to fairly and reasonable address timeframes for residents moving into the Community; and

**WHEREAS**, the current Move-In/Move-Out Hours allow for moves to commence between the hours of 7:00 AM and 6:00 PM with completion by 10:00 PM, of the same day; and

**WHEREAS**, no vehicle of any household goods carrier shall be loaded, unloaded, or permitted to be loaded or unloaded, in or upon any real property managed by this Corporation unless such loading or unloading occurs during the designated times; and

**WHEREAS**, no household goods shall be deposited, permitted to be deposited, permitted to remain, carried, or permitted to be carried, prior to loading or subsequent to unloading of any vehicle of a household goods carrier, in or upon any real property managed by this Corporation except during the hours that such loading or unloading is permitted;

**NOW THEREFORE BE IT RESOLVED**, July 9, 2019, the Board of Director of this Corporation hereby introduces a resolution amending the Move-In/Move-Out hours to commence between the hours of 7:00 AM and 4:00 PM with completion by 8:00 PM.; and

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

**JULY initial notification-Must postpone 28-days for Member review to comply with Civil Code §4360**

Director Blackwell made a motion to introduce a resolution for enforcement of move-in and move-out rules and regulations. 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 10-0-0 (Director Margolis was absent for the vote).



**13b. Entertain a Motion to Introduce a Resolution for Traffic School Eligibility**

Director Blackwell read the following resolution:

**RESOLUTION 01-19-XX**  
**Vehicle, Traffic and Parking Rules**

**WHEREAS**, the Security Department is responsible for the administration of the Laguna Woods Village Vehicle, Traffic, and Parking Rules; including coordination of Traffic School; and

**WHEREAS**, Traffic School is designed for Laguna Woods Village drivers, to address traffic safety topics, and is available to an individual once during any three-year period; and

**WHEREAS**, the Board has identified violations that are ineligible for Traffic School, such as certain parking violations that are not related to the material discussed in Traffic School and serious moving violations that endanger the Community;

**NOW THEREFORE BE IT RESOLVED**, on July 9, 2019, the Board of Directors of this Corporation hereby introduces a resolution amending the Traffic School section of the Vehicle, Traffic and Parking Rules, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 01-19-11 approved on January 8, 2019; 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.

**JULY initial notification-Must postpone 28-days for Member review to comply with Civil Code §4360**

Director Blackwell made a motion to introduce a resolution for traffic school eligibility. The motion was seconded by Director Randazzo.

Discussion ensued among the Directors. Several Members suggested revisions to this resolution.

Director Armendariz moved to amend the motion to send this item back to Committee for revisions. The motion was seconded by Director Margolis.

Discussion ensued among the Directors. President Skillman called for the vote and the

motion to send the resolution back to Committee failed 4-7-0 (Director Armendariz, Bastani, Margolis and Tornig approved).

Director Skillman moved to amend the resolution to allow traffic school eligibility in addition to the fine. Director Addington seconded the motion.

Discussion ensued among the Directors.

Frances Rangel of Compliance and Security clarified the purpose of the proposed resolution.

President Skillman withdrew her motion to amend the resolution to allow traffic school eligibility in addition to the fine.

President Skillman called for the vote and the motion to introduce a resolution for traffic school eligibility passed by a vote of 7-4-0 (Director Tornig, Armendariz, Margolis and Bastani opposed).

This item was added to the agenda:

**13c.** Discuss and Consider Investment Management Services—SageView Advisory Group

Director Morrison made a motion to move this item to closed session. The motion was seconded by Director Achrekar and passed by a vote of 9-0-0 (Directors Randazzo and Blackwell were 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 met on May 28, 2019; next meeting will be July 30, 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 discussed sewer leakages and variance requests. The Committee met on June 20, 2019; next meeting will be August 15, 2019, 9:30 a.m. in the Elm Room.

**14c.** Report of the Communications Committee – Director Blackwell discussed that nominations open today for the United Board. Prospective Candidates can pick up an application from the Corporate Secretary. She mentioned the requirements to run for the United Board. Next meeting TBA.

**14d.** Report of Member Hearings Committee (closed session) – Director Achrekar gave a report from the last Committee meeting. The Committee met on June 27, 2019; next

meeting will be July 25, 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 would like to give the Move-in/Move-out information to realtors first. She also discussed laundry rooms and overnight access to the laundry rooms, and traffic school eligibility. The Committee met on June 24, 2019; next meeting will be July 22, 2019, 1:30 p.m. in the Sycamore Room.

**14f.** Report of the Landscape Committee – Director Blackwell gave a report from the last Committee meeting. The Committee discussed tree removals, turf maintenance and methodology and creek boundaries. The Committee met on June 13, 2019; next meeting will be August 8, 2019, 9:00 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 discussed the Handyman project, decided to not install water detection devices in the units, continue the hot water heater replacement program. The Committee met on June 26, 2019; next meeting will be August 28, 2019, 9:00 a.m. in the Board Room.

**14h.** Report of the Resident Advisory Committee – Director Achrekar encouraged residents to attend the next Committee meeting to resolve any issues they have in the Community. The Committee met on June 13, 2019; next meeting will be July 11, 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 June 19, 2019; next meeting will be August 21, 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 discussed setting the maximum clubs to 250, annual fee of \$50 per club and fees could be used to rollover times, limit rollovers to 104. The Committee did not meet in June, 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 decided to meet quarterly. The Committee met on May 15, 2019; next meeting will be August 14, 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 June 12, 2019; next meeting will be August 14, 2019, 9:30 a.m. in the Board Room.

- Solar Power Plant Task Force – Director Margolis gave an update from the last Task Force meeting.
- Handyman Program Task Force – Director Achrekar gave an update from the last Task Force meeting

**15e.** Village Energy Task Force Charter – Director Randazzo gave a report from the last Task Force meeting. The Task Force discussed the use of micro grids; if they choose to go forward, the project would supply power to community center and clubhouses with solar arrays and backup batteries. The Task Force met on July 3, 2019; next meeting will be September 4, 2019 at 1:30 p.m. in the Board Room.

**15f.** Report of the Media and Communication Committee – Director Blackwell gave highlights from the last Committee meeting. The Committee discussed the channel line-up and ways to decrease cost. The Committee met on June 17, 2019; next meeting will be July 15, 2019, 1:30 p.m. in the Board Room.

**15g.** Report of the Mobility and Vehicles Committee – Director Addington gave highlights from the last Committee meeting. The Committee discussed the new buses and encouraged bus rider to come to the Committee. The Committee met on June 5, 2019; next meeting will be August 7, 2019, 1:30 p.m. in the Board Room.

**15h.** Report of the Security and Community Access Committee – Director Liberatore gave highlights from the last Committee meeting. The Committee discussed the gate closures, installation of shepherd's crooks on the walls, earthquake preparedness. The Committee met on June 24, 2019; next meeting will be August 26, 2019, 1:30 p.m. in the Board Room.

**15i.** Laguna Woods Village Traffic Hearings – Director Torng summarized the frequently repeated violations heard at the traffic hearings. The hearings were held on June 24, 2019; next hearings will be on July 17, 2019, 9:00 a.m. in the Board Room and 1:00 p.m. in the Sycamore Room.

**15j.** Disaster Preparedness Task Force – Director Achrekar gave highlights from the last Committee meeting. The Task Force received notification on the earthquake. The Task Force did not meet in June, 2019; next meeting will be July 30, 2019, 9:30 a.m. in the Board Room.

**16. Future Agenda Items**

- 16a.** Committee Advisor Qualifications, Procedures and Policy
- 16b.** Recognition Agreement for Lenders.
- 16c.** Allow Guarantors

**17. Director's 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.*

The meeting recessed at 12:35 p.m. into the Executive Session.

**The Executive Session was recessed to Open Session at 4:24 p.m.**

During open session the Board approved changing Investment Management Services to SageView Advisory Group.

President Skillman called for the vote to approve changing the Investment Management Services to SageView Advisory Group and the motion passed by a vote of 7-3-1 (Directors Bastani, Achrekar, Armendariz opposed; Director Liberatore abstained).

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

*During the June 11, 2019, Regular Executive Session, the Board:*

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

*(a) May 14, 2019 – Regular Closed Meeting*

*Discussed Member Disciplinary Cases*

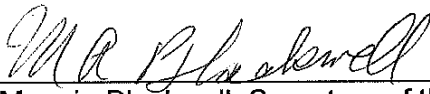
*Discussed and Considered Contractual Matters*

*Discussed Personnel Matters*

*Discussed and Considered Legal and Litigation Matters*

**19. Adjourn**

The meeting was adjourned at 4:35 p.m.

  
Maggie Blackwell, Secretary of the Board  
United Laguna Woods Mutual

# RESOLUTION ATTACHMENTS

**LAGUNA WOODS VILLAGE  
VEHICLE, TRAFFIC, AND PARKING RULES**

**Adopted May 6, 2014, Resolution 90-14-21;  
Revised: September 19, 2017, Resolution 03-17-76; June 7, 2016, Resolution 90-16-24 and Resolution 90-16-26; April 12, 2016, Resolution 01-16-32; May 5, 2015, Resolution 09-15-29; April 7, 2015; January 20, 2015;  
December 2, 2014, Resolution 90-14-73; and August XX,XXX; Resolution 01-19-XX**

- a. Traffic School:
  - i. The Laguna Woods Village Traffic School will be a 2 hour class addressing traffic safety topics, and designed for Laguna Woods Village drivers.
  - ii. Traffic School is available to a violator once during any 3 year period.
  - iii. The Security Division will provide instructors to teach Traffic School.
  - iv. Every attendee must pay an administrative fee prior to attending Traffic School.
  - v. Following citations are ineligible for Traffic School: Parking, RV Lot Parking, Handicap Parking, and specific Moving Violations (Hit and Run, Valid Driver's Licenses Not Produced and Reckless Driving.
- b. For On-Duty EMPLOYEES, the Notice of Violation will be forwarded to the managing agent's Director of Human Resources for handling according to the managing agent's disciplinary policy.

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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)	

\* violation ineligible for traffic school

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

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

**July 11, 2019**

A special meeting of the United Laguna Woods Mutual Board of Directors, A California non-profit mutual benefit corporation, was held on Thursday, July 11, 2019 at 9:30 a.m., at 24351 El Toro Road, Laguna Woods California.

**DIRECTORS PRESENT:** Juanita Skillman, Carl Randazzo, Cash Achrekar, Maggie Blackwell, Gary Morrison, Sue Margolis, Elsie Addington, Manuel Armendariz, Andre Torng, Anthony Liberatore, Reza Bastani

**DIRECTORS ABSENT:** None

**OTHERS PRESENT:** Dick Rader, Mary Stone

**STAFF PRESENT:** Jeff Parker, Betty Parker, Christopher Swanson, Jose Campos, Siobhan Foster, Kurt Wiemann, Chris Laugenour, Ernesto Munoz, Chris Naylor, Velny Soren, Eileen Paulin, Guy West, Laurie Chavarria, Brett Crane

**CALL TO ORDER**

Juanita Skillman, President of the Corporation, chaired the meeting and stated that it was a special meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:34 a.m.

**ACKNOWLEDGMENT OF THE MEDIA**

None.

**APPROVAL OF AGENDA**

A motion was made to approve the agenda with the following amendments:

**CHAIR REMARKS**

None.

**MEMBER COMMENTS (Items Not on the Agenda)**

Members commented on various topics.

**REVIEW OF THE 2020 BUSINESS PLAN, VERSION 1**

Betty Parker, CFO, introduced the proposed budget and highlighted service levels.

The Board made comments and asked questions.

A motion was made by Director Margolis and seconded by Director Randazzo, to accept Staff recommendations for reductions for the 2020 Business Plan in the amounts of approximately \$582,000 in operations and \$590,000 in reserve fund contributions. Discussion ensued.

A motion to amend was made by Director Armendariz and seconded by Director Margolis, to accept Staff recommendations and continue looking for additional areas of potential reductions. Discussion ensued and by a vote of 8-2, (Directors Blackwell and Addington against) the amendment to the original motion passed.

A roll call vote was taken on the original motion as amended, which passed with 6 in favor and 3 against (Blackwell, Morrison, and Addington opposed).


A motion was made by Director Armendariz and seconded by Director Margolis, to approve Staff recommendations to reduce certain reserve component expenditures by a total of \$216,000. By a unanimous vote, the motion failed.

#### **BOARD MEMBER COMMENTS**

United Directors commented on various topics.

#### **ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 12:30 p.m.

  
Maggie Blackwell, Secretary

## PRELIMINARY 2020 BUSINESS PLAN

United Laguna Woods Mutual - Version 1  
July 11, 2019

## Budget Calendar

DESCRIPTION	All Boards	GRF	United	Thurs
Budget Preparation	April / May			
Landscape Review			Thu May 30 10:00 A.M. Board Room	Thu May 30 1:30 P.M. Board Room
Maintenance Review			Fri May 31 9:30 A.M. Board Room	Wed May 29 9:30 A.M. Board Room
Capital Review		Mon Jun 10 1:30 P.M. Board Room		
Board Review	Mon Jul 8* 1:30 P.M. Board Room	Wed Jul 10 9:30 A.M. Board Room	Thu Jul 11 9:30 A.M. Board Room	Fri Jul 12 9:30 A.M. Board Room
Board Review (TV6)		Mon Aug 5 1:30 P.M. Board Room	Fri Aug 9 10:00 A.M. Board Room	Thu Aug 8 1:30 P.M. Board Room
Board Resolutions		Tue Sept 3 9:30 A.M. Board Room	Tue Sept 10 9:30 A.M. Board Room	Tue Sept 17 9:30 A.M. Board Room

\* The July 8 All Boards meeting will be followed by a GRF Business Planning Committee meeting.

## 2020 Business Plan Version 1



Basic Monthly Assessment	United Members		
	2019 Plan	2020 Plan	Change
Mutual	\$375.69	<b>\$419.52</b>	43.83
GRF	\$202.83	<b>\$205.82</b>	2.99
Total	\$578.52	<b>\$625.34</b>	46.82

3

## United Business Plan

*Per Manor per Month*



	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Total Non-Assessment Revenue	\$18.79	<b>\$17.09</b>	\$1.70
Total Expense	\$231.48	<b>\$265.83</b>	\$34.35
Net Operating	\$212.69	<b>\$248.74</b>	\$36.05
Reserve Funds	\$148.00	<b>\$155.78</b>	\$7.78
Contingency Fund	\$15.00	<b>\$15.00</b>	\$0
GRF	\$202.83	<b>\$205.82</b>	\$2.99
Total Basic Assessment	\$578.52	<b>\$625.34</b>	\$46.82

4

# United Business Plan

\$ in thousands



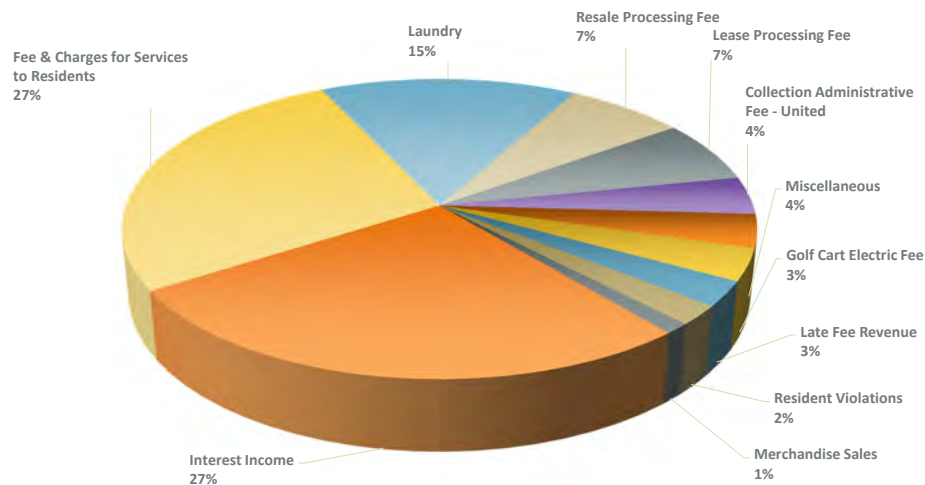
	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Total Revenue	\$1,199	\$897	\$1,399	\$1,426	<b>\$1,297</b>	\$129
Total Expense	\$26,025	\$27,556	\$29,423	\$28,175	<b>\$32,113</b>	\$3,938
Net Operating	\$24,826	\$26,659	\$28,024	\$26,749	<b>\$30,816</b>	\$4,067
Reserve Fund	\$10,472	\$10,850	\$10,850	\$11,230	<b>\$11,820</b>	\$590
Contingency Fund	\$1,442	\$1,442	\$1,062	\$1,138	<b>\$1,138</b>	\$0
GRF	\$14,743	\$14,691	\$15,617	\$15,390	<b>\$15,617</b>	\$227
Total Basic Assessment	\$51,483	\$53,642	\$55,553	\$54,507	<b>\$59,391</b>	\$4,884

5

# Revenues



United Laguna Woods Mutual  
2020 Non-Assessment Revenue



6

## Revenues

*\$ in thousands*



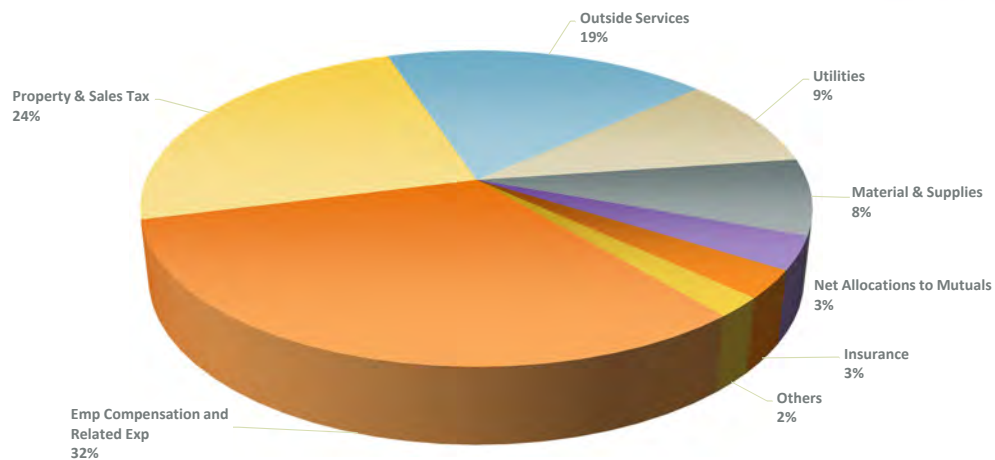
Revenues	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Merchandise Sales	\$38	\$39	\$25	\$30	<b>\$20</b>	\$10
Fees & Charges	\$547	\$184	\$514	\$475	<b>\$480</b>	(\$5)
Laundry	\$137	\$188	\$271	\$280	<b>\$270</b>	\$10
Interest Income	\$337	\$324	\$391	\$289	<b>\$482</b>	(\$193)
Miscellaneous	\$622	\$511	\$597	\$641	<b>\$527</b>	\$114

7

## Expenditures



United Laguna Woods Mutual  
2020 Expense



8



## Expenditures

*\$ in thousands*



Expense	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Employee Compensation	\$9,079	\$9,224	\$9,596	\$10,397	<b>\$10,698</b>	\$301
Expenses Related to Compensation	\$3,541	\$3,594	\$4,158	\$4,487	<b>\$4,257</b>	(\$230)
Materials and Supplies	\$2,774	\$2,397	\$3,042	\$3,068	<b>\$3,615</b>	\$546

9

## Expenditures

*\$ in thousands*



Expense	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Electricity	\$318	\$193	\$152	\$185	<b>\$189</b>	\$4
Sewer	\$1,754	\$1,736	\$1,723	\$1,777	<b>\$1,830</b>	\$53
Water	\$1,567	\$1,888	\$1,898	\$1,851	<b>\$1,929</b>	\$78
Trash	\$363	\$394	\$423	\$419	<b>\$429</b>	\$10
Telephone	\$1	\$1	\$1	\$0	<b>\$1</b>	\$1

10

## Expenditures

*\$ in thousands*



Expense	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Legal Fees	\$255	\$193	\$253	\$175	<b>\$425</b>	\$250
Professional Fees	\$113	\$101	\$174	\$168	<b>\$152</b>	(\$16)
Equipment Rental	\$38	\$29	\$21	\$37	<b>\$17</b>	(\$20)
Outside Services	\$7,891	\$5,584	\$7,964	\$7,848	<b>\$8,619</b>	\$771

11

## Expenditures

*\$ in thousands*



Expense	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Repairs and Maintenance	\$53	\$25	\$48	\$47	<b>\$47</b>	\$0
Other Operating	\$156	\$175	\$154	\$186	<b>\$203</b>	\$17
Income Taxes	\$5	\$20	(\$371)	\$0	<b>\$25</b>	\$25
Property and Sales Tax	\$9,407	\$10,063	\$10,766	\$9,811	<b>\$11,112</b>	\$1,301

12

## Expenditures

*\$ in thousands*



Expense	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Property Insurance	\$655	\$617	\$764	\$799	<b>\$831</b>	\$32
Insurance	\$477	\$513	\$476	\$493	<b>\$500</b>	\$7

13

## Expenditures

*\$ in thousands*



Expense	2016 Actual	2017 Actual	2018 Actual	2019 Plan	2020 Plan	Assessment Increase/ (Decrease)
Investment Expense	\$37	\$37	\$37	\$37	<b>\$37</b>	\$0
Net Allocation to Mutuels	\$1,063	\$1,026	\$1,129	\$1,185	<b>\$1,579</b>	\$394
Uncollectible Accounts	\$0	\$26	\$45	\$0	<b>\$60</b>	\$60
(Gain)/Loss on Sales	(\$13)	(\$2)	\$2	(\$8)	<b>(\$8)</b>	\$0

14

## Proposed Changes for Version 2 - Operating



<b>Description</b>	<b>2020 Plan</b>	<b>Assessment Increase/ (Decrease)</b>
Plumbing Service	(\$100,104)	(\$1.32)
Carpentry Service	(\$23,583)	(\$0.31)
Electrical Service	(\$36,136)	(\$0.48)
Janitorial Service	(\$32,668)	(\$0.43)
Interior Preventive Maintenance	(\$46,883)	(\$0.62)
Concrete Service	(\$3,909)	(\$0.05)
Appliance Repairs	(\$60,949)	(\$0.80)
Welding	(\$17,649)	(\$0.23)
Fumigation	(\$75,000)	(\$0.99)
Legal	(\$75,000)	(\$0.99)
Additional Occupants	(\$22,900)	(\$0.30)
Staffing updates	\$22,737	\$0.30
Elimination of Handyman	(\$109,765)	(\$1.45)
Reserve Fund Contribution	(\$210,935)	(\$2.78)
Contingency Fund Contribution	(\$379,380)	(\$5.00)
<b>TOTAL</b>	<b>(\$1,172,124)</b>	<b>(\$15.45)</b>

15

## Proposed Changes for Version 2 - Reserves



<b>Description</b>	<b>2020 Plan</b>
Building Numbers	\$50,000
Exterior Walkway Lighting	(\$14,539)
Gutter Replacement	(\$50,640)
Landscape Renovation	(\$101,543)
Paint Exterior	(\$52,195)
Wall Replacement	(\$15,000)
Window/Sliding Screen Door	(\$32,569)
<b>TOTAL</b>	<b>(\$216,486)</b>

16

## Reserve Contributions



				Per Manor Per Month		
		2019	2020	2019	2020	Increase/
DESCRIPTION		PLAN	PLAN	ASSESSMENT		(Decrease)
RESERVE CONTRIBUTIONS:						
28	Reserve Fund	11,229,648	11,820,000	148.00	155.78	7.78
29	Contingency Fund	1,138,140	1,138,140	15.00	15.00	0.00
Total Reserve Contributions		\$12,367,788	\$12,958,140	\$163.00	\$170.78	\$7.78

17

## Reserve Contributions



Fund	Year	Beginning Balance	Interest	Contributions	Assessment PMPM	Planned Expenditures	ENDING BALANCE
<b>RESERVE FUND</b>	2019	\$ 19,285,690	\$ 55,657	\$ 11,229,648	\$ 148.00	\$ (13,378,267)	\$ 17,192,728
	<b>2020</b>	<b>\$ 17,192,728</b>	<b>\$ 324,317</b>	<b>\$ 11,820,000</b>	<b>\$ 155.78</b>	<b>\$ (14,070,000)</b>	<b>\$ 15,267,045</b>
	2021	\$ 15,267,045	\$ 292,103	\$ 12,676,950	\$ 167.07	\$ (14,267,560)	\$ 13,968,538
	2022	\$ 13,968,538	\$ 264,135	\$ 13,596,029	\$ 179.19	\$ (15,360,824)	\$ 12,467,878
	2023	\$ 12,467,878	\$ 243,277	\$ 14,581,741	\$ 192.18	\$ (15,412,040)	\$ 11,880,856
	2024	\$ 11,880,856	\$ 240,590	\$ 15,638,917	\$ 206.11	\$ (15,561,397)	\$ 12,198,966
<b>CONTINGENCY FUND</b>	2019	\$ 3,146,840	\$ 43,211	\$ 1,062,264	\$ 14.00	\$ (1,182,879)	\$ 3,069,436
	<b>2020</b>	<b>\$ 3,069,436</b>	<b>\$ 41,333</b>	<b>\$ 1,138,140</b>	<b>\$ 15.00</b>	<b>\$ (1,372,257)</b>	<b>\$ 2,876,652</b>
	2021	\$ 2,876,652	\$ 43,737	\$ 1,214,016	\$ 16.00	\$ (1,413,400)	\$ 2,721,005
	2022	\$ 2,721,005	\$ 41,549	\$ 1,289,892	\$ 17.00	\$ (1,455,800)	\$ 2,596,646
	2023	\$ 2,596,646	\$ 39,844	\$ 1,365,768	\$ 18.00	\$ (1,499,500)	\$ 2,502,758
	2024	\$ 2,502,758	\$ 38,608	\$ 1,441,644	\$ 19.00	\$ (1,544,500)	\$ 2,438,510

18

# Reserve Funding Plan

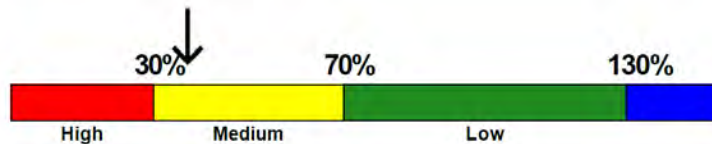


**Findings/Recommendations as-of: January 1, 2020**

Project Starting Reserve Balance .....	\$17,192,728
Current Full Funding Reserve Balance .....	\$45,823,391
Average Reserve Deficit (Surplus) Per Unit .....	\$4,528
Percent Funded .....	37.5 %
Recommended 2020 "Annual Full Funding Contributions" .....	\$11,820,000
Baseline contributions to keep Reserve above \$10,400,000 .....	\$11,535,000
Most Recent Reserve Contribution Rate .....	\$11,229,648

Reserves % Funded: 37.5%

Special Assessment Risk:



19

Fiscal Year Start: 2020					Interest: 2.00 %		Inflation: 3.00 %	
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)					Projected Reserve Balance Changes			
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2020	\$17,192,728	\$45,823,391	37.5 %	Medium	\$11,820,000	\$0	\$324,317	\$14,070,000
2021	\$15,267,045	\$47,392,249	32.2 %	Medium	\$12,676,950	\$0	\$292,103	\$14,267,560
2022	\$13,968,537	\$49,245,275	28.4 %	High	\$13,596,029	\$0	\$264,135	\$15,360,824
2023	\$12,467,878	\$50,481,634	24.7 %	High	\$14,581,741	\$0	\$243,277	\$15,412,040
2024	\$11,880,855	\$52,169,751	22.8 %	High	\$15,638,917	\$0	\$240,590	\$15,561,397
2025	\$12,198,964	\$52,960,914	23.0 %	High	\$16,772,739	\$0	\$247,619	\$16,634,887
2026	\$12,584,435	\$51,754,587	24.3 %	High	\$17,108,193	\$0	\$288,344	\$13,706,049
2027	\$16,274,924	\$53,452,844	30.4 %	Medium	\$17,450,357	\$0	\$372,652	\$13,075,404
2028	\$21,022,529	\$55,703,118	37.7 %	Medium	\$17,799,364	\$0	\$480,225	\$12,260,561
2029	\$27,041,557	\$58,826,948	46.0 %	Medium	\$18,155,352	\$0	\$603,314	\$12,458,105
2030	\$33,342,118	\$62,258,081	53.6 %	Medium	\$18,518,459	\$0	\$725,707	\$13,294,827
2031	\$39,291,457	\$65,365,269	60.1 %	Medium	\$18,888,828	\$0	\$851,910	\$13,058,862
2032	\$45,973,332	\$69,420,672	66.2 %	Medium	\$19,266,605	\$0	\$993,386	\$12,781,946
2033	\$53,451,377	\$74,349,314	71.9 %	Low	\$19,651,937	\$0	\$1,136,823	\$13,910,759
2034	\$60,329,377	\$78,743,480	76.6 %	Low	\$20,044,975	\$0	\$1,260,565	\$15,798,546
2035	\$65,836,372	\$81,819,804	80.5 %	Low	\$20,445,875	\$0	\$1,355,029	\$17,853,372
2036	\$69,783,903	\$83,381,542	83.7 %	Low	\$20,854,792	\$0	\$1,440,755	\$17,663,004
2037	\$74,416,447	\$85,711,095	86.8 %	Low	\$21,271,888	\$0	\$1,535,189	\$17,988,106
2038	\$79,235,418	\$88,316,310	89.7 %	Low	\$21,697,326	\$0	\$1,633,563	\$18,303,879
2039	\$84,262,428	\$91,231,283	92.4 %	Low	\$22,131,272	\$0	\$1,725,556	\$19,676,617
2040	\$88,442,638	\$93,393,340	94.7 %	Low	\$22,573,898	\$0	\$1,806,295	\$20,479,495
2041	\$92,343,336	\$95,384,055	96.8 %	Low	\$23,025,376	\$0	\$1,877,209	\$21,705,731
2042	\$95,540,189	\$96,779,953	98.7 %	Low	\$23,485,883	\$0	\$1,936,218	\$22,712,915
2043	\$98,249,376	\$97,807,066	100.5 %	Low	\$23,955,601	\$0	\$2,009,669	\$21,323,023
2044	\$102,891,622	\$100,942,122	101.9 %	Low	\$24,434,713	\$0	\$2,056,478	\$26,448,481
2045	\$102,934,333	\$99,556,915	103.4 %	Low	\$24,923,407	\$0	\$2,059,507	\$26,722,469
2046	\$103,194,778	\$98,532,798	104.7 %	Low	\$25,421,876	\$0	\$2,051,267	\$28,558,229
2047	\$102,109,692	\$96,292,525	106.0 %	Low	\$25,930,313	\$0	\$2,067,656	\$25,272,605
2048	\$104,835,057	\$98,095,797	106.9 %	Low	\$26,448,919	\$0	\$2,116,295	\$26,422,476
2049	\$106,977,795	\$99,517,159	107.5 %	Low	\$26,977,898	\$0	\$2,158,918	\$27,013,546

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## **RESOLUTION 01-19-XX**

### **Filing of Separate Small Claims Court Case**

**WHEREAS**, the Finance Committee recommends filing separate Small Claims Court cases of \$2,500 (or less) in an attempt to collect delinquent charges by way of a judgment or stipulation against members/owners in United Laguna Woods Mutual; and

**NOW THEREFORE BE IT RESOLVED**, August 13, 2019 that the Board of Directors hereby approves the filing of a separate Small Claims Court case for Member ID 947-423-49 and

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

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**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 June 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: 7/29/2019

**UNITED LAGUNA WOODS MUTUAL**

Signature: E Addington  
Print Name: Elsie Addington  
Title: Director  
Date: 7/29/2019

**UNITED LAGUNA WOODS MUTUAL**

Signature: Andre Torng  
Print Name: ANDRE TORNG  
Title: United Board Director  
Date: 8/6/2019



## STAFF REPORT

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**DATE:** August 13, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Move- In/Move-Out Hours

---

### **RECOMMENDATION**

Staff recommends the Board adopt the amended Move-In/ Move-Out Hours Policy.

### **BACKGROUND**

A Move-In Guide is provided to new Residents by the Community Services Division when approved for residency. The guide outlines move in hours, elevator pads, home improvements and remodeling, contractor parking, speed limit, representatives of new residents, unpacking, storage of personal items, move-in prior to close of escrow, stay-over of seller after close of escrow, new resident orientation, and non-resident owners (Attachment 1).

The Move-In/Move-Out process is coordinated by the Security Department and Community Services Division.

### **DISCUSSION**

The current procedure provides Resident's with clear instruction on how to move in/out of the Community. In addition, the Security and Community Services Divisions work together to ensure approved Residents are moving in and out of the Community. The permitted hours align with the City of Laguna Woods quiet hours and allow Residents that are employed to move in after their work hours.

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

**Reviewed By:** Pamela Bashline, Community Services Manager  
Francis Gomez, Operations Manager  
Tim Moy, Chief of Security

### **ATTACHMENT(S)**

Attachment 1: Resolution 01-19-XX

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## **ENDORSEMENT**

### **Move-In/Move-Out Policy**

Blessilda Wright, Compliance Supervisor, presented the Move-In/Move-Out Policy. The Committee commented and asked questions.

Director Skillman made a motion to amend the Move-In/Move-Out hours to commence between 7:00 a.m.; and 6:00 p.m.; and completed no later than 8:00 p.m. of the same day. Director Liberatore seconded the motion.

By a vote of 3-0-1 (Director Torng abstained), the motion passed.

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## **RESOLUTION 01-19-XX**

### **Move-In/Move-Out Hours**

**WHEREAS**, the Governing Documents Review Committee has recommended adopting the Move-In/Move-Out Hours, to fairly and reasonable address timeframes for residents moving into the Community; and

**WHEREAS**, the current Move-In/Move-Out Hours allow for moves to commence between the hours of 7:00 AM and 6:00 PM with completion by 10:00 PM, of the same day; and

**WHEREAS**, no vehicle of any household goods carrier shall be loaded, unloaded, or permitted to be loaded or unloaded, in or upon any real property managed by this Corporation unless such loading or unloading occurs during the designated times; and

**WHEREAS**, no household goods shall be deposited, permitted to be deposited, permitted to remain, carried, or permitted to be carried, prior to loading or subsequent to unloading of any vehicle of a household goods carrier, in or upon any real property managed by this Corporation except during the hours that such loading or unloading is permitted;

**NOW THEREFORE BE IT RESOLVED**, August 13, 2019, the Board of Director of this Corporation hereby approves amending the Move-In/Move-Out hours to commence between the hours of 7:00 AM and 4:00 PM with completion by 8:00 PM.; and

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

JULY Initial Notification

28-Day notification to comply with Civil Code §4360 has been satisfied.

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## STAFF REPORT

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**DATE:** August 13, 2019  
**FOR:** Governing Documents Review Committee  
**SUBJECT:** Traffic School Eligibility

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### **RECOMMENDATION**

Staff recommends the Board amend the Laguna Woods Village Vehicle, Traffic, and Parking Rules to specify the types of traffic violations eligible for Traffic School.

### **BACKGROUND**

The Security Department is responsible for the administration of the Laguna Woods Village Vehicle, Traffic, and Parking Rules; including coordination of Traffic School. Traffic School is a two hour class that any individual can attend for traffic violations in lieu of paying the appropriate traffic fine. Traffic School is designed for Laguna Woods Village drivers, addresses traffic safety topics, and is available to an individual once during any three-year period.

On April 22, 2019, the Golden Rain Foundation (GRF) Security & Community Access Committee (SCAC) reviewed and approved the recommended changes to the Traffic School eligibility. On May 8, 2019, the GRF Board approved the changes to the Traffic School eligibility and forwarded the matter to the housing Mutual for consideration.

### **DISCUSSION**

Staff recommends that certain violations be ineligible for Traffic School, including Parking, RV Lot Parking, and Handicap Parking. In addition, specific moving violations such as Reckless Driving, Unlicensed Driver, and Hit and Run are serious violations that endanger the Community and should not be permitted to avoid the higher fine by signing up for Traffic School. Other parking violations including the Electric Charging fines, are not related to the material discussed in Traffic School. The proposed change will provide consistency and remove the alternative in the Rules and Regulation allowing individuals to use Traffic School to avoid paying the appropriate traffic fines.

### **FINANCIAL ANALYSIS**

The traffic fines are designed primarily as a deterrent to help enforce community rules and regulations. The revenue collected is used to offset the administrative costs associated with a citation such as enforcement, filing, data entry, correspondence with the driver/Owner, and scheduling traffic hearings. A \$20 fee is charged to partially offset administrative costs and the modifications proposed above are not anticipated to have a significant impact on revenue.

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

**Reviewed By:** Francis Gomez, Operations Manager

Tim Moy, Chief of Security  
Siobhan Foster, Chief Operating Officer  
Betty Parker, Chief Financial Officer

ATTACHMENT(S)

Attachment 1: Redline Laguna Woods Village Vehicle, Traffic, and Parking Rules

Attachment 2: Schedule of Traffic Monetary Penalties with asterisks for violations ineligible for traffic school

Attachment 3: Resolution 01-19-XX

## **ENDORSEMENT**

### **Traffic School Eligibility**

Blessilda Wright, Compliance Supervisor, presented the Traffic School Eligibility report. The Committee commented and asked questions.

Director Skillman made a motion to amend the Laguna Woods Village, Traffic, and Parking Rules to specify the types of traffic violations eligible for Traffic School. Director Blackwell seconded the motion.

By a vote of 3-1, (Director Torng against) the motion carried.

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**LAGUNA WOODS VILLAGE  
VEHICLE, TRAFFIC, AND PARKING RULES**

**Adopted May 6, 2014, Resolution 90-14-21;  
Revised: September 19, 2017, Resolution 03-17-76; June 7, 2016, Resolution 90-16-24 and Resolution 90-16-26; April 12, 2016, Resolution 01-16-32; May 5, 2015, Resolution 09-15-29; April 7, 2015; January 20, 2015;  
December 2, 2014, Resolution 90-14-73; and August 13, 2019: Resolution 01-19-XX**

- a. Traffic School:
  - i. The Laguna Woods Village Traffic School will be a 2 hour class addressing traffic safety topics, and designed for Laguna Woods Village drivers.
  - ii. Traffic School is available to a violator once during any 3 year period.
  - iii. The Security Division will provide instructors to teach Traffic School.
  - iv. Every attendee must pay an administrative fee prior to attending Traffic School.
  - v. Following citations are ineligible for Traffic School: Parking, RV Lot Parking, Handicap Parking, and specific Moving Violations (Hit and Run, Valid Driver's Licenses Not Produced and Reckless Driving.
- b. For On-Duty EMPLOYEES, the Notice of Violation will be forwarded to the managing agent's Director of Human Resources for handling according to the managing agent's disciplinary policy.

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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)	

\* violation ineligible for traffic school

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

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## **RESOLUTION 01-19-XX**

### **Vehicle, Traffic and Parking Rules**

**WHEREAS**, the Security Department is responsible for the administration of the Laguna Woods Village Vehicle, Traffic, and Parking Rules; including coordination of Traffic School; and

**WHEREAS**, Traffic School is designed for Laguna Woods Village drivers, to address traffic safety topics, and is available to an individual once during any three-year period; and

**WHEREAS**, the Board has identified violations that are ineligible for Traffic School, such as certain parking violations that are not related to the material discussed in Traffic School and serious moving violations that endanger the Community;

**NOW THEREFORE BE IT RESOLVED**, on August 13, 2019, the Board of Directors of this Corporation hereby amends the Traffic School section of the Vehicle, Traffic and Parking Rules, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 01-19-11 approved on January 8, 2019; 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.

JULY Initial Notification

28-Day notification to comply with Civil Code §4360 has been satisfied.

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## STAFF REPORT

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**DATE:** August 13, 2019  
**FOR:** Governing Documents Review Committee  
**SUBJECT:** Allowing Guarantors For Prospective Members

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### **RECOMMENDATION**

Approve the Guaranty and Security Agreement.

### **BACKGROUND**

On December 18, 2018, January 28, 2019, and February 25, 2019, the Governing Documents Review Committee reviewed and discussed the possibility of reinstating the option of allowing guarantors for prospective Members in order to meet United's financial qualifications for membership. On February 25, 2019, the United Governing Documents Review Committee had a final review of a proposed Guaranty and Security Agreement. The Committee voted to recommend the item for approval by the Board. At the April 9, 2019, Board meeting, this item was not approved. This issue was discussed further at the July 22, 2019, committee meeting and the committee is bringing this topic back to the Board for consideration.

You may be aware that guarantors were previously allowed for prospective Members who were otherwise unable to meet United's financial qualifications through 2017. Thereafter, the Board determined to disallow guarantors. As a practical matter, there were valid concerns that prospective Members who were otherwise unable to meet United's financial qualifications could not afford to be Members and would be more likely to default on financial obligations owed to United.

### **DISCUSSION**

The Committee has revisited the prospect of allowing guarantors proposing to put into place measures that protect United in case of default, while intending to attract prospective Members that may not otherwise qualify for membership. To this end, the attached Guaranty and Security Agreement (Attachment 1) is drafted to both allow for guarantors and balance the risk of defaults by putting security measures in place to protect United.

A guarantor is a third party that "guarantees" to pay someone else's financial obligations, i.e., promises to repay a debt if the debtor, or in United's case, the member cannot or will not pay. A guarantor's agreement to pay is established by a Guaranty Agreement. Keep in mind, however, without an underlying security agreement and a mechanism to perfect United's interest in the guarantor's assets, a Guaranty is merely a promise to pay that is confirmed in the Guarantee Agreement. United has no security in its debt against the guarantor, just the guarantor's promise to pay.

Further, a Guaranty and the Shareholder Application and Occupancy Agreement evidence separate obligations. To this end, the Shareholder Application and Occupancy Agreement should be entered into by and between United and the Member. The Guaranty Agreement, on the other hand, is entered into between United and the guarantor. Thereby, in accordance with United's governing documents, a noncomplying Member's interest may be terminated for

failure to pay, without United having received payment. Short of or separate and apart from terminating membership interest, United would be able to enforce the Guaranty and thereby satisfy the financial obligation (through the guarantor) independent of the Member. This includes the Monthly Carrying Charge payable by the Member to United, all assessments, fines or other monetary charges levied in the name of United pursuant to the applicable Occupancy Agreement, Bylaws or other governing documents of United, and California law.

If the Board proceeds with reinstating guarantors, pursuant to the revised Guaranty and Security Agreement, there are ways to perfect United's interest in the guarantor's asset(s) pledged in for purposes of assisting prospective Members with meeting United's financial obligations. Note, taking steps to perfect United's interest in a guarantor's asset(s) may act as a significant deterrent and result in prospective Members being unable to obtain guarantors. The revised Guaranty and Security Agreement includes not only a promise to pay, but it identifies the guarantor's means to pay (the security or collateral), and authorizes the creditor (i.e., United) to file UCC financing statements with respect to the security or collateral. This option, i.e., the filing of a UCC financing statement with the Secretary of State, creates collateral and secures United's debt. It is valid for 5 years, unless it is renewed. If a Member defaults in the payment of assessments, fines or other past due chargeable services, and the guarantor refuses to pay, United may collect against the guarantor by collecting against the assets listed in the UCC security statement (i.e., list specific assets, such as real estate, vehicles (owned, not leased), etc.) as filed with the Secretary of State. The revised Guaranty and Security Agreement is attached for your review and consideration.

Should the Board determine and resolve to allow guarantors, it will be necessary to revise the currently operative Financial Qualification Policy (rev. 5-23-18) in order to provide guarantor requirements. Previous guarantor requirements, which will, likewise, be reinstated included:

- Satisfactory verification of annual income of at least \$90,000 and marketable or income producing assets of at least \$250,000 plus the unit purchase price.
- This in addition to the prospective Member's minimum annual income of at least \$24,000 and marketable or income producing assets of at least \$75,000.

In addition to these requirements, the guarantor can be required, as set forth herein, to identify assets from which the financial obligation may be satisfied and authorize UCC financing statements to be filed.

Note, for your reference only, Third Laguna Hills Mutual ("Third Mutual") allows guarantors.

Third Mutual does not require a security agreement or UCC financing statement filings. As noted above, without same, although the guarantor may have demonstrated an ability to pay, there are no assurances as to what assets, if any, will be available to satisfy the financial obligation in case of the Member's default. From an administration standpoint, Staff will need to evaluate whether it is equipped to file UCC statements, or otherwise work through Beaumont Tashjian to file them.

## **FINANCIAL ANALYSIS**

As noted above, reinstating a policy to allow guarantors would require Staff time to process and vet guarantors and to annually verify Guarantor's financial information provided to United.

**Prepared By:** Jeff Beaumont, Attorney for United Laguna Woods Mutual

**Reviewed By:** Siobhan Foster, Chief Executive Officer

**ATTACHMENT(S)**

Attachment 1 – Redline of Updates Made to the Guaranty and Security Agreement since the  
April 9, 2019, Board meeting

Attachment 2 – Resolution 01-19-XX

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**PERSONAL UNCONDITIONAL CONTINUING  
GUARANTY & SECURITY AGREEMENT****UNIT NO.**

This Personal Unconditional Continuing Guaranty and Security Agreement (hereinafter "Guaranty") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the undersigned, individually, jointly and severally if more than one (hereinafter individually and collectively the "Guarantor"), whose address(es) appear below their signatures hereon, to and for the benefit of:

("Member") and United Laguna Woods Mutual, a California nonprofit mutual benefit corporation (hereinafter "United" or "Corporation").

For purposes of this Guaranty, "Guarantor" is the undersigned who guarantees to pay for the Member's debt and/or obligations if Member should default or otherwise fail to pay a debt and/or obligations to United.

The undersigned Guarantor may only guarantee one (1) unit in the Village. For purposes of this Guaranty, Village means United Laguna Woods, Third Laguna Hills, and The Towers. Guarantor warrants and represents it has not and will not guarantee another unit in the Village.

In consideration of the mutual covenants and agreements herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor warrants to, and covenants with, United as follows:

### **1. Personal Unconditional Continuing Guaranty**

Guarantor, individually, jointly and severally, unconditionally and absolutely guarantees the due and punctual payment of the Indebtedness, as hereinafter defined (without deduction for any claim, setoff or counterclaim of Guarantor, or for the loss of contribution of a co-guarantor, if any) of Member to United, on demand in lawful money of the United States. The term "Indebtedness" is used herein in its most comprehensive sense and includes the Monthly Carrying Charge payable by the Member to United, all assessments, finances or other monetary charges, levied in the name of United pursuant to the applicable Occupancy Agreement, Bylaws or other governing documents of United, and California law, all as now existing or as may be hereafter amended, any and all advances, debts, obligations and liabilities of Member or any one or more of them, now or hereafter made, incurred or created, whether voluntary or involuntary, and however arising, whenever due, and whether absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Member may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter become barred by any statute of limitations, or whether such Indebtedness may be or hereafter becomes otherwise unenforceable.

The obligation of Guarantor is a primary, continuing and unconditional obligation of payment and performance. This Guaranty shall be effective regardless of the solvency or insolvency of Guarantor at any time or the subsequent incorporation, reorganization, merger or consolidation of Guarantor, or any other change in composition, nature, personnel, ownership or location of Guarantor. This Guaranty is non-revocable by Guarantor.

Guarantor shall at all times satisfy the minimum financial requirements required by United, which financial requirements may be amended by United's Board of Directors from time to time.

The obligations of Guarantor herein cannot be assigned or transferred in any manner whatever, directly or indirectly, by operation of law or otherwise, without the prior written consent of United, which consent may be withheld in any circumstances. However, Guarantor agrees that this Guaranty shall inure to the benefit of and may be enforced by United and by any subsequent holder or assigned of any and all of the Indebtedness and shall be binding upon and enforceable against Guarantor and Guarantor's executors, administrators, legal representatives, successors and assigns.

The obligations hereunder are joint and several, and independent of the obligations of Member. A separate action or actions may be brought and prosecuted by Corporation against Guarantor whether action is brought against Member or whether Member be joined in any such action or

actions; and Guarantor waives the benefit of any statute of limitations affecting their liability hereunder or the enforcement thereof.

Guarantor authorizes Corporation, without notice or demand and without affecting Guarantor's liability hereunder, from time to time to (a) renew, compromise, extend, accelerate, or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any part thereof, including increasing or decreasing the rate of interest thereon; (b) take and hold security for the payment of this guaranty or the Indebtedness guaranteed, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as Corporation in its discretion may determine; and (d) release or substitute any one or more of the endorsers or Guarantor. Corporation may, without notice, assign this Guaranty in whole or part. Without limiting the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code ("CC") Section 2819, and agrees that Guarantor's liability shall continue even if Corporation allows any Indebtedness of Members in any respect or Corporation's remedies or rights against Member are in any way impaired or suspended without United's consent.

Guarantor waives any right to require Corporation to (a) proceed against Member; (b) proceed against or exhaust any security held from Member; or (c) pursue any other remedy in Corporation's power whatsoever. Guarantor waives any defense arising by reason of any disability or other defense of Member or by reason of the cessation from any cause whatsoever of the liability of Members. Until all Indebtedness of Members to Corporation shall have been paid in full, even though such indebtedness is in excess of Guarantor's liability hereunder, Guarantor shall have no right of subrogation, and waives any right to enforce any remedy which Corporation now has or may hereafter have against Member, and waives any benefit of, and any right to participate in any security now or hereafter held by United. Guarantor waives diligence and all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty and of the existence, creation, or incurring of new and additional Indebtedness. Notwithstanding, Guarantor will receive copies, at the discretion of United or upon Guarantor's written request, of Member's late payment notices.

Guarantor agrees to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by Corporation in the enforcement of this Guaranty or any attempts to collect any of the obligations of Member whether or not Corporation files suit against Member and Guarantor.

In all cases where there is but a single Member or a single Guarantor, then all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; and when there is more than one Member named herein, or when this Guaranty is executed by more than one Guarantor, the word "Members" and the word "Guarantors" respectively shall mean all and any one or more of them.

All obligations of Guarantor shall be performed at Laguna Woods, California. At all times herein, Guarantor's primary residence and/or, if an entity, place of business, filing, registration or incorporation shall be in the State of California, and Guarantor's assets shall also be located in California. United may, from time to time, change or modify any obligation between Member and United in any manner it may deem fit and such change shall not affect the liability of Guarantor in any manner. Guarantor further waives any and all defenses of every kind which may be available by reason of any disability or defense of the Member,

Guarantor further waives all right to require United to proceed against the Member or any other person, firm or corporation, or to pursue any other remedy available to United. All rights of United herein or otherwise shall be cumulative and no exercise, delay in exercising, or omission to exercise any right of United shall be deemed a waiver and every right of this Corporation may be exercised repeatedly. Any and all property of the undersigned, whether community or separate or otherwise, may be applied to the payment of any obligation arising hereunder.

## **2. Security Interest; Financial Information**

Guarantor hereby grants to United a continuing first priority security interest in and to all Guarantor's assets set forth on the attached Exhibit A ("Secured Collateral"). Guarantor authorizes United to cause UCC financing statements to be filed, UCC financing statement amendments and UCC financing statement continuation statements with respect to the Secured Collateral. The



collateral in which a security interest is hereby granted includes all of the rights, titles, and interests of Guarantor in and to the Secured Collateral.

Guarantor hereby authorizes United to cause at any time and from time to time filing in any filing office in any jurisdiction any initial financing statements and/or any amendments thereto required to perfect or continue the perfection in the security interests granted hereby, including financing statements that: (a) indicate the Secured Collateral as being of an equal or lesser scope or with greater detail and (b) provide any other information required by Part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Guarantor is an organization, the type of organization and any organizational identification number issued to Guarantor. Guarantor hereby authorizes United at any time and from time to time to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents as have been filed naming Guarantor as debtor and United as secured party. United is hereby authorized to give notice to any creditor or any other person as may be necessary or desirable under applicable laws to evidence, protect, perfect, or enforce the security interest granted to United in the Secured Collateral.

United may on an annual basis verify Guarantor's financial information provided to United pursuant to this Guaranty.

### 3. Requirement of Guaranty

Guarantor is executing and delivering this Guaranty in order to induce United to enter into an Occupancy Agreement with and accept a Shareholder Application an application for Membership with from Member. Guarantor acknowledges, agrees, represents and warrants that Guarantor benefits from same and that such benefit is sufficient consideration for the entry of Guarantor into this Guaranty.

IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered as of the date first written above.

Guarantor

By: \_\_\_\_\_

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

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

Guarantor

By: \_\_\_\_\_

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

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

Accepted.

United Laguna Woods Mutual

By: \_\_\_\_\_

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

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

By: \_\_\_\_\_

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

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

Exhibit A  
Secured Collateral

Asset(s), Asset Location (i.e., Bank account, Bank Account Number, Name of bank; or Real property, Real property address)	Guarantor Name	Ownership Interest

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**RESOLUTION 01-19-XX**

**Authorization to Accept Personal Unconditional Continuing Guaranty & Security Agreement and to Revise Financial Qualifications Policy (rev. 5-23-18)**

**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 the ability to enter into Occupancy Agreement(s) with certain Members whereby same require guarantor(s) to meet the Corporation’s financial qualifications in order to qualify for membership and consistent policies regarding same;

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

1. **Personal Unconditional Continuing Guaranty & Security Agreement.**  
The Corporation, by and through the Board of Directors, is authorized to enter into Personal Unconditional Continuing Guaranty & Security Agreement, in the manner and

form attached hereto as Exhibit A and incorporated herein by reference thereto, and such Personal Unconditional Continuing Guaranty & Security Agreement will bind the Corporation.

Specifically, the Corporation may accept from guarantor(s) a guarantee to pay a Member's debt and/or obligation should the Member default or otherwise fail to pay a debt and/or obligation owed to the Corporation pursuant to an executed Personal Unconditional Continuing Guaranty & Security Agreement, and to cause security documents, which the Corporation may require, which shall evidence the asset(s) pledge by such guarantor(s). The Guaranty and Security Agreement includes not only a promise to pay, but it identifies the guarantor's means to pay (the security or collateral), and authorizes the creditor (i.e., United) to file UCC financing statements with respect to the security or collateral. This option, i.e., the filing of a UCC financing statement with the Secretary of State, creates collateral and secures United's debt.

**2. Further Acts.** The Board of Director may do and perform such other acts and things as may be reasonably necessary and proper in order to carry into effect the provisions of this Resolution, including, but not limited to, revising the current operative Financial Qualifications Policy (rev. 5-23-18) to allow prospective Members to meet the Corporation's financial qualifications, and to revise such other documentation, as may be necessary and appropriate.

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

#### JULY 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.

## EXHIBIT A

<b>PERSONAL UNCONDITIONAL CONTINUING GUARANTY &amp; SECURITY AGREEMENT</b>	<b>UNIT NO.</b>
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This Personal Unconditional Continuing Guaranty and Security Agreement (hereinafter "Guaranty") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the undersigned, individually, jointly and severally if more than one (hereinafter individually and collectively the "Guarantor"), whose address(es) appear below their signatures hereon, to and for the benefit of:

\_\_\_\_\_, ("Member")  
and United Laguna Woods Mutual, a California nonprofit mutual benefit corporation (hereinafter "United" or "Corporation").

For purposes of this Guaranty, "Guarantor" is the undersigned who guarantees to pay for the Member's debt and/or obligations if Member should default or otherwise fail to pay a debt and/or obligations to United.

The undersigned Guarantor may only guarantee one (1) unit in the Village. For purposes of this Guaranty, Village means United Laguna Woods, Third Laguna Hills, and The Towers. Guarantor warrants and represents it has not and will not guarantee another unit in the Village.

In consideration of the mutual covenants and agreements herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor warrants to, and covenants with, United as follows:

### **1. Personal Unconditional Continuing Guaranty**

Guarantor, individually, jointly and severally, unconditionally and absolutely guarantees the due and punctual payment of the Indebtedness, as hereinafter defined (without deduction for any claim, setoff or counterclaim of Guarantor, or for the loss of contribution of a co-guarantor, if any) of Member to United, on demand in lawful money of the United States. The term "Indebtedness" is used herein in its most comprehensive sense and includes the Monthly Carrying Charge payable by the Member to United, all assessments, fines or other monetary charges levied in the name of United pursuant to the applicable Occupancy Agreement, Bylaws or other governing documents of United, and California law, all as now existing or as may be hereafter amended, any and all advances, debts, obligations and liabilities of Member or any one or more of them, now or hereafter made, incurred or created, whether voluntary or involuntary, and however arising, whenever due, and whether absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Member may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter become barred by any statute of limitations, or whether such Indebtedness may be or hereafter becomes otherwise unenforceable.

The obligation of Guarantor is a primary, continuing and unconditional obligation of payment and performance. This Guaranty shall be effective regardless of the solvency or insolvency of Guarantor at any time or the subsequent incorporation, reorganization, merger or consolidation of Guarantor, or any other change in composition, nature, personnel, ownership or location of Guarantor. This Guaranty is non-revocable by Guarantor.

Guarantor shall at all times satisfy the minimum financial requirements required by United, which financial requirements may be amended by United's Board of Directors from time to time.

The obligations of Guarantor herein cannot be assigned or transferred in any manner whatever, directly or indirectly, by operation of law or otherwise, without the prior written consent of United, which consent may be withheld in any circumstances. However, Guarantor agrees that this Guaranty shall inure to the benefit of and may be enforced by United and by any subsequent holder or assigned of any and all of the Indebtedness and shall be binding upon and enforceable against Guarantor and Guarantor's executors, administrators, legal representatives, successors and assigns.

The obligations hereunder are joint and several, and independent of the obligations of Member. A separate action or actions may be brought and prosecuted by Corporation against Guarantor whether action is brought against Member or whether Member be joined in any such action or actions; and Guarantor waives the benefit of any statute of limitations affecting their liability hereunder or the enforcement thereof.

Guarantor authorizes Corporation, without notice or demand and without affecting Guarantor's liability hereunder, from time to time to (a) renew, compromise, extend, accelerate, or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any part thereof, including increasing or decreasing the rate of interest thereon; (b) take and hold security for the payment of this guaranty or the Indebtedness guaranteed, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as Corporation in its discretion may determine; and (d) release or substitute any one or more of the endorsers or Guarantor. Corporation may, without notice, assign this Guaranty in whole or part. Without limiting the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code ("CC") Section 2819, and agrees that Guarantor's liability shall continue even if Corporation allows any Indebtedness of Members in any respect or Corporation's remedies or rights against Member are in any way impaired or suspended without United's consent.

Guarantor waives any right to require Corporation to (a) proceed against Member; (b) proceed against or exhaust any security held from Member; or (c) pursue any other remedy in Corporation's power whatsoever. Guarantor waives any defense arising by reason of any disability or other defense of Member or by reason of the cessation from any cause whatsoever of the liability of Members. Until all Indebtedness of Members to Corporation shall have been paid in full, even though such indebtedness is in excess of Guarantor's liability hereunder, Guarantor shall have no right of subrogation, and waives any right to enforce any remedy which Corporation now has or may hereafter have against Member, and waives any benefit of, and any right to participate in any security now or hereafter held by United. Guarantor waives diligence and all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty and of the existence, creation, or incurring of new and additional Indebtedness. Notwithstanding, Guarantor will receive copies, at the discretion of United or upon Guarantor's written request, of Member's late payment notices.

Guarantor agrees to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by Corporation in the enforcement of this Guaranty or any attempts to collect any of the obligations of Member whether or not Corporation files suit against Member and Guarantor.

In all cases where there is but a single Member or a single Guarantor, then all words used herein in the plural shall be deemed to have been used in the singular where the



context and construction so require; and when there is more than one Member named herein, or when this Guaranty is executed by more than one Guarantor, the word "Members" and the word "Guarantors" respectively shall mean all and any one or more of them.

All obligations of Guarantor shall be performed at Laguna Woods, California. At all times herein, Guarantor's primary residence and/or, if an entity, place of business, filing, registration or incorporation shall be in the State of California, and Guarantor's assets shall also be located in California. United may, from time to time, change or modify any obligation between Member and United in any manner it may deem fit and such change shall not affect the liability of Guarantor in any manner.

Guarantor further waives all right to require United to proceed against the Member or any other person, firm or corporation, or to pursue any other remedy available to United. All rights of United herein or otherwise shall be cumulative and no exercise, delay in exercising, or omission to exercise any right of United shall be deemed a waiver and every right of this Corporation may be exercised repeatedly. Any and all property of the undersigned, whether community or separate or otherwise, may be applied to the payment of any obligation arising hereunder.

## **2. Security Interest; Financial Information**

Guarantor hereby grants to United a continuing first priority security interest in and to all Guarantor's assets set forth on the attached Exhibit A ("Secured Collateral"). Guarantor authorizes United to cause UCC financing statements to be filed, UCC financing statement amendments and UCC financing statement continuation statements with respect to the Secured Collateral. The collateral in which a security interest is hereby granted includes all of the rights, titles, and interests of Guarantor in and to the Secured Collateral.

Guarantor hereby authorizes United to cause at any time and from time to time filing in any filing office in any jurisdiction any initial financing statements and/or any amendments thereto required to perfect or continue the perfection in the security interests granted hereby, including financing statements that: (a) indicate the Secured Collateral as being of an equal or lesser scope or with greater detail and (b) provide any other information required by Part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Guarantor is an organization, the type of organization and any organizational identification number issued to Guarantor. Guarantor hereby authorizes United at any time and from time to time to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents as have been filed naming Guarantor as debtor and United as secured party. United is hereby authorized to give notice to any creditor or any other person as may be necessary or desirable under applicable laws to evidence, protect, perfect, or enforce the security interest granted to United in the Secured Collateral.

United may on an annual basis verify Guarantor's financial information provided to United pursuant to this Guaranty.

## **3. Requirement of Guaranty**

Guarantor is executing and delivering this Guaranty in order to induce United to enter into an Occupancy Agreement with and accept an application for Membership from

Member. Guarantor acknowledges, agrees, represents and warrants that Guarantor benefits from same and that such benefit is sufficient consideration for the entry of Guarantor into this Guaranty.

IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered as of the date first written above.

Guarantor

By: \_\_\_\_\_

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

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

Guarantor

By: \_\_\_\_\_

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

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

Accepted.

United Laguna Woods Mutual

By: \_\_\_\_\_

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

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

By: \_\_\_\_\_

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

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

Exhibit A  
Secured Collateral

Asset(s), Asset Location (i.e., Bank account, Bank Account Number, Name of bank; or Real property, Real property address)	Guarantor Name	Ownership Interest

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## **STAFF REPORT**

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**DATE:** August 13, 2019  
**FOR:** Board of Directors  
**SUBJECT:** 2020 Collection and Lien Enforcement Policy

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### **RECOMMENDATION**

Staff recommends approval of the 2020 Collection and Lien Enforcement Policy.

### **BACKGROUND**

The proposed 2020 United Laguna Woods Mutual Collection and Lien Enforcement Policy outlines the procedures, policies, and practices employed by United Laguna Woods Mutual in enforcing lien rights or other legal remedies for default in payment of its assessments against its shareholders. The policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2019 as part of the Annual Policy Statement.

### **DISCUSSION**

Legal counsel has reviewed the existing Collection and Lien Enforcement Policy and determined that the policy as written complies with Civil Code requirements and reflects current practices for collection of Mutual delinquencies. Wording was added to clarify current practices and procedures for collection of fines, fees, and chargeable services.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Betty Parker, Chief Financial Officer

### **ATTACHMENT(S)**

ATT1: 2020 Collection and Lien Enforcement Policy  
ATT2: Resolution

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**YEAR ~~2019~~2020 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: Also following, pursuant to Paragraphs 3, 16 and 22, are United's collection policies and procedures for the collection of fines, fees, and chargeable services charged against Shareholders pursuant to the Governing Documents and current law:

**1. Assessments; Assessments Due Date.** "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessmentsfees" 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. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.

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

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

**6. Enforcement of a Lien.** United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

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

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

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

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

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

**11. Right to Dispute the Debt.** A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for delivery to United pursuant to Civil Code Section 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.

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

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

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

**15. Payment Plan Requests.** Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or United's collection agent, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period in addition to a \$50 one-time setup fee. If a payment plan is approved by the Board, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved.

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

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

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

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

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

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

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

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

the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

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

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

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

**BOARD OF DIRECTORS  
UNITED LAGUNA WOODS MUTUAL**

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## NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of the shareholders (as holders of leasehold interests in a Manor located within United Laguna Woods Mutual, a stock cooperative), as shareholders with an entitlement to the exclusive right to occupy a manor, which is property in a common interest development (as defined by California Civil Code), and the corporation that manages them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

For purposes of this notice, “association” shall refer to “United Laguna Woods Mutual”, also referred to as “United” or the “Association”.

Any and all references to “shareholders” in this notice refer to holders of membership certificates issued by United, who are also holders of leasehold interests in a Manor, (or “Members”, as such term is defined in the Bylaws of United Laguna Woods Mutual).

Any and all references to a “Manor” in this notice shall refer to a dwelling unit owned by United.

Any and all references to “property” and “shareholder’s separate interest” in this notice refer to a leasehold interest and the right to exclusively occupy a Manor pursuant to an Occupancy Agreement and a membership certificate.

Any and all references to a “membership certificate” or “stock certificate” refer to a certificate for membership issued by United, which conveys to the holder a leasehold interest in and the right to exclusively occupy a Manor and membership in United.

## ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay Association (United) assessments may result in the loss of a shareholder's property (leasehold interest in a Manor as evidenced by a stock certificate) through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. If a shareholder defaults under his or her Occupancy Agreement by failing to pay assessments when due, United also has the right, but not the obligation, to terminate the shareholder's stock certificate, which may result in the eviction of the occupants of the Manor.

For liens recorded on and after January 1, 2006, the Association (United) may not use judicial or nonjudicial foreclosure to enforce the lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than One Thousand Eight Hundred Dollars (\$1,800). For delinquent assessments or carrying charges in excess of One Thousand Eight Hundred Dollars (\$1,800) or more than 12 months delinquent, the Association (United) may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the Association (United) records a lien against the shareholder's separate interest. The shareholder's separate interest (a leasehold interest in a Manor as evidenced by a stock certificate) may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive) If a shareholder defaults under his or her Occupancy Agreement by failing to pay assessments when due, United also has the right but not the obligation to terminate the shareholder's stock certificate pursuant to the procedures set forth in the governing documents, including without limitation, the Bylaws and Occupancy Agreement, which may result in the eviction of the occupants of the Manor by an unlawful detainer action or other proceedings which may apply to the eviction of tenants.

In a judicial or nonjudicial foreclosure, the Association (United) may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The Association (United) may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a shareholder or a shareholder's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The Association (United) must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the Association (United) fails to follow these requirements, it may not record a lien against the shareholder's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the Association (United). (Section 5675 of the Civil Code)



At least 30 days prior to recording a lien on a shareholder's separate interest (the leasehold interest in a Manor as evidenced by a stock certificate), the Association (United) must provide the shareholder with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the shareholder. A shareholder has a right to review the Association's (United's) records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against a shareholder's separate interest (the leasehold interest in a Manor as evidenced by a stock certificate) in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide a shareholder with certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the Association (United) may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

#### PAYMENTS

When a shareholder makes a payment, he or she may request a receipt, and the Association (United) is required to provide it. On the receipt, the Association (United) must indicate the date of payment and the person who received it. The Association (United) must inform shareholders of a mailing address for overnight payments. (Section 5655 of the Civil Code)

A shareholder may, but is not obligated to, pay under protest any disputed charge or sum levied by the Association (United), including, but not limited to, a monthly carrying charge, 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.

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an Association (United) may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the shareholder. Binding arbitration shall not be available if the Association (United) intends to initiate a judicial foreclosure.

A shareholder is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

## MEETINGS AND PAYMENT PLANS

A shareholder of a separate interest (the leasehold interest in a Manor as evidenced by a stock certificate) that is not a timeshare may request the Association (United) to consider a payment plan to satisfy a delinquent assessment. The Association (United) must inform shareholders of the standards for payment plans, if any exist. (Section 5665 of the Civil Code)

The Board of Directors must meet with a shareholder who makes a proper written request for a meeting to discuss a payment plan when the shareholder has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the Association (United), if they exist. (Section 5665 of the Civil Code)

## **RESOLUTION 01-19-xx**

### **2020 Collection & Lien Enforcement Policy**

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

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

**NOW THEREFORE BE IT RESOLVED**, September 10, 2019, that the Board of Directors hereby adopts the 2020 United Laguna Woods Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2019 as part of the Annual Policy Statement.

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

#### **JULY 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.

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## STAFF REPORT

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**DATE:** August 13, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Supplemental Funding for the 2019 Water Heater Replacement Program

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### **RECOMMENDATION**

Approve a supplemental appropriation in the amount of \$940,000 from the Replacement Fund to complete the backlog of water heater replacements in 2019.

### **BACKGROUND**

The Board established a Reserve Fund for the replacement of residential water heaters on a proactive basis, replacing units during their 10th year in service, to coincide with the manufacturer's warranty. Planned expenditures are estimated on the basis of material cost and labor, plus inflation. The estimated cost also includes the code-required electrical work associated with the replacement, the water shut-off device and the cost for a city permit and inspection. The 2019 reserve expenditures plan includes \$1.1 Million for water heater replacements. The projection for total expenditures in the current year is close to \$2 Million.

In 2015, the City of Laguna Woods Building Department began enforcing the 2013 California Plumbing Code (CPC) regarding the installation of new replacement water heaters with temperature pressure (TP) relief valves. The Laguna Woods Village community was constructed in the mid 1960's and the original water heaters did not have TP valves, therefore drain lines were not installed in most units. When replacing the existing water heaters, the City began requiring that the new TP valve drain lines be routed from the unit's interior location to the exterior of the building. The water heater replacement program was placed on hold while alternatives were evaluated to this costly requirement, thus creating a significant backlog.

Staff worked with the City Building Official and eventually received approval for the use of a water shut off device in addition to the installation of a Smitty pan at the base of the water heater, as a secondary containment method, when directing a drain line to the exterior is not possible. The device cuts off the water supply and power to the water heater in the event of a failure.

### **DISCUSSION**

In 2018, the water heater program restarted with a backlog of approximately 2,800 units past the 10-year life cycle. This number proved to be much larger than in-house staff resources could accommodate and outside vendors were contracted to assist.

At the start of 2019, the Mutual had 1,576 water heaters that required replacement. From January to May staff and contractors have installed 1,080 water heaters. There are currently 496 left to replace.

In June 2019, M&C staff halted non-emergency water heater replacements when it was determined that the program had exceeded the 2019 appropriation by \$275,000. On June 26, 2019, the M&C Committee directed staff to continue the water heater replacement program, and bring a report to the Finance Committee and Board in order to secure supplemental funding to cover the 2019 budget variance and complete the backlog of installations this year.

Although a large amount of water heaters were replaced in 2018 and 2019, staff has revised the water heater replacement program to maintain a standard amount of water heater replacements, during the 10-year cycle. This will ensure that the budget allocation in future years remain level. Completion of the existing backlog will also result in future cost reductions to the Mutual, as there will be less electrical labor required to replace units as they reach their warranty life.

#### **FINANCIAL ANALYSIS**

In order to bring the Mutual current with water heaters that have reached the end of their life cycle, a supplemental appropriation in the amount of \$940,000 from the Replacement Fund is required.

**Prepared By:** Ian Barnette, Maintenance Services Manager

**Reviewed By:** Ernesto Munoz, P.E., Maintenance and Construction Director  
Betty Parker, CFO

**Attachments:**  
ATT 1 – Resolution

**ENDORSEMENT (To United Board)**

**Water Heater Installation Program**

Ernesto Munoz, Maintenance and Construction Director, presented a verbal summary of the staff report on Supplemental Funding for the 2019 Water Heater Replacement Program and addressed questions.

A motion was made and unanimously carried to recommend the Board approve a supplemental appropriation in the amount of \$940,000, to be funded from the Replacement Fund, to fund the budget variance and complete the backlog of water heater replacements in 2019.

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## **Resolution 01-19-XX**

### **Supplemental Funding for 2019 Water Heater Program**

**WHEREAS**, United Laguna Woods Mutual was constructed in the mid 1960's and the original water heaters did not have temperature pressure (TP) relief valves, therefore drain lines were not installed in most units; and

**WHEREAS**, in 2015, the City of Laguna Woods Building Department began enforcing the 2013 California Plumbing Code (CPC) regarding the installation of new replacement water heaters with (TP) relief valves; and

**WHEREAS**, the water heater replacement program was placed on hold while staff researched alternatives to this costly requirement, thus creating a significant backlog; and

**WHEREAS**, United Mutual eventually received approval to use of a water shut off device in addition to the installation of a Smitty pan at the base of the water heater, as a secondary containment method, when directing a drain line to the exterior is not possible; and

**WHEREAS**, current funding is not sufficient to complete the backlog of water heater installations; and

**WHEREAS**, the completion of the water heater program would require a supplemental appropriation in the amount of \$940,000 to be funded from the Replacement Fund to cover the 2019 budget variance and complete the backlog of installations this year; and

**WHEREAS**, on June 26, 2019, the M&C Committee directed staff to continue the water heater replacement program, and bring a report to the Finance Committee and Board in order to secure supplemental funding.

**NOW THEREFORE BE IT RESOLVED**, on August 13, 2019, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$940,000, to be funded from the Replacement Fund, to fund the budget variance and complete the backlog of water heater replacements in 2019; 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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## Financial Report

As of June 30, 2019



INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$20,207
Non-assessment Revenue	\$1,205
Total Revenue	\$21,412
Total Expense	\$21,238
Net Revenue/(Expense)	\$174

1

## Financial Report

As of June 30, 2019



INCOME STATEMENT OPERATING FUND w/o Depreciation (in Thousands)	ACTUAL
Assessment Revenue	\$14,023
Non-assessment Revenue	\$976
Total Revenue	\$14,999
Total Expense	\$14,285
Operating Surplus	\$714

2

## Financial Report

As of June 30, 2019

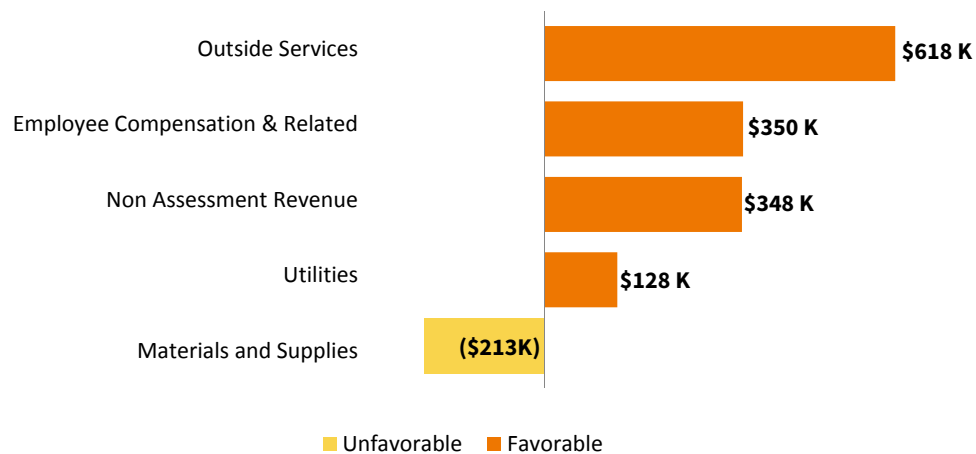


INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE
Assessment Revenue	\$20,207	\$19,558	\$649
Non-assessment Revenue	\$1,205	\$857	\$348
Total Revenue	\$21,412	\$20,415	\$997
Total Expense	\$21,238	\$21,455	\$218
Net Revenue/(Expense)	\$174	(\$1,040)	\$1,215

3

## Financial Report

As of June 30, 2019



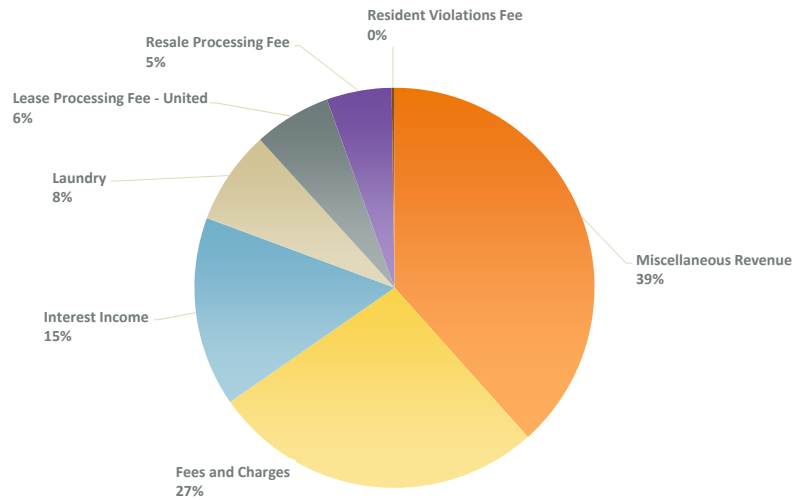
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# Financial Report

As of June 30, 2019



## Total Non Assessment Revenues \$1,204,650



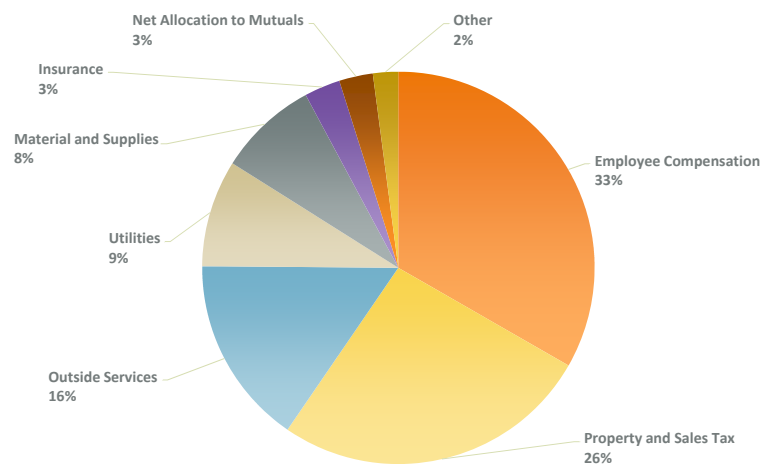
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# Financial Report

As of June 30, 2019



## Total Expenses \$21,237,653



6

## Financial Report

As of June 30, 2019



NON OPERATING FUND BALANCES (in Thousands)	CONTINGENCY	REPLACEMENT
BEGINNING BALANCES: 1/1/19	\$2,661	\$19,052
Contributions & Interest	597	5,815
Expenditures	(727)	(6,120)
Current Balances: 6/30/19	\$2,531	\$18,747

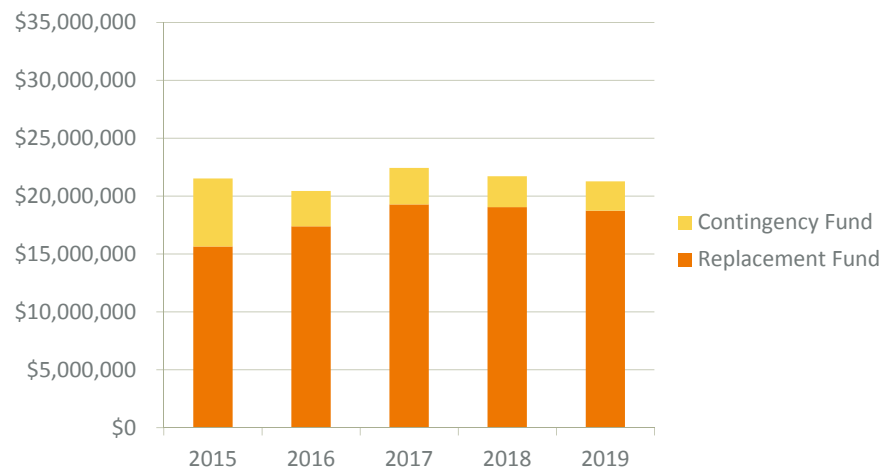
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## Financial Report

As of June 30, 2019



### FUND BALANCES – United Mutual



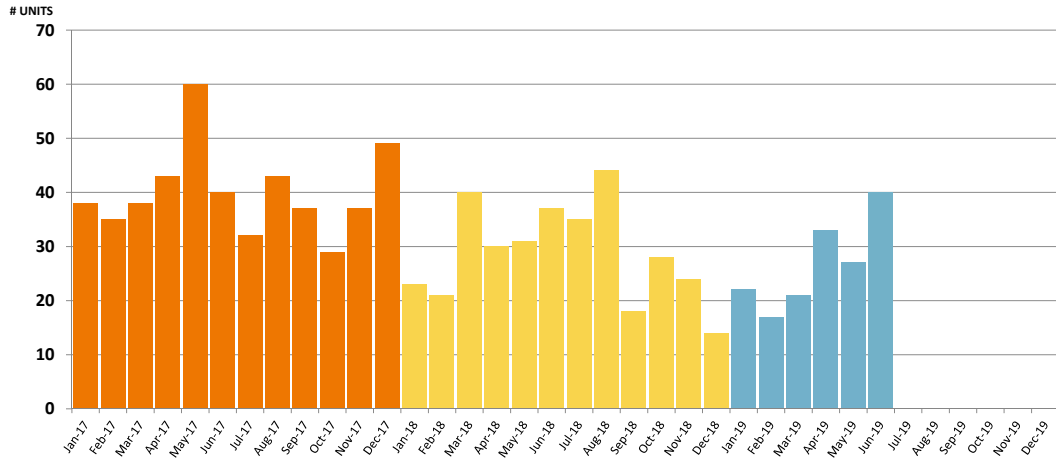
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# Financial Report

As of June 30, 2019



## RESALE HISTORY - United Mutual



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# Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

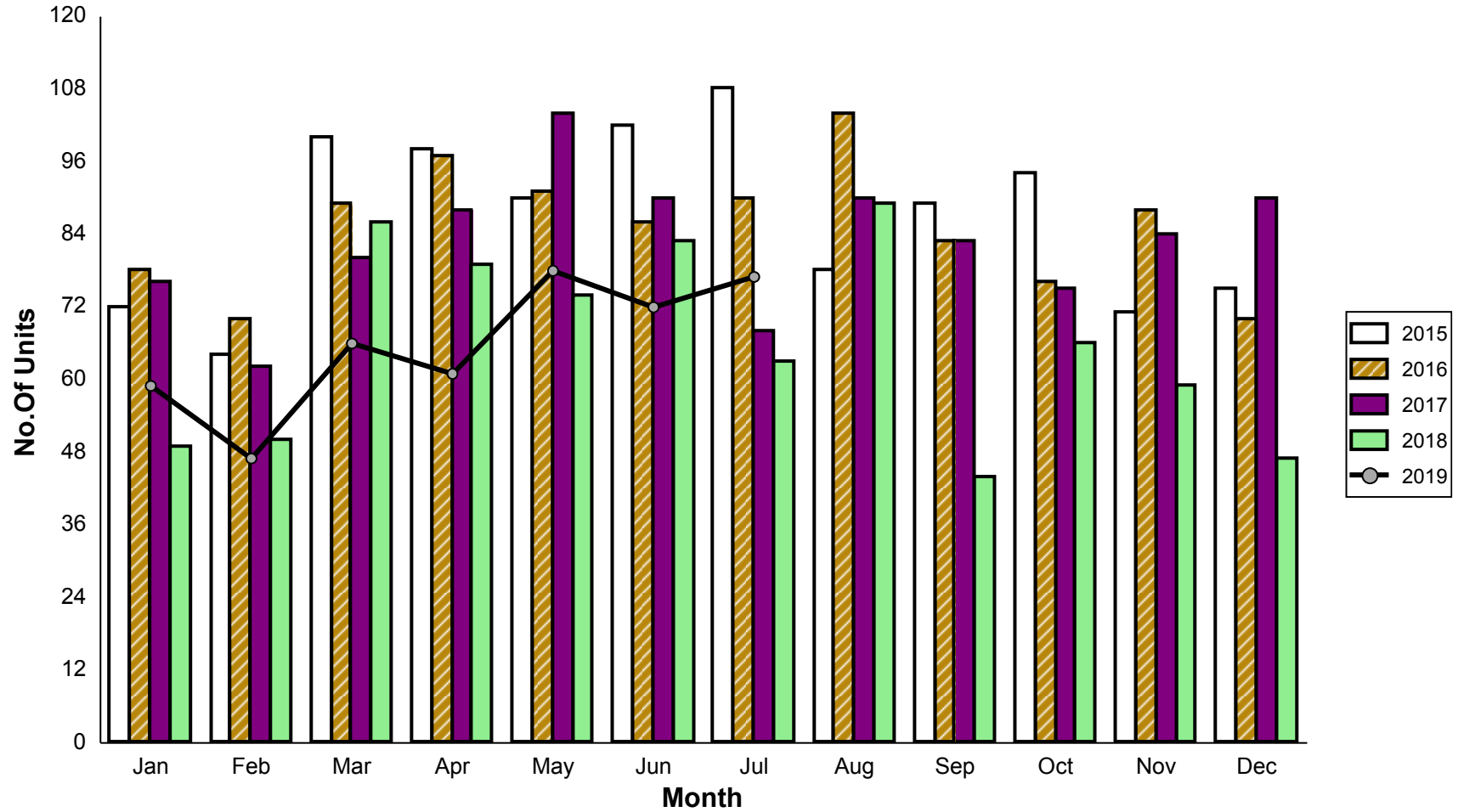
REPORT PERIOD

July, 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	87	\$23,445,712	\$28,065,799	\$355,238	\$359,818
April	61	79	\$20,041,551	\$27,694,226	\$328,550	\$364,398
May	78	74	\$23,941,536	\$24,187,990	\$310,929	\$350,551
June	72	83	\$21,298,290	\$28,002,538	\$295,810	\$378,413
July	77	63	\$26,517,173	\$19,434,100	\$344,379	\$329,392
August		*		\$28,612,100		* \$340,620
September		*		\$17,185,192		* \$409,171
October		*		\$22,702,400		* \$366,168
November		*		\$17,330,500		* \$320,935
December		*		\$17,262,399		* \$383,609
TOTAL	460.00	485.00	\$147,837,562	\$160,866,335		
MON AVG	65.00	69.00	\$21,119,652	\$22,980,905	\$324,044	\$352,079

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison



# Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

United

July, 2019

MONTH	NO. OF RESALES		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	27	31	\$6,380,503	\$8,735,000	\$236,315	\$281,774
June	40	37	\$10,297,790	\$11,021,400	\$257,445	\$297,876
July	37	35	\$9,189,800	\$9,541,300	\$248,373	\$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
<b>TOTAL</b>	197.00	217.00	\$51,053,444	\$61,352,540		
<b>MON AVG</b>	28.00	31.00	\$7,293,349	\$8,764,649	\$259,541	\$282,194
<b>% CHANGE - YTD</b>	-9.2%		-16.8%		-8.0%	

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation

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# Resales Report

## United Laguna Woods Mutual

### July, 2019

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/23/2019	39-Q	1	\$140,000	Cadiz	Century 21 Rainbow	South Coast Realty	Granite Escrow
07/25/2019	45-C	1	\$210,000	Majorca	Century 21 Rainbow	Jack Wallace	Corner Escrow Inc.
07/09/2019	73-C	1	\$196,500	Majorca	Coldwell Banker Residential	Coldwell Banker Residential	Escrow Options Group
07/25/2019	74-D	1	\$400,000	Barcelona	Century 21 Rainbow	Christine Donovan, Broker	Corner Escrow Inc.
07/22/2019	74-B	1	\$232,500	Barcelona	Laguna Premier Realty, Inc	H & M Realty Group	Pacific Closing Services
07/23/2019	110-F	1	\$179,500	Majorca	Laguna Premier Realty, Inc	Realty One Group	Granite Escrow
07/17/2019	124-R	1	\$182,000	Casa Blanca	Prea Realty	Nadine World Real Estate	Corner Escrow Inc.
07/31/2019	180-B	1	\$330,000	San Sebastian	Century 21 Rainbow	Century 21 Rainbow	Granite Escrow
07/25/2019	273-Q	1	\$265,000	Casa Blanca	Laguna Premier Realty, Inc	Realty One Group	Granite Escrow
07/02/2019	274-C	1	\$265,000	Madrid	Century 21 Rainbow	Laguna Premier Realty, Inc	Corner Escrow Inc.
07/16/2019	364-N	1	\$289,000	Casa Blanca	HomeSmart Evergreen	Coldwell Banker	Escrow Options Group
07/29/2019	365-B	1	\$314,500	Majorca	First Team Real Estate	Legacy 15 Real Estate	Corner Escrow Inc.
07/15/2019	372-C	1	\$470,000	Cordoba	Laguna Premier Realty, Inc	HomeSmart Evergreen	Pacific Closing Services
07/22/2019	378-O	1	\$146,000	Cadiz	Mr. Homefinder	Century 21 Rainbow	Granite Escrow
07/12/2019	446-C	1	\$239,000	La Corona	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Granite Escrow
07/01/2019	513-B	1	\$229,000	San Sebastian	Realty One Group	HomeSmart Evergreen	Generations Escrow
07/29/2019	517-B	1	\$300,000	Cordoba	Century 21 Award	Big Block Realty	Generations Escrow
07/01/2019	528-A	1	\$195,000	La Corona	Tittle Realty	Century 21 Full Service Realty	Corner Escrow Inc.
07/29/2019	615-D	1	\$305,000	Seville	Village Real Estate Services	Blueprint Commercial Assets, Inc.	Corner Escrow Inc.
07/05/2019	652-C	1	\$395,000	Cordoba	Realty One Group	Realty One Group	Granite Escrow
07/17/2019	748-B	1	\$219,900	Majorca	HomeSmart Evergreen	First Team Real Estate	Escrow Options Group
07/11/2019	764-N	1	\$145,000	Cadiz	Century 21 Rainbow	Windem Real Estate	Corner Escrow Inc.
07/31/2019	784-Q	1	\$153,700	Cadiz	Re/Max Select One	Re/Max Select One	Generations Escrow

# Resales Report

## United Laguna Woods Mutual

### July, 2019

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/12/2019	800-B	1	\$243,000	La Corona	Keller Williams Real Estate	Mark A. Carlson	Granite Escrow
07/24/2019	822-N	1	\$352,900	Casa Linda	Re/Max Premier Realty	RE EBroker	Granite Escrow
07/05/2019	829-C	1	\$210,000	Casa Contenta	First Team Real Estate	HomeSmart Evergreen	Granite Escrow
07/11/2019	836-Q	1	\$112,500	Cadiz	Laguna Premier Realty, Inc	Pacific Abode	Granite Escrow
07/17/2019	871-C	1	\$240,000	San Sebastian	Re/Max Premier Realty	HomeSmart Evergreen	Corner Escrow Inc.
07/11/2019	872-A	1	\$230,000	Casa Linda	Arbor Real Estate	Arbor Real Estate	Granite Escrow
07/10/2019	887-C	1	\$222,800	Castilla	First Team Real Estate	First Team Real Estate	Granite Escrow
07/15/2019	911-C	1	\$156,000	Cadiz	BHHS California Properties	BHHS California Properties	Corner Escrow Inc.
07/09/2019	2025-A	1	\$201,000	Monterey	Seniority Realty	RE/MAX Property Connection	Granite Escrow
07/15/2019	2072-C	1	\$315,000	San Sebastian	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Pacific Closing Services
07/11/2019	2099-D	1	\$330,000	Valencia	Coldwell Banker Residential	Coldwell Banker Residential	Granite Escrow
07/25/2019	2124-A	1	\$167,500	Casa Contenta	Re/Max Premier Realty	Keller Williams Real Estate	Granite Escrow
07/31/2019	2147-D	1	\$232,500	Valencia	HomeSmart Evergreen	Century 21 Rainbow	Escrow Options Group
07/08/2019	2151-C	1	\$375,000	Valencia	Sunset Pacific Real Estate	Beach Cities	Corner Escrow Inc.

Number of Resales: 37

Total Resale Price: \$9,189,800

Average Resale Price: \$248,373

Median Resale Price: \$232,500



# MONTHLY LEASING REPORT

Report Period:  
July-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	25	27	208	308	568	512	24	42	31	2
July	26	28	195	329	578	524	24	41	33	3
August						540				
September						524				
October						527				
November						546				
December						558				
Monthly Average	23.7	33.3	252.0	250.3	559.3	July 504.4	32.6	38.4	31.6	1.0
Percentage Leased	578 / 6323 = 9%									

New Leases = Units Sublet

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OPEN MEETING

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

Tuesday, July 30, 2019 – 2:00 p.m.

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

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

**OTHERS PRESENT:** Manuel Armendariz, Andre Torng, Maggie Blackwell, Anthony Liberatore, Mary Stone – VMS, Dick Rader – VMS

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Betty Parker, Steve Hormuth, Tim Moy, Ernesto Munoz, Chris Swanson

**Call to Order**

Director Morrison chaired the meeting and called it to order at 2:05 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 May 28, 2019**

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

**Chair Remarks**

Director Morrison stated that no complaints regarding staff will be tolerated and the meeting should be conducted in a courteous manner. The chair commented on the recent budget meeting where preliminary budget figures were reviewed and briefly discussed reverse mortgages.

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

Director Armendariz commented on Civil Code Section 5500 requirements, investment reporting, and landscape services. In response, Betty Parker, Chief Financial Officer, noted that the Board requested a cost analysis for alternative banking and reporting methods. Steve Hormuth, Controller, noted that investments are now reported quarterly in preliminary financial statements, instead of annually, beginning with the period ending June 30, 2019.

Dick Rader commented on the impact of potential assessment increases.

Director Torng commented on the monthly bank reconciliation process.

### **Department Head Update**

Ms. Parker provided an update on the 2020 Collection and Lien Enforcement Policy, to be placed onto the August 13, 2019 United Board Agenda Consent Calendar for approval. The existing policy has been reviewed by legal counsel and no changes are recommended. Ms. Parker also commented on the progress of the 2020 proposed business plan, to be reviewed next week on Friday, August 9, 2019 at a special televised meeting.

### **Review Preliminary Financial Statements dated June 30, 2019**

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

### **Water Heater Installation Program**

Ernesto Munoz, Maintenance and Construction Director, presented a verbal summary of the staff report on Supplemental Funding for the 2019 Water Heater Replacement Program and addressed questions.

A motion was made and unanimously carried to recommend the Board approve a supplemental appropriation in the amount of \$940,000, to be funded from the Replacement Fund, to fund the budget variance and complete the backlog of water heater replacements in 2019.

### **Future Agenda Items**

Section 5500 Operating and Reserve Account Requirements

### **Member Comments**

None.

### **Date of Next Meeting**

Tuesday, September 24, 2019 at 1:30 p.m.

### **Recess to Closed Session**

The meeting recessed to closed session at 3:20 p.m.

**DRAFT**

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Gary Morrison, Chair



UNITED LAGUNA WOODS  
M U T U A L

**OPEN MEETING**

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

Monday, July 22, 2019 – 1:30 P.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, Advisors Bevan Strom and Mary Stone

**MEMBERS ABSENT:** Anthony Liberatore

**OTHERS PRESENT:** Elsie Addington, Manuel Armendariz, Roberta Berk, Dick Rader

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

**REPORT**

**1. Call to Order**

Chair Blackwell called the meeting to order at 1:30 p.m.

**2. Acknowledgement of Press**

No press was present.

**3. Approval of the Agenda**

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

**4. Approval of Report from the June 24, 2019 Meeting**

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

**5. Chair's Remarks**

Chair Blackwell stated that today's meeting will be reviewing the topic of guarantors once again.

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

None.

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:

**7. Review and Discuss Allowing Guarantors**

Ms. Bashline reviewed the history of this topic to-date.

Chair Blackwell went over the information from staff regarding guarantors and stated that only 12 people are behind on their assessments at this point in time.

She stated that if the guarantor dies, the guarantee passes to the heirs of the guarantor.

Discussion whether the guarantors only apply to the assessments. Wording in agreement states that it applies to a Member's debt and/or obligations if Member should default or otherwise fail to pay a debt and/or obligations to United.

Committee requested that a larger font of 12 point be used where possible.

Committee requested Staff to update the Staff Report, which will accompany this agenda item, and make it clear that ALL indebtedness is an obligation of the guarantor, including past due chargeable services fees.

Discussion ensued on whether guarantors are warranted.

Director Torng stated that because we currently don't allow guarantors, we may have less buyers.

President Skillman stated that a guarantor has no right to the unit.

Director Addington made a motion to include in the guarantor agreement that the guarantor and their assets shall be located in California, that the financial requirements of guarantors are included in the agreement, and clarify that past due chargeable services and fines are included, not just the assessments. President Skillman seconded the motion.

A vote was called and four were in favor. None opposed. The motion passed.

Director Torng made a motion to only allow family members to be a guarantor. No second so motion failed.

The committee requested a redline of these proposed updates to the agreement be presented at the next Board meeting for Board consideration.

The committee requested to add to the wording in the agreement that the financial requirements for guarantors may be amended from time to time.

The committee requested that the United attorney decide if "and/or" wording is appropriate in second bullet of the financial requirements for guarantors.

Items for Discussion and Consideration:

None.

Concluding Business:

**8. Committee Member Comments**

President Skillman said it will be a great discussion when this topic goes back to the Board and the redline will illustrate what is being voting on.

Director Addington stated that this is a well-balanced agreement.

Director Torng said he is glad guarantors is back on table and he believes it will increase prices and housing demand if it is passed. The more turnover here will increase the housing price.

Advisor Stone stated that committee members should wait until the Chair calls on them to speak at this meeting and it will be a much more efficient meeting.

Advisor Strom stated that some are looking at this topic as an investment but she thinks it's more to do with allowing family to help each other.

**9. Future Agenda Items**

- A Member Guide to United Governance
- Executive Committees and how the word "charter" is currently used
- Explanation of requirements for an heir to become a Member

**10. Date of next meeting is September 23, 2019**

Committee agreed there would be no committee meeting in August.

**11. Adjournment at 3:02 p.m.**

  
Maggie Blackwell, Chair