



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

**Tuesday, September 10, 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 Liberatore**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of the Meeting Minutes**
 - a. August 9, 2019 – Special Open Meeting (2020 Budget Version 2)
 - b. August 13, 2019 – Regular Open Session
 - c. August 16, 2019 – Special Open Meeting (Meet the Candidates)
- 6. Report of Chair**
- 7. Open Forum (Three Minutes per Speaker) - *At this time Members may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. There is a maximum time limit of three minutes per speaker and a speaker may only address the Board once during this period. The Board reserves the right to limit the total amount of time allotted for the Open Forum.***
- 8. Responses to Open Forum Speakers**
 - (a) Follow-up Report from August 13, 2019, Open Forum – Director Margolis**

9. Update from VMS – Director Stone

10. CEO Report

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

a. Landscape Committee Recommendations:

- (1) Recommendation to Approve a Non-Standard Landscape Revision: 134-A
- (2) Recommendation to Approve a Non-Standard Landscape Revision: 321-D
- (3) Recommendation to Approve the Request for Tree Removal – 2-G Via Castilla – One Canary Island Pine
- (4) Recommendation to Approve the Request for Tree Removals – 67-C Calle Aragon – Three Silk Oaks

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 July 2019, and such review is hereby ratified.

12. Unfinished Business

- a. Entertain a Motion to Adopt a Revised Resolution to Allow Guarantors for Prospective Members **(AUGUST initial notification-28-day notification for Member review to comply with Civil Code §4360 has been satisfied)**
- b. Entertain a Motion to Approve the 2020 United Business Plan
- c. Entertain a Motion to Approve the 2020 United Reserve Funding Plan

13. New Business

- a. Entertain a Motion to Introduce a Resolution to Require a Recognition Agreement for Lenders **(SEPTEMBER initial notification-must postpone 28-days for Member comment and review to comply with Civil Code §4360)**
- b. Entertain a Motion to Introduce a Resolution Prohibiting All New Planting of Fruit Trees and Vegetables in Common Area **(SEPTEMBER initial notification-must postpone 28-days for Member comment and review to comply with Civil Code §4360)**
- c. Entertain a Motion to Approve a Resolution for an Unbudgeted Expense of \$5,800 to Hire a Land Surveyor to Determine the Aliso Creek Boundaries

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
 - Treasurer's Report
 - Resales/Leasing Reports
- b. Report of the Architectural Control and Standards Committee – Director Achrekar. The Committee met on August 15, 2019; next meeting September 19, 2019, 9:30 a.m. in the Elm Room
- c. Report of the Communications Committee – Director Blackwell. The Committee did not meet in August; Next meeting TBA
- d. Report of Member Hearings Committee – Director Achrekar. The Committee met on August 22, 2019; next meeting September 26, 2019, 9:00 a.m. in the Sycamore Room
- e. Report of the Governing Documents Review Committee – Director Blackwell. The Committee did not meet in August; next meeting September 23, 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 met on August 28, 2019; next meeting October 23, 2019, 9:00 a.m. in the Board Room
- h. Report of the Resident Advisory Committee – Director Achrekar. The Committee met on August 15, 2019; next meeting September 10, 2019, 4:00 p.m. in the Sycamore Room

15. GRF Committee Highlights

- a. Report of the Finance Committee – Director Morrison. The Committee met in August 21, 2019; next meeting October 23, 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 met on August 14, 2019; next meeting November 13, 2019, 1:30 p.m. in the Board Room
- d. Report of the Maintenance & Construction Committee – Director Randazzo. The Committee met on August 14, 2019; next meeting October 9, 2019, 9:30 a.m. in the Board Room
 - PAC Renovation Ad-Hoc Committee--The Committee will meet on October 17, 2019, 1:30 p.m. in the Board Room
- e. Village Energy Task Force – Director Randazzo. The Task Force met on September 4, 2019; next meeting November 6, 2019, 1:30 p.m. in the Board Room
- f. Report of the Media and Communication Committee – Director Blackwell. The Committee met on August 19, 2019; next meeting September 16, 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 met on August 26 2019; next meeting October 28, 2019, at 1:30 p.m. in the Board Room
- i. Laguna Woods Village Traffic Hearings – Director Torng. The Hearings were held on August 21, 2019; next hearings September 18, 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. Co-Occupancy Qualifications
- c. Alternative Heat Source Policy

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) August 1, 2019—Special Closed Meeting*
- (b) August 6, 2019—Special Closed Meeting*
- (c) August 13, 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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**MINUTES OF THE SPECIAL MEETING OF THE BOARD
OF DIRECTORS OF UNITED LAGUNA WOODS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

August 9, 2019

A special meeting of the United Laguna Woods Mutual Board of Directors, A California non-profit mutual benefit corporation, was held on Friday, August 9, 2019 at 10 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

DIRECTORS ABSENT: Reza Bastani

OTHERS PRESENT: Dick Rader and Mary Stone - VMS

STAFF PRESENT: Jeff Parker, Betty Parker, Christopher Swanson, Jose Campos, Siobhan Foster, Ernesto Munoz, Laurie Chavarria

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 10 a.m.

ACKNOWLEDGMENT OF THE MEDIA

The Village Television camera crew, by way of remote cameras, was acknowledged.

APPROVAL OF AGENDA

Without objection, the board approved the agenda as presented.

CHAIR REMARKS

None.

MEMBER COMMENTS (Items Not on the Agenda)

Members commented on various topics.

REVIEW OF THE 2020 BUSINESS PLAN, VERSION 2

Jeff Parker, CEO, presented on overview of United Mutual accomplishments in 2019 and introduced the 2020 business plan, discussing how proposed budgets support the mission statement and strategic planning goals.

Betty Parker, CFO, presented the budget proposal by department including staffing, revenue assumptions, and planned expenditures. Discussion ensued and questions from the board and audience members were addressed.

Director Achrekar left the meeting at 11:50am.

Director Armendariz made a recommendation to decrease the proposed 2020 reserve contribution by \$12.52, from \$152.02 to \$139.50 per manor per month. The chair took a straw vote showing 3 in favor (Armendariz, Tornig, Margolis) and 6 opposed (Addington, Morrison, Blackwell, Skillman, Randazzo, Liberatore).

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 12:15 p.m.


Maggie Blackwell, Secretary



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

**Tuesday, August 13, 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; Eileen Paulin, 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 Randazzo made a motion, seconded by Director Addington, to approve the agenda.

President Skillman called for the vote to approve the agenda as presented and the motion passed unanimously.

5. Approval of Minutes

- a. July 8, 2019—All Boards All Directors Special Meeting (2020 Budget)

- b. July 9, 2019 – Regular Open Session
- b. July 11, 2019 – United Special Meeting (2020 Budget)

Director Blackwell made a motion to approve the minutes of July 8, 2019, All Boards All Directors Special Meeting (2020 Budget); July 9, 2019, Regular Open Session and July 11, 2019, Special Meeting (2020 Budget). The motion was seconded by Director Armendariz.

President Skillman called for the vote and the All Boards All Directors Special Meeting (2020 Budget) of July 8, 2019, United Regular Open Session minutes of July 9, 2019, and United Special Meeting (2020 Budget) minutes of July 11, 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 Disaster Preparedness.

Tim Moy, Director of Security and Community Access, gave an update on how seniors and disabled individuals can prepare for an Earthquake or other disasters.

Gary Morrison, Treasurer, gave an update from the United Special Meeting (2020 Budget Version 2) on August 9, 2019.

President Skillman commented about the Presidents and 1st Vice Presidents Meetings.

7. Open Forum

Members made comments regarding the following:

- The benefits of the LWW Foundation.
- A Member commented on dust created by the maintenance carts on the dirt road and security problem with transients jumping the fence into United.
- A Member commented on a neighbor running water and flushing toilet constantly and noise.
- A Member commented on a problem with young couple living in the unit near his unit causing a nuisance.
- A Member commented on the water being turned off due to maintenance at 2:30 a.m.

8. Responses to Open Forum Speakers

Several Directors responded to Member comments:

- Director Achrekar invited a resident to attend the Resident Advisory Committee meeting and commented that the Handyman Program Task Force is evaluating all suggestions and possibilities for the Handyman Program.
- CEO Jeff Parker commented that the paving contract work should be finished near the end of October. Staff will investigate issues raised by the residents.
- Director Margolis commented that the shepherd's crook is five years old and the Board is looking into installing the higher version.
- Director Randazzo commented that the Board should have a discussion with

Chief Moy about resident safety during natural disasters.

- Director Armendariz commented that the Handyman Program needs to cover staff costs of \$50 per hour. He suggested that the Board use reserve funds for expenditures in order to lower assessments.
- Director Morrison commented in opposition to using reserve funds because the mutual should be protected in emergencies such as natural disasters. He is a candidate for re-election to the United Board.
- Director Torng commented on the Handyman Program and GRF Board, and spoke in favor of reducing reserves because the Mutual needs money for operations. He is a candidate for re-election to the United Board.
- Director Blackwell commented that we cannot expect a return on solar in the first year, but that it will work for us in the future. She is cautious and does not want to deplete reserve funds. She is running for reelection for the United Board.

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

Director Margolis responded to Member comments:

- Guarantor policy was submitted for today's agenda.
- A tree causing problems for a resident has been trimmed.
- Funds have been set aside for sewers and water lines, but sewer lines are being prioritized first because they are in worse shape than the water lines.
- The Board is trying to work on implementing a new Handyman Program.

9. a. Update from VMS - Director Rader

Director Rader gave an update from the July VMS Board Meeting. He discussed the VMS Board's strategic plan to provide exemplary customer service, facilitate efficient operations, provide for a safe community, provide transparent communications, and become an employer of choice.

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 VMS Board Member

Dorothy Pacella and Lenny Ross, candidates for VMS Board Director to fill Director vacancy for a term ending in 2021, addressed the Board and answered questions.

The Board submitted their ballots to Corporate Secretary Cheryl Silva. Secretary Blackwell oversaw the counting of the ballots. President Skillman announced that Dorothy Pacella won the majority of the vote and has been appointed VMS Director.

10. CEO Report

CEO Jeff Parker reported on the following subjects:

- Gates 10 and 14 are open early; Gate 4 is expected to open on August 19.

- A new bus was added to the fleet on July 24.
- There are three bulky item pickup options available to residents: monthly pickup offered on the third Saturday of each month; incidental pickup on regularly scheduled service days; and in-home pickup (two pickups per address per owner). Residents must notify resident Services in advance for pickup service.
- The Dwelling Live program allows residents to register guests from their tablet or smart phone.
- August 14 is the Recreation Department's training session to help staff continue providing excellent service to residents.
- The Disaster Preparedness Task Force is planning training sessions that are free to residents: basic first aid on Monday September 16, from 1 to 4 p.m. at Clubhouse 7; good neighbor captain program on Wednesday October 2, from 1 to 3 p.m. at the PAC; and adult CPR and AED programs training on Monday, October 21, from 1 to 4 p.m. at Clubhouse 7. Email disasterpreparedness@vmsinc.org or call 949-268-2356 to register.
- He expressed thanks on behalf of staff to the United Board for their hard work and comments during the budget process.

11. Consent Calendar

11a. Finance Committee Recommendations:

- (1) Approval of Resolution to Record Lien against Member ID #947-423-49

RESOLUTION 01-19-58 **Recording of a Lien**

WHEREAS, Member ID 947-423-49; 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, August 13, 2019, that the Board of Directors hereby approves the recording of a Lien 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.

- 11b.** 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.

Director Blackwell made a motion to approve the Consent Calendar as presented. The was seconded by Director Achrekar.

Discussion ensued among the Directors.

President Skillman called for the vote to approve the Consent Calendar as presented and the motion passed by a vote of 8-3-0 (Directors Armendariz, Margolis and Torng opposed).

12. Unfinished Business

12a. Entertain a Motion to Adopt a Resolution for Enforcement of Move-In and Move-Out Rules and Regulations

Director Blackwell read the following resolution:

RESOLUTION 01-19-59 **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 adopts 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-28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.

Director Blackwell made a motion to approve 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. A resident commented on the resolution.

President Skillman called for the vote and the motion passed by a vote of 9-1-1 (Director Torng opposed; Director Bastani was absent for the vote).

12b. Entertain a Motion to Adopt a Resolution for Traffic School Eligibility

Director Blackwell read the following resolution:

RESOLUTION 01-19-60
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 adopts 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-28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.

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

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by a vote of 9-2-0 (Director Tornig and Bastani opposed).

13. New Business

13a. Entertain a Motion to Introduce a Revised Resolution to Allow Guarantors for Prospective Members

Director Blackwell read the following resolution:

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) located in California 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 California 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 in California. 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 Directors 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.

AUGUST initial notification-Must postpone 28-days for Member review and comment to comply with Civil Code §4360.

Director Blackwell made a motion to introduce a resolution to allow guarantors for prospective members. The motion was seconded by Director Armendariz.

Discussion ensued among the Directors.

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

13b. Entertain a Motion to Approve the 2020 Collection and Lien Enforcement Policy

Director Blackwell read the following resolution:

RESOLUTION 01-19-65
2020 Collection and 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.

Director Blackwell made a motion to approve a resolution for the 2020 Collection and Lien Enforcement Policy. The motion was seconded by Director Achrekar.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by a vote of 9-0-0 (Directors Liberatore and Armendariz was absent for the vote).

13c. Entertain a Motion to Approve Supplemental Funding for the 2019 Water Heater Replacement Program

RESOLUTION 01-19-66
Supplemental Funding for the
2019 Water Heater Replacement 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.

Director Blackwell made a motion to approve supplemental funding for the 2019 water heater replacement program. The motion was seconded by Director Randazzo.

Discussion ensued among the Directors.

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

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 July 30, 2019; next meeting will be September 24, 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 did not meet in July 2019; next meeting will be August 15, 2019, 9:30 a.m. in the Elm Room. Director Randazzo will chair the next meeting.

14c. Report of the Communications Committee – Director Blackwell updated the board on the upcoming elections. She thanked the Board Members that contributed to The Breeze publication. Director Blackwell and another member on the Communications Committee wrote a letter to the editor of the Globe clarifying some inaccuracies in a previously published letter. 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 July 25, 2019; next meeting will be August 22, 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 guarantor policy approved earlier was a product of the Committee. The Committee met on July 22, 2019; next meeting will be September 24, 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 is working on the tree trimming schedule, turf reduction areas, and the process to close landscaping tickets. Free mulch is available at Clubhouse 4. The Committee met on August 8, 2019; next meeting will be October 10, 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. At the next meeting the Committee will discuss emergency planning costs for staff and outside contractors, and will take up a verbal discussion on the Solar Power Plant Task Force report. All residents are invited. The Committee did not meet in July 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 July 11, 2019; next meeting will be August 15, 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 did not meet in July 2019; next meeting will be August 21, 2019, 1:30 p.m. in the Board Room.

15b. Report of the Community Activities Committee – Director Skillman and Margolis gave highlights from the last Committee meeting. The Committee is working on the sale of CBC produces at the golf shop, limiting the number of clubs, donation for the video club. The Committee met on July 11, 2019 and July 23, 2019; next meeting will be September 12, 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 did not meet in July 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 did not meet in July 2019; next meeting will be August 14, 2019, 9:30 a.m. in the Board Room.

- PAC Ad Hoc Committee—Next meeting will be held on August 15, 2019, at 2:00 p.m. in the Board Room.

15e. Village Energy Task Force Charter – Director Randazzo gave a report from the last Task Force meeting. The Task Force met on July 3, 2019; there will be a Special Meeting on August 19, 2019, at 10:00 a.m. in the Board Room. The next regular meeting will be held on 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 advertisers on Village Television and a glitch that scrambled the television channels, which has been fixed. The Committee met on July 15, 2019; next meeting will be August 19, 2019, 1:30 p.m. in the Board Room. The Committee discussed advertisers on Village Television.

15g. Report of the Mobility and Vehicles Committee – Director Addington gave highlights from the last Committee meeting. They have received a new landscaping grinder which is used to make mulch. The Committee is working on the new bus routes. The Committee met on August 7, 2019; next meeting will be October 2, 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 did not meet in July 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. Residents who are interested in learning about traffic school are encouraged to attend a session. The hearings were held on July 17, 2019; next hearings will be on August 21, 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. He encouraged residents to become a Good Neighbor Captain for your neighborhood; those interested can find sign-up sheets online or call the Disaster Preparedness Task Force at 949-597-4237. The Task Force met on July 30; next meeting will be on September 24, 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.

17. Director's Comments

- Director Margolis and Torng commented in support of using reserve funds to reduce assessments.
- Director Torng commented about the reading the entire resolution for the residents.
- Director Achrekar congratulated Dorothy Pacella on her appointed to the VMS Board.
- Director Blackwell asked that residents not call her in the middle of the night to report problems. She was requested by the Board to give a summary of the resolution, but she is willing to read the entire resolution. She spoke against using reserve funds to reduce assessments.
- Director Morrison asked about showing the resolutions on the screen during the meeting.
- Directors Blackwell, Morrison and Liberatore reiterated the importance of having a strong reserve fund account.
- Director Addington commented about having another company manage the finances.
- President Skillman announced the Meet the Candidate meeting on Friday, August 16, 2019, at 10:00 a.m. in the Board Room.

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 1:10 p.m. into the Executive Session.

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

During the July 9, 2019, Regular Executive Session, the Board:

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) June 11, 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 6:30 p.m.



Maggie Blackwell, Secretary of the Board
United Laguna Woods Mutual



OPEN MEETING

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

MEET THE CANDIDATES

Friday, August 16, 2019
Laguna Woods Village Community Center
Board Room - 10:00 a.m.

The Special Meeting of the United Laguna Woods Mutual Board of Directors a California non-profit mutual benefit corporation, was held on Friday, August 16, 2019, at 10:00 a.m. at 24351 El Toro Road, Laguna Woods, California in the Board Room.

Members Present: Juanita Skillman, Carl Randazzo, Cash Achrekar, Maggie Blackwell, Gary Morrison, Elsie Addington, Manuel Armendariz, Anthony Liberatore, Sue Margolis and Andre Torng

Members Absent: Reza Bastani

Staff Present: Siobhan Foster, Eileen Paulin, Becky Jackson, Jackie Brown, and Daniel Hillburn

Other Present: VMS Board: Mary Stone and Dick Rader

1. Welcome and Acknowledgement of Press, Village TV, Volunteers, and Attendees
– Juanita Skillman, President

President Skillman called the meeting to order at 10:00 a.m., acknowledged the press, Village TV, and staff.

2. Introduction of the Moderator – Juanita Skillman, President

President Skillman introduced the Moderator – Constance Sorenson

3. Introduction of the Candidates – Constance Sorenson, Moderator

Constance Sorenson, Moderator, introduced the candidates running to fill three (3) vacancies, each for a three-year term, expiring 2022: Neda Ardani, Maggie Blackwell, Brian Gilmore, Gary Morrison, Cynthia Rupert and Andre Tornig. Candidates Alan Dickinson, Gregory McLaughlin, and Janey Dorrell could not attend the event.

4. Opening Statements

Constance Sorenson, Moderator, asked each candidate to give a two (2) minute opening statement. The sequence of Candidate seating and presentations were determined alphabetically. Janey Dorrell's opening statement was given by video.

5. Prepared Questions

Constance Sorenson, Moderator, presented five prepared questions and gave each Candidate one and one-half (1-1/2) minutes to respond.

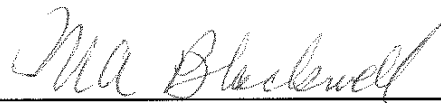
6. Candidate Closing Statements – Constance Sorenson, Moderator

Constance Sorenson, Moderator, asked each candidate to give a two (2) minute closing statement. Janey Dorrell's closing statement was given by video.

7. Concluding Remarks and Adjournment – Constance Sorenson, Moderator

Constance Sorenson, Moderator, gave her closing remarks and announced upcoming election events.

The meeting was adjourned at 11:47 p.m.



Maggie Blackwell, Secretary to the Board
United Mutual Laguna Woods

RESOLUTION 01-19-XX
APPROVAL TO RETAIN NON-STANDARD LANDSCAPE - 134-A

WHEREAS, on August 8, 2019, the Landscape Committee reviewed a request from the Member at 134-A to retain non-standard landscaping for the raised planters located in the front of the unit and;

WHEREAS, the Committee recommended approval the request as staff reviewed the plantings and found them to be a mix of approved plants and succulents.

NOW THEREFORE BE IT RESOLVED, September 10, 2019, the Board of Directors approves the request from the Member at 134-A to retain non-standard landscaping for the raised planters located in the front of the unit;

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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RESOLUTION 01-19-XX
APPROVAL OF NON-STANDARD LANDSCAPE – 321-D

WHEREAS, on August 8, 2019, the Landscape Committee reviewed a request from the Member at 321-D to plant non-standard landscaping for an area in the front of the unit since the lack of sun prevents the turf there from thriving and;

WHEREAS, the Committee recommended to approve the request as staff reviewed the planting plan and found it to be a mix of approved plants and California natives, all of which are shade tolerant.

NOW THEREFORE BE IT RESOLVED, September 10, 2019, the Board of Directors approves the request from the Member at 321-D to plant the approved plants for non-standard landscaping in the area located in the front of the unit;

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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RESOLUTION 01-19-XX
APPROVAL OF REMOVAL
OF ONE CANARY ISLAND PINE TREE AT 2-G

WHEREAS, on August 8, 2019, the Landscape Committee reviewed a request to remove one Canary Island Pine Tree. The request was received from the Member at 2-G, who cited the reasons as litter/debris, overgrown, structural damage, and trip and fall hazard and;

WHEREAS, on August 8, 2019, the Landscape Committee recommended to approve the removal of one Canary Island Pine tree located at 2-G Via Castilla based on the United Mutual Tree Management Policy, which addresses the selective removal of pine trees that were planted in stands and since there are a total of three Canary Island Pine trees in this area, this tree is a candidate for removal.

NOW THEREFORE BE IT RESOLVED, September 10, 2019, the Board of Directors approves the request for the removal of one Canary Island Pine tree;

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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RESOLUTION 01-19-XX
APPROVAL OF REMOVAL
OF THREE SILK OAKS AT 67-C

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 August 8, 2019, the Landscape Committee reviewed a request to remove three Silk Oak trees. The request was received from the Member at 67-C, who cited the reasons as litter/debris, overgrown, structural damage, poor condition, excessive pollen causing allergies and the need for expensive medication(s) and;

WHEREAS, on August 8, 2019, the Landscape Committee recommended to approve the removal of three Silk Oak trees located at 67-C Calle Aragon based on the fact that Silk Oaks are known for weak branches and the canopies of these tree are compromised which poses a hazard, meeting the requirements of the United Mutual Tree Management Policy;

NOW THEREFORE BE IT RESOLVED, September 10, 2019, the Board of Directors approves the request for the removal of three Silk Oak trees;

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 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 July 31, 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: 8-29-2019

UNITED LAGUNA WOODS MUTUAL

Signature: E Addington
Print Name: Elsie Addington
Title: Director
Date: 8-29-2019



STAFF REPORT

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

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 – Resolution 01-19-XX

Attachment 2 – Updates Made to the Guaranty and Security Agreement since the
April 9, 2019, Board meeting

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ENDORSEMENT (to Board)

Discuss & Consider Allowing Guarantors For Prospective Members

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 discussed and voted on and it was not approved.

This issue was discussed further at the July 22, 2019, Governing Documents Review committee meeting, and some proposed updates were made to the Guaranty Agreement. The committee is bringing this topic back to the Board for consideration.

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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) located in California 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 California 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 in California. 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.

AUGUST Initial Notification

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

EXHIBIT A

**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, 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 in California (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

DATE: September 10, 2019
FOR: Board of Directors
SUBJECT: 2020 Business Plan – Version 3

RECOMMENDATION

Staff recommends the board approve the 2020 Business Plan Resolution (Attachment 1) and the 2020 Reserve Funding Plan Resolution (Attachment 2) at the board meeting on September 10, 2019.

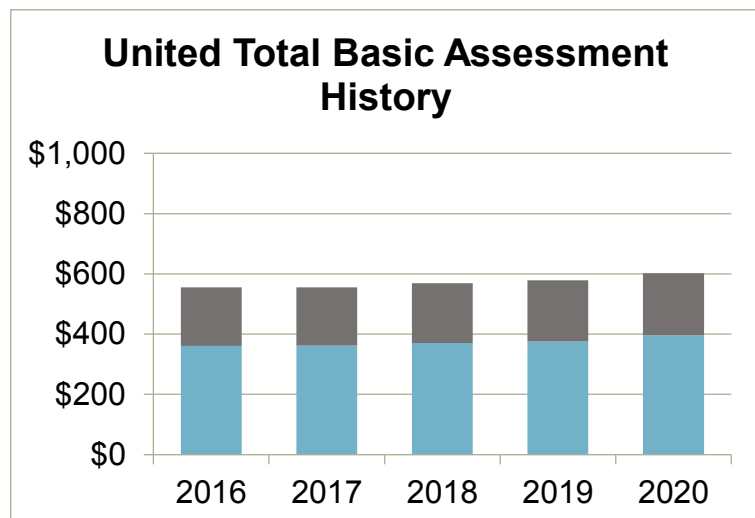
BACKGROUND

The proposed business plan for United was reviewed several times from May through August at special meetings of the Landscape and M&C Committees and Board. Changes directed from these early budget meetings and subsequent discussions with Staff are included in Version 3.

DISCUSSION

The proposed budget for the 2020 plan year (Attachment 3) shows that the sum of \$42,162,864 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2020. In addition, the sum of \$15,599,776 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2020. Therefore, a total of \$57,762,640 is required to be collected from and paid by members of the Corporation as monthly assessments.

Year	Assessment
2016	\$557.17
2017	\$557.17
2018	\$568.99
2019	\$578.52
2020	\$601.98



FINANCIAL ANALYSIS

The financial impact of this proposed business plan would be a Total Basic Assessment of \$601.98 per manor per month, reflecting a net increase of \$23.46 or 4.1% when compared to current year.

Prepared By: Jose Campos, Financial Services Manager
Betty Parker, Chief Financial Officer

Reviewed By: Jeff Parker, Chief Executive Officer

ATTACHMENT(S)

ATT1 – 2020 Business Plan Resolution

ATT2 – 2020 Reserve Funding Plan Resolution

ATT3 – 2020 United Business Plan by Account

ATT4 – 2020 United Business Plan by Department

ATT5 – 2020 United Budget Comparison Report

ATT6 – 2020 United Landscape Expenditures by Work Center

ATT7 – 2020 Maintenance Expenditures by Program

ATT8 – 2020 Reserves Plan

- ♦ 2020 Reserve Expenditures
- ♦ Five-Year Cash Flow
- ♦ Contracted Reserve Study Dated September 3, 2019 - Excerpts



2020 BUSINESS PLAN RESOLUTION

RESOLUTION 01-19-xx

RESOLVED, September 10, 2019, that the Business Plan of this Corporation for the year 2020 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$42,162,864 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2020. In addition, the sum of \$15,599,776 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2020. Therefore, a total of \$57,762,640 is required to be collected from and paid by the members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$14,389,320 of which \$12,980,578 is planned from the Reserve Fund and \$1,408,742 from the Contingency Fund; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2020, inclusive of property taxes and property insurance as filed in the records of the Corporation, and said assessments to be due and payable by the members of this Corporation on the first day of each month; 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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2020 RESERVE FUND RESOLUTION

RESOLUTION 01-19-xx

WHEREAS, Civil Code § 5570 requires specific reserve funding disclosure statements for common interest developments; and

WHEREAS, planned assessment or other contributions to reserves must be projected to ensure balances will be sufficient at the end of each year to meet the Corporation's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 10, 2019, that pursuant to Civil Code § 5560 the Board hereby adopts the 30-Year Reserve Funding Plan (attached) prepared by Association Reserves™ for fiscal year 2020; 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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30-Year Reserve Plan Summary

36560-0
WSV

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	\$16,701,117	\$43,215,971	38.6 %	Medium	\$11,535,000	\$0	\$328,690	\$12,368,400
2021	\$16,196,407	\$44,912,668	36.1 %	Medium	\$12,169,425	\$0	\$321,748	\$12,681,360
2022	\$16,006,220	\$46,732,109	34.3 %	Medium	\$12,838,743	\$0	\$311,831	\$13,952,904
2023	\$15,203,891	\$47,702,458	31.9 %	Medium	\$13,544,874	\$0	\$304,014	\$13,828,897
2024	\$15,223,882	\$49,247,840	30.9 %	Medium	\$14,289,842	\$0	\$311,378	\$13,884,164
2025	\$15,940,938	\$51,213,401	31.1 %	Medium	\$15,075,784	\$0	\$313,061	\$15,937,468
2026	\$15,392,315	\$51,566,691	29.8 %	High	\$15,452,678	\$0	\$319,755	\$14,553,826
2027	\$16,610,923	\$53,306,612	31.2 %	Medium	\$15,838,995	\$0	\$351,716	\$14,210,455
2028	\$18,591,180	\$55,331,523	33.6 %	Medium	\$16,234,970	\$0	\$405,119	\$13,275,497
2029	\$21,955,772	\$58,375,392	37.6 %	Medium	\$16,640,844	\$0	\$475,371	\$13,449,472
2030	\$25,622,515	\$60,097,843	42.6 %	Medium	\$17,056,865	\$0	\$564,657	\$12,351,935
2031	\$30,892,102	\$63,417,154	48.7 %	Medium	\$17,483,287	\$0	\$675,733	\$12,311,376
2032	\$36,739,746	\$67,468,948	54.5 %	Medium	\$17,920,369	\$0	\$798,133	\$12,315,580
2033	\$43,142,668	\$72,082,867	59.9 %	Medium	\$18,368,379	\$0	\$922,446	\$13,251,681
2034	\$49,181,811	\$76,329,266	64.4 %	Medium	\$18,827,588	\$0	\$1,030,756	\$15,057,074
2035	\$53,983,081	\$79,315,496	68.1 %	Medium	\$19,298,278	\$0	\$1,115,227	\$16,760,302
2036	\$57,636,284	\$81,123,142	71.0 %	Low	\$19,780,735	\$0	\$1,193,469	\$16,796,462
2037	\$61,814,025	\$83,448,512	74.1 %	Low	\$20,275,253	\$0	\$1,276,215	\$17,447,460
2038	\$65,918,034	\$85,688,877	76.9 %	Low	\$20,782,134	\$0	\$1,363,235	\$17,539,827
2039	\$70,523,576	\$88,432,547	79.7 %	Low	\$21,301,688	\$0	\$1,448,548	\$18,817,049
2040	\$74,456,763	\$90,490,160	82.3 %	Low	\$21,834,230	\$0	\$1,529,322	\$19,212,328
2041	\$78,607,988	\$92,765,951	84.7 %	Low	\$22,380,086	\$0	\$1,603,595	\$20,701,172
2042	\$81,890,497	\$94,156,999	87.0 %	Low	\$22,939,588	\$0	\$1,661,520	\$22,086,158
2043	\$84,405,447	\$94,761,151	89.1 %	Low	\$23,513,077	\$0	\$1,734,711	\$20,437,278
2044	\$89,215,957	\$97,697,620	91.3 %	Low	\$24,100,904	\$0	\$1,787,131	\$25,452,005
2045	\$89,651,988	\$96,191,334	93.2 %	Low	\$24,703,427	\$0	\$1,804,016	\$25,253,474
2046	\$90,905,957	\$95,497,698	95.2 %	Low	\$25,321,013	\$0	\$1,813,961	\$27,393,669
2047	\$90,647,261	\$93,251,802	97.2 %	Low	\$25,954,038	\$0	\$1,843,867	\$24,546,021
2048	\$93,899,144	\$94,564,747	99.3 %	Low	\$26,602,889	\$0	\$1,907,477	\$25,395,654
2049	\$97,013,857	\$95,755,892	101.3 %	Low	\$27,267,961	\$0	\$1,972,388	\$25,858,358

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UNITED LAGUNA WOODS MUTUAL 2020 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 PLAN	2020 PLAN	Per Manor Per Month		
						2019 ASSESSMENT	2020	Increase/ (Decrease)
REVENUES:								
Non-assessment Revenues:								
Merchandise Sales	\$22,660	\$20,663	\$16,489	\$30,000	\$20,000	\$0.40	\$0.26	\$0.14
Fees and Charges to Residents	544,319	184,245	513,803	475,138	539,522	6.26	7.11	(0.85)
Laundry	136,742	188,260	271,454	280,000	270,000	3.69	3.56	0.13
Miscellaneous	495,298	503,794	597,370	640,500	578,701	8.44	7.63	0.81
Total Revenue	\$1,199,019	\$896,962	\$1,399,116	\$1,425,638	\$1,408,223	\$18.79	\$18.56	\$0.23
EXPENSES:								
Employee Compensation	6,155,669	6,769,342	7,101,334	7,001,825	7,545,645	92.27	99.44	7.17
Expenses Related to Compensation	2,349,011	2,533,803	2,950,772	2,865,444	2,953,208	37.76	38.92	1.16
Material and Supplies	959,608	782,393	847,345	850,996	963,885	11.22	12.70	1.48
Electricity	317,548	192,576	151,523	185,320	189,000	2.44	2.49	0.05
Sewer	1,754,382	1,736,044	1,723,347	1,776,600	1,779,600	23.41	23.45	0.04
Water	1,567,174	1,888,496	1,898,155	1,850,960	1,919,116	24.39	25.29	0.90
Trash	355,500	379,488	407,744	408,533	429,177	5.38	5.66	0.28
Telephone	1,193	664	669	0	685	0.00	0.01	0.01
Legal Fees	255,120	193,400	253,208	175,000	349,985	2.31	4.61	2.30
Professional Fees	113,206	100,513	174,191	167,915	121,979	2.21	1.61	(0.60)
Equipment Rental	11,975	8,246	5,878	8,291	3,654	0.11	0.05	(0.06)
Outside Services	660,350	759,101	1,215,518	656,053	765,211	8.65	10.09	1.44
Repairs and Maintenance	49,794	22,235	45,347	42,470	41,314	0.56	0.54	(0.02)
Other Operating	126,613	162,176	128,831	148,834	166,682	1.96	2.20	0.24
Income Taxes	4,737	19,849	(371,167)	0	25,000	0.00	0.33	0.33
Property and Sales Tax*	9,406,606	10,062,623	10,765,612	9,810,779	11,111,994	***	***	***
Property Insurance*	654,843	617,222	634,590	799,133	974,142	***	***	***
Insurance	477,379	512,394	476,748	492,920	529,519	6.50	6.98	0.48
Net Allocations to Mutuals	806,145	790,755	969,562	941,869	1,355,431	12.41	17.86	5.45
Uncollectible Accounts	0	26,495	44,785	0	59,600	0.00	0.79	0.79
(Gain)/Loss on Sale	(1,463)	(2,047)	(886)	(7,500)	(7,500)	(0.10)	(0.10)	0.00
Total Expenses	26,025,390	\$27,555,768	\$29,423,106	\$28,175,442	\$31,277,327	\$231.48	\$252.92	\$21.44
(Surplus)/Deficit Recovery	0	0	0	0	0	0.00	0.00	0.00
Total Operating	\$24,826,371	\$26,658,806	\$28,023,990	\$26,749,804	\$29,869,104	\$212.69	\$234.36	\$21.67
RESERVE CONTRIBUTIONS:								
Reserve Fund	10,471,647	10,850,268	10,850,268	11,229,648	11,535,000	148.00	152.02	4.02
Contingency Fund	1,442,403	1,441,644	1,062,464	1,138,140	758,760	15.00	10.00	(5.00)
Total Reserve Contributions	\$11,914,050	\$12,291,912	\$11,912,732	\$12,367,788	\$12,293,760	\$163.00	\$162.02	(\$0.98)
TOTAL MUTUAL	\$36,740,421	\$38,950,718	\$39,936,722	\$39,117,592	\$42,162,864	\$375.69	\$396.38	\$20.69
GOLDEN RAIN FOUNDATION								
GRF Operating	13,149,988	12,870,405	13,778,715	13,947,912	13,778,752	183.83	181.60	(2.23)
GRF Reserve Contributions	1,593,396	1,821,024	1,821,024	1,441,644	1,821,024	19.00	24.00	5.00
Total GRF	\$14,743,384	\$14,691,429	\$15,599,739	\$15,389,556	\$15,599,776	\$202.83	\$205.60	\$2.77
TOTAL BASIC ASSESSMENTS	\$51,483,805	\$53,642,147	\$55,536,461	\$54,507,148	\$57,762,640	\$578.52	\$601.98	\$23.46

*The asterisk indicate an assessment that varies per manor.

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UNITED LAGUNA WOODS MUTUAL 2020 BUSINESS PLAN - BY DEPARTMENT

DESCRIPTION	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 PLAN	2020 PLAN	Per Manor Per Month		
						2019 ASSESSMENT	2020	Increase/ (Decrease)
OPERATING:								
Non Work Center	\$3,919,114	\$4,114,686	\$4,039,524	\$3,941,266	\$4,260,423	\$51.94	\$56.15	\$4.21
Property and Sales Tax*	9,406,606	10,062,623	10,765,612	9,810,779	11,111,994	***	***	***
Office of the CEO	559,669	400,879	444,173	453,934	532,470	5.98	7.02	1.04
Resident Services	387,909	528,113	817,030	588,939	1,013,892	7.76	13.36	5.60
General Services	766,401	801,875	1,084,821	868,410	1,027,283	11.45	13.54	2.09
Landscape Services	3,252,548	3,396,200	3,529,499	3,771,161	4,249,225	49.70	56.00	6.30
Information Services	17,419	41,401	46,022	46,269	0	0.61	0.00	(0.61)
Financial Services	975,314	1,102,583	694,923	1,130,455	1,256,223	14.90	16.56	1.66
Property Insurance*	654,843	617,222	634,590	799,133	974,142	***	***	***
Security Services	147,570	123,268	102,445	162,680	140,492	2.14	1.85	(0.29)
Human Resource Services	0	0	0	0	149,985	0.00	1.98	1.98
Maintenance & Construction	4,738,978	5,469,956	5,865,351	5,176,778	5,152,975	68.21	67.90	(0.31)
Net Operating	\$24,826,371	\$26,658,806	\$28,023,990	\$26,749,804	\$29,869,104	\$212.69	\$234.36	\$21.67
RESERVE CONTRIBUTIONS:								
Reserve Fund	10,471,647	10,850,268	10,850,268	11,229,648	11,535,000	148.00	152.02	4.02
Contingency Fund	1,442,403	1,441,644	1,062,464	1,138,140	758,760	15.00	10.00	(5.00)
Total Reserve Contributions	\$11,914,050	\$12,291,912	\$11,912,732	\$12,367,788	\$12,293,760	163.00	\$162.02	(\$0.98)
TOTAL MUTUAL	\$36,740,421	\$38,950,718	\$39,936,722	\$39,117,592	\$42,162,864	\$375.69	\$396.38	\$20.69
GOLDEN RAIN FOUNDATION								
GRF Operating	13,149,988	12,870,405	13,778,715	13,947,912	13,778,752	183.83	181.60	(2.23)
GRF Reserve Contributions	1,593,396	1,821,024	1,821,024	1,441,644	1,821,024	19.00	24.00	5.00
Total GRF	\$14,743,384	\$14,691,429	\$15,599,739	\$15,389,556	\$15,599,776	\$202.83	\$205.60	\$2.77
TOTAL BASIC ASSESSMENTS	\$51,483,805	\$53,642,147	\$55,536,461	\$54,507,148	\$57,762,640	\$578.52	\$601.98	\$23.46

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**United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2020
UNITED LAGUNA WOODS MUTUAL**

ATTACHMENT 5

	<u>2016 Actuals</u>	<u>2017 Actuals</u>	<u>2018 Actuals</u>	<u>2019 Budget</u>	<u>2020 Budget</u>	<u>Increase/ (Decrease)</u>	<u>VAR %</u>
Non-Assessment Revenues:							
Merchandise Sales							
41501500 - Merchandise Sales - Warehouse	\$33,808	\$38,515	\$25,495	\$30,000	\$20,000	\$10,000	33%
41505000 - Bar Sales	3,783	0	0	0	0	0	0%
Total Merchandise Sales	37,591	38,515	25,495	30,000	20,000	10,000	33%
Fees and Charges for Services to Residents							
46501000 - Permit Fee	67,762	70,387	107,902	75,223	148,715	(73,492)	(98%)
46501500 - Inspection Fee	36,617	50,419	61,842	53,849	79,294	(25,445)	(47%)
46502000 - Resident Maintenance Fee	443,008	63,439	344,059	346,066	311,513	34,553	10%
Total Fees and Charges for Services to Residents	547,387	184,245	513,803	475,138	539,522	(64,384)	(14%)
Laundry							
46005000 - Coin Op Laundry Machine	136,742	188,260	271,454	280,000	270,000	10,000	4%
Total Laundry	136,742	188,260	271,454	280,000	270,000	10,000	4%
Interest Income							
49001000 - Interest Income - Treasury Notes	28,137	40,861	89,572	71,522	88,289	(16,767)	(23%)
49001500 - Interest Income - Treasury Notes - Discretionary	146,358	166,482	196,466	151,391	193,651	(42,260)	(28%)
49002000 - Interest Income - Money Market	3,087	1,524	6,911	1,576	6,812	(5,235)	(332%)
49002500 - Interest Income - Gnma Securities - Discretionary	159,891	114,640	98,148	64,444	96,742	(32,298)	(50%)
Total Interest Income	337,473	323,507	391,096	288,933	385,494	(96,561)	(33%)
Miscellaneous							
46001000 - RV Storage Fee	(41)	0	0	0	0	0	0%
46004500 - Resident Violations	13,950	21,385	80,160	10,000	50,001	(40,001)	(400%)
44501000 - Additional Occupant Fee	0	39,872	44,200	72,000	42,000	30,000	42%
44501500 - Lease Processing Fee - United	124,222	101,860	113,580	120,000	128,000	(8,000)	(7%)
44502000 - Variance Processing Fee	12,300	11,510	8,100	12,500	4,000	8,500	68%
44503000 - Stock Transfer Fee	13,260	12,780	15,110	13,000	13,000	0	0%
44503510 - Resale Processing Fee - United	182,756	170,044	122,934	210,000	125,000	85,000	40%
44506500 - Auto Decal Fee	0	0	(125)	0	0	0	0%
44507000 - Golf Cart Electric Fee	66,062	59,772	59,919	60,000	62,000	(2,000)	(3%)
44507200 - Electric Vehicle Plug-In Fee	0	4,276	7,307	6,000	15,000	(9,000)	(150%)
44507500 - Carport Space Rental Fee	2,687	2,594	2,307	3,000	2,500	500	17%
47001000 - Cash Discounts - Accounts Payable	0	(10)	0	0	0	0	0%
47001500 - Late Fee Revenue	22,897	24,594	47,967	48,000	50,000	(2,000)	(4%)
47002000 - Collection Administrative Fee	3,120	48,230	0	0	0	0	0%
47002010 - Collection Administrative Fee - United	49,840	1,800	63,890	72,000	72,000	0	0%
47002500 - Collection Interest Revenue	3,287	1,780	4,730	0	4,800	(4,800)	0%
47501000 - Recycling	670	2,313	5,888	4,000	6,000	(2,000)	(50%)
48001000 - Legal Fee	290	1,707	4,435	10,000	4,400	5,600	56%
49004000 - Insurance Reimbursement	126,274	7,485	0	0	0	0	0%
49009000 - Miscellaneous Revenue	0	(712)	16,969	0	0	0	0%
Total Miscellaneous	621,572	511,279	597,370	640,500	578,701	61,799	10%
Total Non-Assessment Revenue	1,680,766	1,245,806	1,799,220	1,714,571	1,793,717	(79,146)	(5%)
Expenses:							
Employee Compensation							
51011000 - Salaries & Wages - Regular	2,109,352	2,300,668	2,544,753	2,629,806	2,883,900	254,094	10%
51021000 - Union Wages - Regular	5,527,931	5,715,196	5,608,553	6,529,655	6,279,593	(250,062)	(4%)
51041000 - Wages - Overtime	38,113	61,517	45,795	29,215	28,203	(1,012)	(3%)
51051000 - Union Wages - Overtime	108,734	132,807	111,691	64,364	94,908	30,544	47%
51061000 - Holiday & Vacation	782,201	580,847	892,739	773,571	773,301	(271)	0%
51071000 - Sick	230,902	264,766	281,990	315,535	315,425	(109)	0%
51081000 - Sick - Part Time	0	0	0	0	24	24	0%
51091000 - Missed Meal Penalty	1,258	3,159	3,018	910	1,268	359	39%
51101000 - Temporary Help	128,522	141,049	143,083	50,735	1,870	(48,865)	(96%)
51981000 - Compensation Accrual	152,364	24,140	(35,646)	3,670	0	(3,670)	(100%)
Total Employee Compensation	9,079,377	9,224,149	9,595,975	10,397,460	10,378,493	(18,967)	0%
Compensation Related							
52411000 - F.I.C.A.	656,529	663,142	712,034	776,410	776,727	318	0%
52421000 - F.U.I.	33,563	37,358	8,627	13,222	10,834	(2,388)	(18%)
52431000 - S.U.I.	47,873	49,683	76,267	58,909	55,120	(3,789)	(6%)
52441000 - Union Medical	1,565,756	1,782,086	1,839,814	2,114,466	1,889,284	(225,182)	(11%)
52451000 - Workers' Compensation Insurance	599,928	394,354	686,085	765,713	639,961	(125,751)	(16%)
52461000 - Non Union Medical & Life Insurance	266,122	274,815	343,755	296,801	337,605	40,804	14%
52461500 - VUL Premium	0	0	17,367	0	0	0	0%
52461550 - VUL Interest	0	0	(548)	0	0	0	0%
52471000 - Union Retirement Plan	323,673	315,812	325,638	345,553	334,482	(11,071)	(3%)
52481000 - Non-Union Retirement Plan	37,310	69,662	57,623	114,678	125,775	11,098	10%
52981000 - Compensation Related Accrual	10,481	7,324	90,876	765	0	(765)	(100%)
Total Compensation Related	3,541,235	3,594,236	4,157,538	4,486,515	4,169,789	(316,726)	(7%)
Materials and Supplies							
53001000 - Materials & Supplies	396,059	624,349	518,596	584,690	594,628	9,938	2%
53002500 - Printed Membership Materials	0	1,120	0	0	0	0	0%
53003000 - Materials Direct	2,377,812	1,771,159	2,523,338	2,483,765	2,545,928	62,163	3%

United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2020
UNITED LAGUNA WOODS MUTUAL

ATTACHMENT 5

	<u>2016 Actuals</u>	<u>2017 Actuals</u>	<u>2018 Actuals</u>	<u>2019 Budget</u>	<u>2020 Budget</u>	<u>Increase/ (Decrease)</u>	<u>VAR %</u>
53004000 - Freight	460	9	35	0	0	0	0%
Total Materials and Supplies	2,774,331	2,396,637	3,041,969	3,068,455	3,140,556	72,101	2%
Utilities and Telephone							
53301000 - Electricity	317,548	192,576	151,523	185,320	189,000	3,680	2%
53301500 - Sewer	1,754,382	1,736,044	1,723,347	1,776,600	1,779,600	3,000	0%
53302000 - Water	1,567,174	1,888,496	1,898,155	1,850,960	1,919,116	68,156	4%
53302500 - Trash	362,972	393,704	423,056	418,741	437,719	18,977	5%
53304000 - Telephone	1,193	664	669	0	685	685	0%
Total Utilities and Telephone	4,003,269	4,211,484	4,196,751	4,231,621	4,326,120	94,499	2%
Legal Fees							
53401500 - Legal Fees	255,120	193,400	253,208	175,000	349,985	174,985	100%
Total Legal Fees	255,120	193,400	253,208	175,000	349,985	174,985	100%
Professional Fees							
53402000 - Audit & Tax Preparation Fees	37,729	41,461	42,056	0	0	0	0%
53402010 - Audit & Tax Preparation Fees - United	0	0	0	57,600	44,500	(13,100)	(23%)
53403500 - Consulting Fees	0	3,629	23,496	7,116	12,479	5,363	75%
53403510 - Consulting Fees - United	75,477	55,423	108,639	103,199	65,000	(38,199)	(37%)
Total Professional Fees	113,206	100,513	174,191	167,915	121,979	(45,936)	(27%)
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	37,868	29,399	21,403	37,424	17,038	(20,386)	(54%)
Total Equipment Rental	37,868	29,399	21,403	37,424	17,038	(20,386)	(54%)
Outside Services							
53601000 - Bank Fees	16,940	20,985	20,207	4,071	25,321	21,250	522%
54603500 - Outside Services Direct	7,781,983	5,512,896	7,825,530	7,710,601	8,447,910	737,309	10%
53704000 - Outside Services	92,564	49,734	117,920	133,771	164,394	30,623	23%
Total Outside Services	7,891,487	5,583,615	7,963,656	7,848,443	8,637,624	789,182	10%
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	16,211	11,234	7,350	15,823	16,822	999	6%
53702000 - Street Repair & Maint	182	0	0	0	0	0	0%
53702500 - Building Repair & Maint	2,760	0	13,870	0	0	0	0%
53703000 - Elevator /Lift Maintenance	34,034	14,191	26,552	31,008	30,157	(851)	(3%)
Total Repairs and Maintenance	53,188	25,425	47,773	46,831	46,979	148	0%
Other Operating Expense							
53801000 - Mileage & Meal Allowance	5,325	4,262	6,269	15,244	15,153	(91)	(1%)
53801500 - Travel & Lodging	462	169	401	1,031	3,027	1,996	194%
53802000 - Uniforms	65,411	94,610	74,759	85,428	88,787	3,359	4%
53802500 - Dues & Memberships	2,821	906	924	2,054	1,687	(367)	(18%)
53803000 - Subscriptions & Books	926	2,994	3,225	1,992	2,026	34	2%
53803500 - Training & Education	6,843	6,949	4,622	16,324	19,682	3,358	21%
53804000 - Staff Support	0	0	0	0	1,409	1,409	0%
53901000 - Benefit Administrative Fees	0	27	0	0	0	0	0%
53901500 - Volunteer Support	0	0	0	1,626	1,668	42	3%
53903000 - Safety	0	95	0	182	508	326	179%
54001000 - Board Relations	0	3,747	3,657	3,666	0	(3,666)	(100%)
54001010 - Board Relations - United	13,288	5,183	3,388	5,000	7,500	2,500	50%
54001500 - Public Relations	210	448	11	0	0	0	0%
54002000 - Postage	60,700	55,074	56,245	52,439	58,717	6,278	12%
54002500 - Filing Fees / Permits	243	297	330	1,239	847	(393)	(32%)
Total Other Operating Expense	156,229	174,759	153,830	186,226	201,012	14,786	8%
Income Taxes							
54301000 - State & Federal Income Taxes	4,737	19,849	(371,167)	0	25,000	25,000	0%
Total Income Taxes	4,737	19,849	(371,167)	0	25,000	25,000	0%
Property and Sales Tax							
54301500 - State & Local Taxes	0	6,400	0	0	0	0	0%
54302000 - Property Taxes	9,406,606	10,056,223	10,765,612	9,810,779	11,111,994	1,301,215	13%
Total Property and Sales Tax	9,406,606	10,062,623	10,765,612	9,810,779	11,111,994	1,301,215	13%
Insurance							
54401000 - Hazard & Liability Insurance	408,228	428,519	405,480	419,942	455,779	35,837	9%
54401500 - D&O Liability	64,423	79,525	64,121	65,650	66,412	761	1%
54402000 - Property Insurance	654,843	617,222	764,251	799,133	974,142	175,008	22%
54403000 - General Liability Insurance	4,728	4,350	7,147	7,328	7,328	0	0%
Total Insurance	1,132,222	1,129,616	1,240,999	1,292,054	1,503,660	211,606	16%
Investment Expense							
54201000 - Investment Expense	36,924	36,956	37,110	36,732	36,732	0	0%
Total Investment Expense	36,924	36,956	37,110	36,732	36,732	0	0%
Net Allocation to Mutuals							
48502500 - Mutual General Operating	(39,522)	0	0	0	0	0	0%
54602500 - Allocated Expenses	1,103,008	1,025,598	1,129,234	1,184,743	1,584,319	399,576	34%
Total Net Allocation To Mutuals	1,063,485	1,025,598	1,129,234	1,184,743	1,584,319	399,576	34%

Agenda Items #12b & 12c

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United Laguna Woods Mutual
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UNITED LAGUNA WOODS MUTUAL

ATTACHMENT 5

	<u>2016 Actuals</u>	<u>2017 Actuals</u>	<u>2018 Actuals</u>	<u>2019 Budget</u>	<u>2020 Budget</u>	<u>Increase/ (Decrease)</u>	<u>VAR %</u>
Uncollectible Accounts							
54602000 - Bad Debt Expense	<u>0</u>	<u>26,495</u>	<u>44,785</u>	<u>0</u>	<u>59,600</u>	<u>59,600</u>	<u>0%</u>
Total Uncollectible Accounts	<u>0</u>	<u>26,495</u>	<u>44,785</u>	<u>0</u>	<u>59,600</u>	<u>59,600</u>	<u>0%</u>
(Gain)/Loss on Sale or Trade							
54101000 - (Gain)/Loss - Warehouse Sales	<u>(1,463)</u>	<u>(2,047)</u>	<u>(886)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>0</u>	<u>0%</u>
54101500 - (Gain)/Loss On Investments	<u>(11,908)</u>	<u>0</u>	<u>2,939</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total (Gain)/Loss on Sale or Trade	<u>(13,371)</u>	<u>(2,047)</u>	<u>2,053</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>0</u>	<u>0%</u>
Total Expenses	<u>39,535,913</u>	<u>37,832,707</u>	<u>42,454,919</u>	<u>42,962,698</u>	<u>45,703,380</u>	<u>2,740,682</u>	<u>6%</u>
Excess of Revenues Over Expenses	<u>(\$37,855,148)</u>	<u>(\$36,586,901)</u>	<u>(\$40,655,700)</u>	<u>(\$41,248,127)</u>	<u>(\$43,909,663)</u>	<u>\$2,661,536</u>	<u>6%</u>

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UNITED LAGUNA WOODS MUTUAL
2020 BUSINESS PLAN
Landscape Expenditures by Work Center

DESCRIPTION		2016 ACTUALS	2017 ACTUALS	2018 ACTUALS	2019 BUDGET	2020 BUDGET	Increase/(Decrease)	
							\$	%
OPERATING FUND								
500	LANDSCAPE ADMINISTRATION	\$60,748	\$109,833	\$80,126	\$114,356	\$122,135	7,779	7%
511	NURSERY	110,330	129,084	122,883	126,283	152,461	26,178	21%
512	COMPOSTING	63,828	58,566	66,871	69,117	64,276	(4,842)	(7%)
530	GROUPS MAINTENANCE	2,084,316	2,081,242	2,198,830	2,380,085	2,680,672	300,587	13%
	Shrub-Bed Maintenance	981,900	723,173	771,072	1,668,444	1,943,284	\$274,840	16%
	Turf Maintenance	853,858	1,171,751	1,231,879	569,346	615,040	45,694	8%
	Miscellaneous Tasks	128,457	101,238	106,433	83,000	94,381	11,380	14%
	Slope Maintenance	120,101	85,080	89,446	59,294	27,967	(31,327)	(53%)
540	IRRIGATION	584,933	641,932	678,226	661,629	800,293	138,664	21%
550	SMALL EQUIPMENT REPAIR	159,811	179,812	188,412	200,219	199,608	(611)	(0%)
560	PEST CONTROL	174,937	195,979	191,790	219,469	229,781	10,311	5%
570	TREE MAINTENANCE	13,643	(247)	2,358	0	0	0	0%
TOTAL OPERATING FUND		\$3,252,546	\$3,396,201	\$3,529,496	\$3,771,158	\$4,249,225	\$478,066	13%
RESERVE FUND								
	LANDSCAPE RENOVATION	\$256,739	\$263,459	\$87,670	350,000	451,543	\$101,543	29%
	TREE MAINTENANCE	880,681	587,110	416,257	1,232,529	864,752	(367,778)	(30%)
TOTAL RESERVE FUND		\$1,137,420	\$850,569	\$503,927	\$1,582,529	\$1,316,295	(\$266,235)	(17%)

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**UNITED LAGUNA WOODS MUTUAL
2020 BUSINESS PLAN
Maintenance Expenditures by Program**

DESCRIPTION	2016 ACTUALS	2017 ACTUALS	2018 ACTUALS	2019 BUDGET	2020 BUDGET	INCREASE/(DECREASE) \$	%
OPERATING FUND							
PLUMBING SERVICE	\$1,203,640	\$1,386,190	\$1,546,049	\$1,239,218	\$1,382,286	\$143,078	12%
CARPENTRY SERVICE	465,818	631,345	602,580	483,906	494,100	10,194	2%
ELECTRICAL SERVICE	296,655	297,572	279,917	411,587	409,634	(1,952)	(0%)
JANITORIAL SERVICE	202,548	243,623	370,083	369,615	345,015	(24,600)	(7%)
INTERIOR PREVENTIVE MAINTENANCE	311,148	300,972	325,221	347,649	346,454	(1,195)	(0%)
CONCRETE SERVICE	248,400	385,931	491,793	369,203	373,111	3,908	1%
APPLIANCE REPAIRS	344,118	340,302	334,729	306,455	308,507	2,052	1%
PEST CONTROL	48,228	75,577	123,057	148,987	225,980	76,993	52%
GUTTER CLEANING	170,982	182,962	158,314	174,032	192,872	18,840	11%
COUNTERTOP/FLOOR/TILE REPAIRS	120,576	120,770	159,360	146,872	128,480	(18,392)	(13%)
WELDING	92,419	57,120	120,028	83,626	101,275	17,649	21%
ENERGY PROGRAM	0	32,725	33,439	50,000	25,000	(25,000)	(50%)
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	71,097	19,056	16,125	25,000	25,000	0	0%
TRAFFIC CONTROL	8,891	12,040	19,606	16,935	15,010	(1,925)	(11%)
FIRE PROTECTION	7,364	8,873	19,891	12,700	12,700	0	0%
BALCONY/BREEZEWAY RESURFACING	177,630	295,054	131,853	0	0	0	0%
BUILDING REHAB/DRY ROT	68,641	84,844	43,115	0	0	0	0%
PAINT-TOUCHUP	148,975	186,571	186,228	0	0	0	0%
ROOF REPAIR	107,714	162,439	146,113	0	0	0	0%
PAVING MAINTENANCE & REPAIRS	47,417	46,950	69,408	0	0	0	0%
TOTAL MAINTENANCE	\$4,142,263	\$4,870,916	\$5,176,908	\$4,185,785	\$4,385,433	\$199,649	5%

Lines 16-20 were moved into reserves in 2019.

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**UNITED LAGUNA WOODS MUTUAL
2020 RESERVES PLAN
Reserve Expenditures by Program**

DESCRIPTION	2016 ACTUALS	2017 ACTUALS	2018 ACTUALS	2019 BUDGET	2020 BUDGET	INCREASE/(DECREASE) \$	%
RESERVE FUND							
BUILDING STRUCTURES	\$417,044	\$550,274	\$450,881	\$898,320	\$670,009	(\$228,311)	(25%)
CDS SIGNAGE	\$0	\$0	\$0	\$0	\$50,000	\$50,000	100%
ELECTRICAL SYSTEMS	215,209	415,152	391,326	458,610	459,495	885	0%
EXTERIOR WALKWAY LIGHTING	13,708	25,816	42,568	60,691	75,121	14,430	24%
FOUNDATIONS	0	10,396	9,540	43,836	43,836	0	0%
GUTTER REPLACEMENT	43,889	44,926	32,607	47,383	98,289	50,906	107%
LANDSCAPE RENOVATION	248,032	262,629	87,667	350,000	451,543	101,543	29%
PAINT - EXTERIOR	1,973,387	1,783,176	1,962,079	1,823,867	1,876,061	52,195	3%
PRIOR TO PAINT	995,384	796,926	731,676	987,116	1,012,704	25,588	3%
PAVING	118,142	140,802	223,490	512,560	465,109	(47,450)	(9%)
ROOFS	944,670	966,357	1,197,055	753,209	930,804	177,595	24%
TREE MAINTENANCE	880,681	587,110	416,257	1,232,529	864,752	(367,778)	(30%)
WALL REPLACEMENT	1,925	14,205	140,900	180,365	195,365	15,000	8%
WASTE LINE REMEDIATION	872,545	1,067,364	1,890,122	2,100,000	2,300,000	200,000	10%
WATER LINE - COPPER PIPE REMEDIATION	0	0	225,632	250,000	200,000	(50,000)	(20%)
WINDOW/SLIDING SCREEN DOOR	34,058	74,238	140,117	86,676	119,518	32,842	38%
OTHER SUPPL. APPROPRIATIONS	526	2,792	0	0	0	0	0%
APPLIANCE AND FIXTURES:							
COOKTOPS	65,659	79,079	57,585	70,999	71,112	112	0%
DISHWASHERS	76,586	103,150	107,052	85,280	85,523	243	0%
FIXTURES - BASINS/FAUCETS/SINKS/TOILETS	526,855	325,963	300,042	317,250	238,679	(78,571)	(25%)
GARBAGE DISPOSALS	92,755	100,858	159,923	115,257	115,440	183	0%
HOODS	36,976	38,629	26,507	35,574	35,681	107	0%
KITCHEN/BATH COUNTERS, FLOORS, MISC.	986,927	958,559	1,114,485	1,228,721	1,392,191	163,470	13%
OVENS	95,420	132,318	95,335	110,999	111,112	112	0%
RANGES	36,936	8,756	4,392	25,000	12,469	(12,531)	(50%)
REFRIGERATORS	198,378	267,847	167,413	227,359	227,754	395	0%
WATER HEATERS & PERMITS	79,769	90,493	1,042,161	1,133,990	751,503	(382,487)	(34%)
DRYERS - LAUNDRY	21,982	3,282	0	13,474	35,735	22,261	165%
WASHING MACHINES - LAUNDRY	55,944	7,882	1,858	29,200	90,773	61,573	211%
RESALE INSPECTION REPLACEMENTS	(4,012)	0	0	0	0	0	0%
TOTAL APPLIANCE AND FIXTURES	\$2,270,174	\$2,116,816	\$3,076,754	\$3,393,103	\$3,167,971	(\$225,132)	(7%)
TOTAL RESERVE FUND	\$9,029,374	\$8,858,979	\$11,018,670	\$13,178,267	\$12,980,578	(\$197,686)	(2%)

Lines 1, 7, 8, 9 and 10 include major repairs moved from operations in 2019.

Lines 7 and 8 were moved from operating into reserves in 2016.

Line 13, Waste Line Remediation: Board authorized an early release of \$200,000 from the adopted 2019 Business Plan for additional work in 2018.

**UNITED LAGUNA WOODS MUTUAL
2020 RESERVES PLAN
Reserve Expenditures by Program**

DESCRIPTION	2016 ACTUALS	2017 ACTUALS	2018 ACTUALS	2019 BUDGET	2020 BUDGET	INCREASE/(DECREASE) \$	%
CONTINGENCY FUND							
MOISTURE INTRUSION - RAIN LEAKS	\$79,088	\$200,300	\$78,401	\$225,537	\$152,000	(\$73,537)	(33%)
MOISTURE INTRUSION - PLUMBING LEAKS	1,070,698	572,607	867,771	644,752	755,390	110,638	17%
MOISTURE INTRUSION - PLUMBING STOPPAGES	414,525	247,715	356,680	278,926	278,926	0	0%
MOISTURE INTRUSION - MISCELLANEOUS	133,006	69,970	140,546	78,786	78,786	0	0%
DAMAGE RESTORATION SERVICES	68,851	121,230	5,496	144,256	143,640	(616)	(0%)
TOTAL CONTINGENCY FUND	\$1,766,168	\$1,211,822	\$1,448,894	\$1,372,257	\$1,408,742	\$36,485	3%

**UNITED LAGUNA WOODS MUTUAL
2020 RESERVES PLAN
Five-Year Cash Flow Projections**

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures*</i>	<i>ENDING BALANCE</i>
RESERVE FUND	2019	\$ 19,052,343	\$ 396,634	\$ 11,229,648	\$ 148.00	\$ (13,977,508)	\$ 16,701,117
	2020	\$ 16,701,117	\$ 338,613	\$ 11,535,000	\$ 152.02	\$ (12,980,578)	\$ 15,594,152
	2021	\$ 15,594,152	\$ 331,871	\$ 12,169,425	\$ 160.39	\$ (12,681,360)	\$ 15,414,088
	2022	\$ 15,414,088	\$ 322,158	\$ 12,838,743	\$ 169.21	\$ (13,952,904)	\$ 14,622,085
	2023	\$ 14,622,085	\$ 314,550	\$ 13,544,874	\$ 178.51	\$ (13,828,897)	\$ 14,652,612
	2024	\$ 14,652,612	\$ 322,127	\$ 14,289,842	\$ 188.33	\$ (13,884,164)	\$ 15,380,417
*2020 figure may differ from the reserve study based on budgets submitted and approved by the Board.							
CONTINGENCY FUND	2019	\$ 2,661,010	\$ 52,773	\$ 1,138,140	\$ 15.00	\$ (1,182,879)	\$ 2,669,044
	2020	\$ 2,669,044	\$ 46,881	\$ 758,760	\$ 10.00	\$ (1,408,742)	\$ 2,065,943
	2021	\$ 2,065,943	\$ 40,403	\$ 910,512	\$ 12.00	\$ (1,451,000)	\$ 1,565,858
	2022	\$ 1,565,858	\$ 30,369	\$ 1,062,264	\$ 14.00	\$ (1,494,500)	\$ 1,163,991
	2023	\$ 1,163,991	\$ 22,530	\$ 1,214,016	\$ 16.00	\$ (1,539,300)	\$ 861,237
	2024	\$ 861,237	\$ 16,906	\$ 1,365,768	\$ 18.00	\$ (1,585,500)	\$ 658,411
TOTAL	2019	\$ 21,713,353	\$ 449,407	\$ 12,367,788	\$ 163.00	\$ (15,160,387)	\$ 19,370,161
	2020	\$ 19,370,161	\$ 385,494	\$ 12,293,760	\$ 162.02	\$ (14,389,320)	\$ 17,660,094
	2021	\$ 17,660,094	\$ 372,274	\$ 13,079,937	\$ 172.39	\$ (14,132,360)	\$ 16,979,945
	2022	\$ 16,979,945	\$ 352,527	\$ 13,901,007	\$ 183.21	\$ (15,447,404)	\$ 15,786,075
	2023	\$ 15,786,075	\$ 337,080	\$ 14,758,890	\$ 194.51	\$ (15,368,197)	\$ 15,513,848
	2024	\$ 15,513,848	\$ 339,033	\$ 15,655,610	\$ 206.33	\$ (15,469,664)	\$ 16,038,827

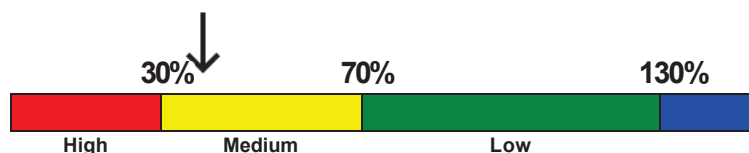
Executive Summary

Association:	United Laguna Woods Mutual	Assoc. #: 36560-0
Location:	Laguna Woods, CA	# of Units: 6,323
Report Period:	January 1, 2020 through December 31, 2020	

Findings/Recommendations as-of: January 1, 2020

Project Starting Reserve Balance	\$16,701,117
Current Full Funding Reserve Balance	\$43,215,971
Average Reserve Deficit (Surplus) Per Unit	\$4,193
Percent Funded	38.6 %
Recommended 2020 "Annual Full Funding Contributions"	\$11,535,000
Baseline contributions to keep Reserve above \$10,400,000	\$10,830,000
Most Recent Reserve Contribution Rate	\$11,229,648

Reserves % Funded: 38.6%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	2.00 %
Annual Inflation Rate	3.00 %

This is an Update "With-Site-Visit" Reserve Study, and is based on a prior Report prepared by the management team for your 2019 Fiscal Year. We performed the site inspection over a period of multiple days beginning on 3/20/2019 and ending on 4/4/2019. This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68. Sean Kargari RS #115, Kevin Leonard RS #294 and Sabrina C. Willison RS #334 and Dusty Burgmans all participated in site inspection work and research for the study.

The Reserve Fund is above the 30% funded level at 38.6 % Funded, which is a fair position for the fund to be in. This means that the Mutual's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where the Mutual will enjoy a low risk of Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$11,535,000.

The Alternative Contribution rate, is the rate to keep the Reserve Funds above the \$10,400,000 threshold. This figure for the Mutual is \$10,830,000.

Executive Summary**36560-0**

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Concrete Repairs and Replacement				
103	Concrete - Repair/Replace	1	0	\$150,000
Cul de Sac Asphalt Seal Coat				
202	Cul-de-sacs - Seal Coat	1	0	\$50,500
Cul de Sac Asphalt Resurface/Repairs and Replacements				
201	Asphalt - Resurface (2020)	25	0	\$397,300
201	Asphalt - Resurface (2021)	25	1	\$370,500
201	Asphalt - Resurface (2022)	25	2	\$342,450
201	Asphalt - Resurface (2023)	25	3	\$402,400
201	Asphalt - Resurface (2024)	25	4	\$345,500
201	Asphalt - Resurface (2025)	25	5	\$380,400
201	Asphalt - Resurface (2026)	25	6	\$336,300
201	Asphalt - Resurface (2027)	25	7	\$385,500
201	Asphalt - Resurface (2028)	25	8	\$421,600
201	Asphalt - Resurface (2029)	25	9	\$413,500
201	Asphalt - Resurface (2035)	25	15	\$318,500
201	Asphalt - Resurface (2036)	25	16	\$338,200
201	Asphalt - Resurface (2037)	25	17	\$304,200
201	Asphalt - Resurface (2038)	25	18	\$321,000
201	Asphalt - Resurface (2039)	25	19	\$252,400
201	Asphalt - Resurface (2040)	25	20	\$246,400
201	Asphalt - Resurface (2041)	25	21	\$371,000
201	Asphalt - Resurface (2042)	25	22	\$81,000
201	Asphalt - Resurface (2043)	25	23	\$534,400
201	Asphalt - Resurface (2044)	25	24	\$216,800
Roofs - Built-Up				
1302	Built-Up/PVC - Replace (2020)	25	0	\$601,000
1302	Built-Up/PVC - Replace (2021)	25	1	\$597,000
1302	Built-Up/PVC - Replace (2022)	25	2	\$587,000
1302	Built-Up/PVC - Replace (2023)	25	3	\$611,000
1302	Built-Up/PVC - Replace (2024)	25	4	\$594,000
1302	Built-Up/PVC - Replace (2025)	25	5	\$600,000
1302	Built-Up/PVC - Replace (2026)	25	6	\$607,000
1302	Built-Up/PVC - Replace (2027)	25	7	\$602,000
1302	Built-Up/PVC - Replace (2028)	25	8	\$601,000
1302	PVC Cool Roof - Replace (2034)	25	14	\$862,000
1302	PVC Cool Roof - Replace (2035)	25	15	\$879,000
1302	PVC Cool Roof - Replace (2036)	25	16	\$1,057,000
1302	PVC Cool Roof - Replace (2037)	25	17	\$1,470,000
1302	PVC Cool Roof - Replace (2038)	25	18	\$1,836,000
1302	PVC Cool Roof - Replace (2039)	25	19	\$1,641,000
1302	PVC Cool Roof - Replace (2040)	25	20	\$1,273,000
1302	PVC Cool Roof - Replace (2041)	25	21	\$890,000
1302	PVC Cool Roof - Replace (2042)	25	22	\$735,000
1302	PVC Cool Roof - Replace (2043)	25	23	\$463,000
1302	PVC Cool Roof - Replace (2044)	25	24	\$2,155,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Roofs - Comp Shingle				
1308	Comp Shingle Roof - Replace (2023)	40	3	\$321,000
1308	Comp Shingle Roof - Replace (2041)	40	21	\$804,000
1308	Comp Shingle Roof - Replace (2042)	40	22	\$712,000
1308	Comp Shingle Roof - Replace (2043)	40	23	\$474,000
1308	Comp Shingle Roof - Replace (2044)	40	24	\$905,000
1308	Comp Shingle Roof - Replace (2045)	40	25	\$511,000
1308	Comp Shingle Roof - Replace (2046)	40	26	\$2,260,000
1308	Comp Shingle Roof - Replace (2047)	40	27	\$1,134,000
1308	Comp Shingle Roof - Replace (2048)	40	28	\$1,655,000
1308	Comp Shingle Roof - Replace (2049)	40	29	\$992,000
1308	Comp Shingle Roof - Replace (2050)	40	30	\$801,000
1308	Comp Shingle Roof - Replace (2051)	40	31	\$1,065,000
1308	Comp Shingle Roof - Replace (2052)	40	32	\$619,000
1308	Comp Shingle Roof - Replace (2053)	40	33	\$265,000
Roofs - Tile				
1311	Tile Roof - Replace (2044)	40	24	\$283,000
1311	Tile Roof - Replace (2046)	40	26	\$565,000
1311	Tile Roof - Replace (2047)	40	27	\$330,000
1311	Tile Roof - Replace (2048)	40	28	\$354,000
1311	Tile Roof - Replace (2049)	40	29	\$366,000
1311	Tile Roof - Replace (2050)	40	30	\$355,000
1311	Tile Roof - Replace (2051)	40	31	\$355,000
1311	Tile Roof - Replace (2052)	40	32	\$355,000
1311	Tile Roof - Replace (2053)	40	33	\$381,000
1311	Tile Roof - Replace (2054)	40	34	\$294,000
Infrastructure/Buildings				
504	Metal Railings (bldg) - Par Replace	1	0	\$225,000
1330	Gutter/Downspouts - Partial Replace	1	0	\$59,500
1350	Skylights - Replace	1	0	\$100,000
1863	Fire Extinguisher Cabinets- Replace	30	10	\$171,000
2004	Smoke Alarms - Replace (2023)	10	3	\$72,300
2004	Smoke Alarms - Replace (2024)	10	4	\$300,000
2004	Smoke Alarms - Replace (2025)	10	5	\$300,800
2006	Windows - Replace	1	0	\$60,000
2007	Sliding Screen Doors	1	0	\$26,800
2008	Vertical Lifts - R & R	20	2	\$1,350,000
Carport Siding Renovation				
1112	Carport Siding Renovations (2032)	35	12	\$100,900
1112	Carport Siding Renovations (2033)	35	13	\$138,000
1112	Carport Siding Renovations (2034)	35	14	\$131,600
1112	Carport Siding Renovations (2035)	35	15	\$152,900
1112	Carport Siding Renovations (2036)	35	16	\$162,000
1112	Carport Siding Renovations (2037)	35	17	\$138,900
1112	Carport Siding Renovations (2038)	35	18	\$157,600
1112	Carport Siding Renovations (2039)	35	19	\$162,300
1112	Carport Siding Renovations (2040)	35	20	\$103,000
1112	Carport Siding Renovations (2041)	35	21	\$53,900
1112	Carport Siding Renovations (2042)	35	22	\$111,600

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Manor Components				
983	Heat Pumps - Replace	1	0	\$4,000
984	Wall Heater - Replace	1	0	\$1,100
3001	Cooktops - Replace	1	0	\$101,200
3002	Dishwashers - Replace	1	0	\$150,500
3003	Fixtures - Bath Basins	1	0	\$23,400
3004	Fixtures - Faucets	1	0	\$105,000
3005	Fixtures - Kitchen Sinks	1	0	\$30,600
3006	Fixtures - Toilets	1	0	\$8,000
3006	Fixtures - Toilets (2020)	0	0	\$19,600
3007	Garbage Disposals	1	0	\$90,700
3008	Manor Hoods	1	0	\$35,000
3009	Kitchen/Bath Counters (2019-29)	1	0	\$640,000
3009	Kitchen/Bath Counters (2030-50)	1	10	\$500,000
3010	Bathroom Flooring - Reimburseable	1	0	\$112,500
3010	Bathroom Flooring - Staff Install	1	0	\$112,700
3010	Kitchen Flooring - Reimbursable	1	0	\$85,100
3010	Kitchen Flooring - Staff Install	1	0	\$84,800
3010	Kitchen/Bath Flooring Asbestos	1	0	\$85,400
3011	Bath Mirrors - Replace	1	0	\$21,000
3012	Bath Enclosure Doors - Replace	1	0	\$192,000
3013	Bathroom Tile - Replace (2020-2029)	1	0	\$116,000
3013	Bathroom Tile - Replace (2030-2050)	1	10	\$172,000
3014	Ovens - Replace	1	0	\$138,400
3015	Ranges - Replace	1	0	\$47,000
3016	Refrigerators - Replace	1	0	\$236,000
3017	Water Heaters - Replace (2020)	0	0	\$909,000
3017	Water Heaters - Replace (2021-2027)	1	1	\$909,000
3017	Water Heaters - Replace (2028-2050)	1	8	\$454,000
Lighting & Electrical				
340	Electrical Panels - Replace	1	0	\$25,000
340	Pushmatic Panels - Replace/Upgrade	1	0	\$411,500
340	Solar System Program Replacement	1	12	\$115,000
362	Pagoda Walkway Lights - Replace	1	0	\$25,000
364	Block Wall Lights - Replace	20	5	\$292,500
370	Building Wall Lights - Replace	20	5	\$732,000
Laundry Rooms				
332	Laundry Water Heaters - Replace	15	10	\$120,000
800	Doors - Replace	1	0	\$3,900
908	Counter Tops - Replace	1	0	\$14,000
909	Laundry Sinks - Replace	25	3	\$87,500
951	Bathrooms - Refurbish	24	3	\$14,000
991	Washers - Replace	1	0	\$80,000
992	Dryers - Replace	1	0	\$35,000
1110	Interior Laundry - Repaint	10	3	\$109,500
Prior To Painting				
149	Asbestos Testing PTP	1	0	\$5,000
152	Decking Repairs PTP (2020)	10	0	\$129,000
152	Decking Repairs PTP (2021)	10	1	\$138,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
152 Decking Repairs PTP (2022)	10	2	\$126,000
152 Decking Repairs PTP (2023)	10	3	\$127,000
152 Decking Repairs PTP (2024)	10	4	\$122,000
152 Decking Repairs PTP (2025)	10	5	\$134,000
152 Decking Repairs PTP (2026)	10	6	\$133,000
152 Decking Repairs PTP (2027)	10	7	\$131,000
152 Decking Repairs PTP (2028)	10	8	\$117,000
152 Decking Repairs PTP (2029)	10	9	\$123,000
153 Balcony Repairs PTP (2020)	10	0	\$11,800
153 Balcony Repairs PTP (2021)	10	1	\$11,900
153 Balcony Repairs PTP (2022)	10	2	\$11,400
153 Balcony Repairs PTP (2023)	10	3	\$12,500
153 Balcony Repairs PTP (2024)	10	4	\$12,400
153 Balcony Repairs PTP (2025)	10	5	\$11,500
153 Balcony Repairs PTP (2026)	10	6	\$12,000
153 Balcony Repairs PTP (2027)	10	7	\$12,900
153 Balcony Repairs PTP (2028)	10	8	\$11,800
153 Balcony Repairs PTP (2029)	10	9	\$11,900
1119 Wood Rot Repair PTP (2026)	10	6	\$602,000
1119 Wood Rot Repair PTP (2020)	10	0	\$584,000
1119 Wood Rot Repair PTP (2021)	10	1	\$627,000
1119 Wood Rot Repair PTP (2022)	10	2	\$572,000
1119 Wood Rot Repair PTP (2023)	10	3	\$576,000
1119 Wood Rot Repair PTP (2024)	10	4	\$555,000
1119 Wood Rot Repair PTP (2025)	10	5	\$607,000
1119 Wood Rot Repair PTP (2027)	10	7	\$597,000
1119 Wood Rot Repair PTP (2029)	10	9	\$555,000
1903 Lexan Bldg. Signs - Remove/Replace	1	0	\$14,000
Interior & Exterior Painting			
150 Deck Top - Reseal (2020)	10	0	\$40,600
150 Deck Top - Reseal (2021)	10	1	\$43,500
150 Deck Top - Reseal (2022)	10	2	\$39,700
150 Deck Top - Reseal (2023)	10	3	\$40,000
150 Deck Top - Reseal (2024)	10	4	\$38,500
150 Deck Top - Reseal (2025)	10	5	\$42,100
150 Deck Top - Reseal (2026)	10	6	\$41,800
150 Deck Top - Reseal (2027)	10	7	\$41,500
150 Deck Top - Reseal (2028)	10	8	\$36,900
150 Deck Top - Reseal (2029)	10	9	\$38,900
1113 Metal Railings (building) - Repaint	1	0	\$126,000
1115 Building Exteriors - Repaint (2020)	10	0	\$1,632,900
1115 Building Exteriors - Repaint (2021)	10	1	\$1,750,600
1115 Building Exteriors - Repaint (2022)	10	2	\$1,596,500
1115 Building Exteriors - Repaint (2023)	10	3	\$1,609,500
1115 Building Exteriors - Repaint (2024)	10	4	\$1,550,100
1115 Building Exteriors - Repaint (2025)	10	5	\$1,695,300
1115 Building Exteriors - Repaint (2026)	10	6	\$1,683,000
1115 Building Exteriors - Repaint (2027)	10	7	\$1,669,100
1115 Building Exteriors - Repaint (2028)	10	8	\$1,485,300
1115 Building Exteriors - Repaint (2029)	10	9	\$1,563,700

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1116	Exterior Paint Touch-Up	1	0	\$100,000
1119	Interior Paint Touch-Up	1	0	\$70,000
Walls, Fencing, Railings & Gates				
501	Walls - Perimeter Top Rail - R&R	1	0	\$150,000
502	Walls - Perimeter Block - R&R	1	0	\$8,500
503	Walls - Common Area Block - R&R	1	0	\$22,400
504	Metal Hand Railings (Grounds) - Rep	1	0	\$10,000
Grounds & Miscellaneous				
1007	Weather Station - Replace	15	13	\$1,750
1009	V-Ditch (Swales) - Repair	1	0	\$50,000
1020	Tree Maintenance (2020)	5	0	\$775,600
1020	Tree Maintenance (2021)	5	1	\$596,900
1020	Tree Maintenance (2022)	5	2	\$350,300
1020	Tree Maintenance (2023)	5	3	\$496,100
1020	Tree Maintenance (2024)	5	4	\$541,800
1022	Landscape Refurbish - Additional	5	4	\$100,000
1022	Landscape Refurbish - Annual	1	0	\$50,000
1022	Landscape Refurbish (2020-2028)	1	0	\$250,000
Contingency Components				
1316	Roof Repairs - Emergency	1	0	\$86,500
1317	Roof Repairs - Preventative	1	0	\$46,750
1901	Lead Testing and Abatement	1	0	\$6,000
2001	Building Structures	1	0	\$135,000
2001	Building Structures Dry Rot Repairs	1	0	\$300,000
2002	Building Structures Maint Ops	1	0	\$270,000
2003	Building Structures Carpentry	1	0	\$285,000
2006	Building Foundations - Repair	1	0	\$43,850
Plumbing				
328	Waste Lines - Repair	1	10	\$50,000
328	Waste Lines Epoxy Re-Line (2020-29)	1	0	\$1,300,000
329	Copper Water Lines Re-Pipe	1	0	\$252,000
208 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

30-Year Reserve Plan Summary

36560-0
WSV

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	\$16,701,117	\$43,215,971	38.6 %	Medium	\$11,535,000	\$0	\$328,690	\$12,368,400
2021	\$16,196,407	\$44,912,668	36.1 %	Medium	\$12,169,425	\$0	\$321,748	\$12,681,360
2022	\$16,006,220	\$46,732,109	34.3 %	Medium	\$12,838,743	\$0	\$311,831	\$13,952,904
2023	\$15,203,891	\$47,702,458	31.9 %	Medium	\$13,544,874	\$0	\$304,014	\$13,828,897
2024	\$15,223,882	\$49,247,840	30.9 %	Medium	\$14,289,842	\$0	\$311,378	\$13,884,164
2025	\$15,940,938	\$51,213,401	31.1 %	Medium	\$15,075,784	\$0	\$313,061	\$15,937,468
2026	\$15,392,315	\$51,566,691	29.8 %	High	\$15,452,678	\$0	\$319,755	\$14,553,826
2027	\$16,610,923	\$53,306,612	31.2 %	Medium	\$15,838,995	\$0	\$351,716	\$14,210,455
2028	\$18,591,180	\$55,331,523	33.6 %	Medium	\$16,234,970	\$0	\$405,119	\$13,275,497
2029	\$21,955,772	\$58,375,392	37.6 %	Medium	\$16,640,844	\$0	\$475,371	\$13,449,472
2030	\$25,622,515	\$60,097,843	42.6 %	Medium	\$17,056,865	\$0	\$564,657	\$12,351,935
2031	\$30,892,102	\$63,417,154	48.7 %	Medium	\$17,483,287	\$0	\$675,733	\$12,311,376
2032	\$36,739,746	\$67,468,948	54.5 %	Medium	\$17,920,369	\$0	\$798,133	\$12,315,580
2033	\$43,142,668	\$72,082,867	59.9 %	Medium	\$18,368,379	\$0	\$922,446	\$13,251,681
2034	\$49,181,811	\$76,329,266	64.4 %	Medium	\$18,827,588	\$0	\$1,030,756	\$15,057,074
2035	\$53,983,081	\$79,315,496	68.1 %	Medium	\$19,298,278	\$0	\$1,115,227	\$16,760,302
2036	\$57,636,284	\$81,123,142	71.0 %	Low	\$19,780,735	\$0	\$1,193,469	\$16,796,462
2037	\$61,814,025	\$83,448,512	74.1 %	Low	\$20,275,253	\$0	\$1,276,215	\$17,447,460
2038	\$65,918,034	\$85,688,877	76.9 %	Low	\$20,782,134	\$0	\$1,363,235	\$17,539,827
2039	\$70,523,576	\$88,432,547	79.7 %	Low	\$21,301,688	\$0	\$1,448,548	\$18,817,049
2040	\$74,456,763	\$90,490,160	82.3 %	Low	\$21,834,230	\$0	\$1,529,322	\$19,212,328
2041	\$78,607,988	\$92,765,951	84.7 %	Low	\$22,380,086	\$0	\$1,603,595	\$20,701,172
2042	\$81,890,497	\$94,156,999	87.0 %	Low	\$22,939,588	\$0	\$1,661,520	\$22,086,158
2043	\$84,405,447	\$94,761,151	89.1 %	Low	\$23,513,077	\$0	\$1,734,711	\$20,437,278
2044	\$89,215,957	\$97,697,620	91.3 %	Low	\$24,100,904	\$0	\$1,787,131	\$25,452,005
2045	\$89,651,988	\$96,191,334	93.2 %	Low	\$24,703,427	\$0	\$1,804,016	\$25,253,474
2046	\$90,905,957	\$95,497,698	95.2 %	Low	\$25,321,013	\$0	\$1,813,961	\$27,393,669
2047	\$90,647,261	\$93,251,802	97.2 %	Low	\$25,954,038	\$0	\$1,843,867	\$24,546,021
2048	\$93,899,144	\$94,564,747	99.3 %	Low	\$26,602,889	\$0	\$1,907,477	\$25,395,654
2049	\$97,013,857	\$95,755,892	101.3 %	Low	\$27,267,961	\$0	\$1,972,388	\$25,858,358

Budget Summary

36560-0
WSV

	Useful Life		2020 Rem. Useful Life		Estimated Replacement Cost in 2020	2020 Expenditures	01/01/2020 Fully Funded Balance	2020 Contributions
	Min	Max	Min	Max				
Concrete Repairs and Replacement	1	1	0	0	\$150,000	\$150,000	\$150,000	\$123,167
Cul de Sac Asphalt Seal Coat	1	1	0	0	\$50,500	\$50,500	\$50,500	\$41,466
Cul de Sac Asphalt Resurface/Repairs and Replacements	25	25	0	24	\$6,779,350	\$397,300	\$3,767,898	\$222,665
Roofs - Built-Up	25	25	0	24	\$18,661,000	\$601,000	\$7,632,400	\$612,913
Roofs - Comp Shingle	40	40	3	33	\$12,518,000	\$0	\$4,293,200	\$256,968
Roofs - Tile	40	40	24	34	\$3,638,000	\$0	\$975,450	\$74,680
Infrastructure/Buildings	1	30	0	10	\$2,665,400	\$471,300	\$2,181,310	\$502,367
Carport Siding Renovation	35	35	12	22	\$1,412,700	\$0	\$736,654	\$33,143
Manor Components	0	1	0	10	\$5,384,000	\$3,349,000	\$3,349,000	\$3,658,398
Lighting & Electrical	1	20	0	12	\$1,601,000	\$461,500	\$1,229,875	\$515,435
Laundry Rooms	1	25	0	10	\$463,900	\$132,900	\$338,800	\$128,039
Prior To Painting	1	10	0	9	\$6,694,100	\$743,800	\$3,917,090	\$563,704
Interior & Exterior Painting	1	10	0	9	\$16,935,500	\$1,969,500	\$9,537,460	\$1,609,345
Walls, Fencing, Railings & Gates	1	1	0	0	\$190,900	\$190,900	\$190,900	\$156,751
Grounds & Miscellaneous	1	15	0	13	\$3,212,450	\$1,125,600	\$2,140,333	\$757,279
Contingency Components	1	1	0	0	\$1,173,100	\$1,173,100	\$1,173,100	\$963,251
Plumbing	1	1	0	10	\$1,602,000	\$1,552,000	\$1,552,000	\$1,315,427
					\$83,131,900	\$12,368,400	\$43,215,971	\$11,535,000

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STAFF REPORT

DATE: September 10, 2019
FOR: Board of Directors
SUBJECT: Recognition Agreement

RECOMMENDATION

Entertain a motion to approve the attached Resolution establishing objective standards for approval to loan within United Laguna Woods Mutual (United).

BACKGROUND

United is a nonprofit 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 nonprofit basis pursuant to the provisions set forth in its occupancy agreement, articles of incorporation, bylaws and board resolutions (collectively referred to as the governing documents). The corporation's amended and restated bylaws (bylaws) provide that the purpose of the corporation is to "manage, maintain, preserve, and administer the business of a common interest development, specifically, a stock cooperative" (bylaws Article II, Section 1).

United as a stock cooperative housing development holds title to all property and structures in United wherein each shareholder-member has ownership of one share in the cooperative and is granted the right to occupy a specific unit pursuant to an occupancy agreement provided each shareholder-member meets the financial qualifications set forth in the financial qualifications policy (rev. 5-23-18);

Pursuant to bylaws Article II, Section 3, the board of directors of the corporation is authorized to establish policy and perform various administrative activities. Included among the board of directors' management responsibilities is the vetting of lenders seeking to loan money to shareholder-members unsecured by property within United, in order to ensure the continued solvency of the corporation.

The board of directors requires a lender to sign its recognition agreement, giving United first right of refusal and agreeing to pay assessments when due in the event the member defaults in its obligation to pay assessments.

DISCUSSION

Through counsel, the board of directors has enumerated objective criteria lenders must satisfy in order to loan to shareholder-members within United, including that the prospective lender:

1. Is either a state or federally chartered bank or credit union;
2. Insures each deposit account through the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) or otherwise, up to \$250,000 per account and backed by the full faith and credit of the United States government; and

3. Meets or exceeds the capital requirement pursuant to 12 C.F.R. § 3.10.

If the above criteria are satisfied, the institution may be deemed an approved lender and upon execution of a recognition agreement, allowed to loan to shareholder-members within United. Otherwise the institution should be advised that it fails to meet the objective criteria established to ensure the continued viability of the corporation, that they are not approved to loan money to United shareholder-members.

FINANCIAL ANALYSIS

None.

Prepared By: Siobhan Foster, COO

Reviewed By: Jeffrey Beaumont, Corporate Counsel

Pamela Bashline, Community Services Manager

ATTACHMENT(S)

ATT 1: Recognition Agreement

ATT 2: Resolution 01-19-XX

When recorded return to:

Village Management Services, Inc.
c/o Siobhan Foster
24351 El Toro Road
P. O. Box 2220
Laguna Hills, California 92654

RECOGNITION AGREEMENT

This Recognition Agreement (the "Agreement") is made this day of October, 2009, by and between UNITED LAGUNA HILLS MUTUAL, a California nonprofit mutual benefit corporation (the "Mutual") and NCB, FSB, an Ohio corporation ("Lender"). The Mutual and Lender may collectively be referred to herein as the "Parties" and, sometimes, singularly as a "Party."

RECITALS:

A. The Mutual is the owner of certain dwelling units located at Laguna Woods, California (the "Project"), more particularly described in Exhibit A to this document.

B. Each member of the Mutual (the "Member") owns a membership in the Mutual and the Golden Rain Foundation of Laguna Woods (collectively, the "Membership") and the "right to occupy" a specified unit owned by the Mutual. The "right to occupy" a unit is subject to the terms of an Occupancy Agreement (the "Occupancy Agreement") entered into between the Mutual and the Member.

C. Lender desires to continue to make secured loans to qualified Members. The loans are to be secured by a pledge to Lender of the Member's Membership, the Member's membership certificate in the Mutual and the Member's membership certificate in Golden Rain Foundation of Laguna Woods, together with the Member's

rights and interest under the Occupancy Agreement (collectively, "Member's Interest"). For the purposes of this document, the term "Pledge" shall include either or both an assignment and an encumbrance as security for repayment of a loan.

D. The Parties intend that this Agreement shall replace and supersede in its entirety that certain recognition agreement previously executed on behalf of NCB and recorded on November 18, 2009 as Instrument No. 2009000625031.

E. A Member's Interest may not be Pledged to Lender without the consent of the Mutual.

F. In order to avoid the administrative expenses to the Mutual and the Lender arising from Lender's submission to the Mutual of requests on an individual basis for approval of the pledge to Lender of a Member's Interest as security for a loan from Lender to the Member, the Mutual and Lender desire to set forth the terms and conditions under which the Mutual consents to all such pledges by Members to Lender.

TERMS

1. Mutual Protection. Lender, for itself and its successors and assigns, covenants and agrees that all of its rights and powers under any obligation entered into with any Member shall be in accordance with all terms and conditions of this Agreement (a "share loan") and shall be subordinate and subject to rights of the Mutual to collect monthly assessments, which are in turn utilized to fulfill the Mutual's responsibilities to State, County or local authorities to pay any and all taxes and similar expenses assessed against the Project, for which the Mutual as owner of the underlying property is responsible. Moreover, in the event the Mutual acquires the Member's Interest based on the foreclosure process pursuant to the Davis-Stirling Common Interest Development Act and in accordance with the

Mutual's governing documents (whether under judicial foreclosure or nonjudicial foreclosure), the Lender's lien or any interest in the Project that the Lender had shall automatically terminate, subject to the conditions hereinafter described. The Lender may cure the Member's default to the Mutual prior to any such foreclosure action.

The Mutual shall give written notice to the Lender in the event that: (1) the Mutual proceeds to record a Notice of Delinquent Assessments; or (2) the Mutual decides to accept the Member's Interest in lieu of foreclosure. The Mutual will give such written notice if the Lender provides a written request for such written notice and the opportunity to cure any Member's default to the Mutual. The Lender shall have thirty (30) days to cure the default after the notice of the Member's default to the Mutual or notice of the Mutual's intent to accept the Member's Interest in lieu of foreclosure is mailed.

2. Conditions of Applicability. Although this Agreement provides a general structure for the relationship between Lender and the Mutual, it shall apply only in cases where the affected Member specifically consents in writing to subordinate the Member's rights under his Occupancy Agreement and the Bylaws of the Mutual to those of the Lender set forth in this document.

3. Consent to Pledge. Until termination of this Agreement as provided in Paragraph 19 below, the Mutual hereby irrevocably consents to the Pledge of the following to Lender by any Member as security for any loan from Lender to the Member:

- (a) The Member's Membership;
- (b) The Member's Certificate; and,
- (c) All of the Member's rights and interest under the Occupancy

Agreement between the Member and the Mutual.

Notwithstanding the Member's pledge to the Lender, the Member shall retain all rights, privileges, and obligations of membership (specifically including the right to occupy and use the dwelling unit and community facilities, the right to vote, and the obligation to comply with the Occupancy Agreement and Bylaws of the Mutual) until and unless the Occupancy Agreement and membership rights are terminated under the provisions of the Occupancy Agreement and the Mutual's Bylaws or the pledged collateral is foreclosed or accepted in lieu of foreclosure by the Lender under the terms of the lending relationship between the Lender and the Member.

4. Notification of Pledges. From time to time, Lender may furnish in writing to Mutual, a list of all Members who have made pledges to Lender of the items listed in Paragraph 3(a), 3(b) and 3(c) above. The most current such list is hereinafter called the "List." The List shall be delivered according to Paragraph 21 of this Agreement.

5. Notices by Mutual to Lender. Within 30 days of receipt of a List, the Mutual agrees to furnish Lender written notification of the name of each Member on the List (a) who is in default (monetary or otherwise) for more than thirty (30) days under the terms of either the Occupancy Agreement between the Mutual and the Member or the Mutual's Bylaws or (b) who actually or constructively gives the Mutual notice of an intention to leave the Project, as provided in Article III, Section 4 of the Mutual's Bylaws or in any other fashion that indicates an intent to surrender the Member's right to occupy the dwelling unit, the Membership and the Certificate.

6. Right to Cure in the Event of Default. The Mutual agrees that it will not commence action to terminate the Occupancy Agreement or Membership of any Member on the List for a default under the terms of the Member's Occupancy Agreement or the Mutual's Bylaws without giving Lender prior written notice and the

opportunity to cure said default or acquire such Member's Membership, Certificate and Occupancy Agreement in accordance with the following:

(a) Monetary Default. If the default arises from the Member's failure to make any payment due the Mutual (including late charges, interest and any other cost associated with the delinquency), and Lender or the Member cures said default within thirty (30) days after Lender's receipt of the Mutual's notice furnished pursuant to Paragraph 5 above, the Mutual shall not commence action to terminate the Member's Occupancy Agreement or membership. The Mutual's acceptance of any amounts paid by Lender to cure a Member's monetary default shall not constitute a waiver of the Mutual's rights under the Mutual's Bylaws concerning the occupancy and use of the Member's dwelling unit or the transfer of the Member's membership in the Mutual.

(b) Nonmonetary Default. If the default arises from the Member's failure to comply with a term or condition of either the Occupancy Agreement or the Mutual's Bylaws which does not require a payment of money to the Mutual and all amounts due under the terms of the Occupancy Agreement are kept current, the Mutual will not commence action to terminate the Member's Occupancy Agreement or Membership provided either the Lender causes the Member to cure such default within thirty (30) days of Lender's receipt of Mutual's notice furnished pursuant to Paragraph 5 above or the Lender provides the Mutual with a photocopy of a document commencing foreclosure of the pledge within such thirty (30) day period and continues with reasonable diligence to foreclose Lender's pledge by nonjudicial or judicial foreclosure.

Nothing in this Agreement shall make Lender a guarantor of any Member on the List, nor obligate Lender to cure a monetary default, to cause a Member to cure a nonmonetary default, to diligently foreclose its pledge or to pay any amount due under an Occupancy Agreement.

7. Mutual's Transfer of Memberships and Termination of Occupancy Agreements in the Event of Default or Surrender. The Mutual retains its right to terminate and transfer the membership and terminate the Member's rights under the Occupancy Agreement of any Member on the List in accordance with Section 5 of Article III of the Mutual's Bylaws if:

(a) Lender consents to the transfer and termination by reconveyance of Lender's deed of trust or otherwise; or,

(b) The Member's monetary default is not cured within the thirty (30) day period for which provision is made in Paragraph 6(a) above; or,

(c) The Member's nonmonetary default is not cured within the sixty (60) day period for which provision is made in Paragraph 6(b) above or the Lender does not (1) provide the Mutual a photocopy of a document commencing foreclosure of the pledge within said thirty (30) day period and (2) diligently pursue the foreclosure of its pledge.

In the event there is a nonmonetary default and, before it is cured, a monetary default occurs also, the Mutual may terminate the Member's Membership and transfer the Member's Membership and terminate the Member's rights under the Occupancy Agreement wherever it is entitled to do so under the provisions of any of subparagraphs (a), (b) or (c).

If Lender pays the Mutual all amounts which become due the Mutual from the defaulting Member and Lender furnishes Mutual with evidence of Lender's having acquired Member's rights and interest under the Occupancy Agreement, the Certificate, and Member's Membership prior to the Mutual's termination of the Member's Membership and the Member's rights under the Occupancy Agreement, the Mutual will issue a new Certificate and enter into a new Occupancy Agreement with a designee of

Lender approved by the Mutual (as provided in Paragraph 8 below) as soon as reasonably possible after such termination or surrender.

Notwithstanding the provisions of the Mutual's Bylaws and any failure by Lender diligently to foreclose its pledge, the Mutual shall deliver to Lender (instead of the Member) any amount that may become due the Member under either Section 4 or Section 5 of the Article III of the bylaws of the Mutual, up to the amount due Lender under the provisions of its note and pledge, as provided in Paragraph 8 below.

8. Lender's Right to Proceeds or to Designate Transferee If Mutual Redeems or Accepts Surrender of Membership. If the Mutual exercises its option to purchase the Membership of any Member on the List in accordance with Section 4 of Article III of Mutual's bylaws upon a Member's actual or constructive notice of an intention to leave the Project, Mutual shall pay Lender from the funds otherwise payable to the Member an amount not exceeding the Member's indebtedness to Lender. In the event the amount otherwise payable to the Member is less than the Member's indebtedness to Lender, then if Lender pays Mutual all amounts owed to the Mutual by the Member under the provisions of Section 4 of Article III and any other provision of the Mutual's bylaws or Occupancy Agreement within 30 days after the Mutual exercises its option to purchase the Membership or after the Mutual accepts a surrender of the Member's Membership, right to occupy, and Certificate, the Mutual will issue a new Certificate and enter into a new Occupancy Agreement with a designee of Lender approved by the Mutual (as provided in Paragraph 9 below) as soon as reasonably possible after all payments due are received by the Mutual.

9. Foreclosure by Lender.

(a) If Lender forecloses its pledge or accepts an assignment of the Occupancy Agreement encumbered by the deed of trust, the Membership, and the

Certificate in lieu of foreclosure. Lender will use its best efforts to sell the membership (or lease the dwelling unit as allowed by Paragraph 11 below) as rapidly as reasonably possible.

(b) When Lender seeks the Mutual's approval of a designee pursuant to Paragraph 7 or Paragraph 8 above, the Mutual will not unreasonably withhold its approval of such designee who meets the Mutual's customary requirements. The Mutual shall review the qualifications of the designee in the same manner as it reviews the qualifications of a prospective purchaser of a Certificate from any Member, and the Mutual's requirements or standards for membership shall not be applied capriciously or arbitrarily.

(c) During the period between Lender's foreclosure or acceptance of an assignment in lieu of foreclosure and the sale of the Membership to a designee approved by the Mutual, Lender shall not be considered a member, *per se*, and shall have no right to occupy or use the dwelling unit or common facilities or to vote. Lender's rights shall be limited to those specified in this Agreement. However, during this period Lender shall have the same duties and responsibilities under the Mutual's bylaws and the former Member's Occupancy Agreement as the former Member had - specifically including the former Member's obligation to pay the monthly carrying charges promptly. Moreover, the Mutual shall have the same remedies against Lender in the event of default that it had against the former Member.

(d) The Parties hereto agree and covenant that if Lender forecloses its pledge or accepts an assignment of the Occupancy Agreement, the Membership, and the Certificate in lieu of foreclosure, that Lender's interest in the Project is taken subject to any and all sums due and owing Mutual by the former member under the Occupancy Agreement or otherwise ("Defaulted Sums"). Lender agrees to pay all Defaulted Sums

to Mutual upon sale or lease of the membership or dwelling unit, regardless of whether Mutual has obtained or perfected a lien against the membership and regardless whether the proceeds from any such sale or lease exceed or satisfy sums due and owing Lender by the former Member; the Parties agree that under any and all circumstances Lender shall pay Mutual the full amount of the Defaulted Sums upon sale or lease of the membership or dwelling unit.

10. Indemnification of the Mutual. Lender shall indemnify the Mutual against, and hold the Mutual free and harmless from, any loss, liability or expense (including reasonable attorneys' fees and the cost of litigation) incurred by the Mutual in connection with any claim by a Member or the Member's successors in interest which arises out of Lender's representations or actions pursuant to this Agreement.

11. Lender's Right to Lease or Sublease. Lender shall have the same right to lease or sublease the dwelling unit of a Member whose Membership, Certificate, and right to occupy are obtained by Lender through foreclosure or assigned to Lender in lieu of foreclosure to the same extent and on the same terms and conditions as the Member otherwise would have.

12. Amendment to Occupancy Agreement and Bylaws. The Mutual agrees that it will not consent to or make any amendment that is materially detrimental to Lender's rights under this Agreement to any Occupancy Agreement between the Mutual and any Member on the List or to the Mutual's Bylaws without obtaining Lender's prior written consent, which consent shall not be withheld unreasonably.

13. Estoppel Statement. Within ten (10) days after receipt of a request for an estoppel statement, either Party shall deliver to the other a written statement of the magnitude and nature of any amounts which the Party alleges is due from a Member on the List. Such statement shall be binding upon the Party providing the statement as

of the date of the statement. The party providing the statement shall have the right to require the Party requesting the statement to pay a reasonable fee for the provider's cost to prepare and reproduce such statement.

14. Inspection Rights. Lender shall have the same rights of inspection of the books and records of the Mutual as are granted to a Member by the Bylaws of the Mutual and the California Corporations Code.

15. Fire and Casualty Insurance. The Mutual warrants that it has and will maintain until the termination of this Agreement fire and casualty insurance with extended coverage of all buildings containing a dwelling unit which is the subject of an Occupancy Agreement with a Member on the List in an amount as near as reasonably possible to the full replacement value of such buildings (including, without limitation, all portions of such dwelling unit consisting of built-in or set-in appliances and cabinets, as initially installed or replacements thereof, or as installed by or at the expense of the Member), without deduction for depreciation. To the extent reasonably possible, each such policy of fire and casualty insurance shall provide for waiver of subrogation of claims against residents of Laguna Woods Village.

16. Casualty Losses. The Mutual hereby waives and releases all claims against Lender resulting from an insured or uninsured casualty to the extent of the insurance proceeds available plus any deductible under insurance coverage, whether or not the damage or injury is caused by the Member's negligence, fault or misuse. Notwithstanding any provision of the bylaws or of the Occupancy Agreement with a Member on the List, the Mutual shall repair or replace the dwelling unit subject to the Occupancy Agreement with a Member on the List that is damaged or destroyed as a result of an insured casualty in a manner that restores the dwelling unit to substantially its condition and value prior to the damage or destruction if the cost of doing so does

not exceed the insurance proceeds plus the deductible under the insurance coverage. If the cost of repairing or replacing such damaged dwelling unit in a manner that restores it to substantially its condition and value prior to the damage is greater than the insurance proceeds available to the Mutual for such purpose plus the deductible under the insurance coverage and the Mutual elects not to repair and replace it, then the Mutual shall pay Lender from funds otherwise payable to the Member an amount not exceeding the Member's indebtedness to Lender prior to paying any portion of such insurance proceeds to such Member or using any portion of such proceeds for any purpose other than to satisfy any amounts owed by such Member to the Mutual.

17. Condemnation Awards. If the Mutual receives an award for condemnation or taking of all or any portion of a dwelling unit which is subject to an Occupancy Agreement in favor of a Member on the List or any other award for condemnation or taking a portion of which is allocable to a Member on the List, the Mutual shall pay Lender from the funds otherwise payable to the Member an amount not exceeding the Member's indebtedness to Lender prior to paying any portion of the condemnation or taking award to the Member or using any portion of such proceeds for any purpose other than to satisfy any amounts owed by such Member to the Mutual.

18. Further Blanket Encumbrances. The Mutual agrees that it will not consent to any further blanket lien or blanket deed of trust encumbering real property which is subject to Occupancy Agreements owned by Members on the List without giving Lender sixty (60) days prior written notice.

19. Termination. This Agreement may be terminated at any time by either party by giving sixty (60) days prior written notice of said termination to the other party; provided, however, that following any such termination, the terms and provisions of this

Agreement shall remain in effect as to all Memberships, Certificates, and Occupancy Agreements then transferred or pledged to Lender as of the date of such termination, until (a) such time as the obligations secured by such transferred or pledged Memberships, Certificates, and Occupancy Agreements have been satisfied or (b) Lender has acquired such Memberships, Certificates, and Occupancy Agreements pursuant to its right of foreclosure or assignment in lieu of foreclosure and such Memberships, Certificates, and Occupancy Agreements have been transferred to eligible Members approved by the Mutual, whichever occurs first.

20. Recording of Memorandum of Occupancy Agreement. Upon Lender's request, the Mutual shall execute, acknowledge and deliver to Lender a Memorandum of Occupancy Agreement in a form that will permit recordation of such Memorandum of Occupancy Agreement in the Official Records of Orange County, California.

21. Notices. Any notice or consent required pursuant to the terms hereof shall be deemed given when personally delivered to an authorized representative of a party or if mailed, it shall be deemed given five (5) days after mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Mutual:

Village Management Services, Inc.
c/oSiobhan Foster
24351 El Toro Road
P. O. Box 2220
Laguna Hills, California 92653

If to Lender:

NCB, FSB
Attn: Chris Goettke, Co-President Ohio Region
139 South High Street
Hillsboro, Ohio 45133

With Copy to:
NCB, FSB
Attn: Grant Campbell, Assistant Vice President
Special Assets
2011 Crystal Drive, Suite 800
Arlington, Virginia 22202

or to such other address as a party may specify from time to time.

22. Superseding and Replacing Existing Agreement. As set forth in the Recitals above, the parties expressly intend and agree that this Agreement shall replace and supersede in its entirety that certain earlier Recognition Agreement executed by James Glantz on behalf of NCB, which was recorded on December 9, 1994 as Instrument No. 94-0706813.

23. Successors and Assigns. The provisions of this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Parties. As used herein, the term "Lender" includes, in addition to the lender named herein, (1) any other lender; (2) any investor of any type which has then succeeded to the Lender's right and interest in all or any part of the loans subject to this Agreement; (3) any person or institution which may service the loans for such institutional lender or investor; and, (4) any institutional insurer or institutional guarantor of all or any part of any loan to a Member of the Mutual that is subject to this Agreement. The Mutual shall have an obligation to notify any person or institution other than the Lender named herein only if that person or institution has provided written notice of its interest in a specified dwelling unit as provided in Paragraph 21 above.

24. Miscellaneous. As used herein, words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa. In

Witness herewith this Agreement has been executed as of the date set forth above.

Lender:

NCB, FSB,
an Ohio corporation

Mutual:

UNITED LAGUNA HILLS MUTUAL,
a California nonprofit mutual benefit
corporatin

By _____

Janet E. Cupp

Its _____
Project Underwriter

By: _____

Rebecca L. Marsh

Its: _____
VP, Loan Operations Officer

Type Name

By: Juanita Skillman
Its President

Maggie Blackwell
Its: Secretary

By: Paul Vogel
Its: Treasurer

[NOTICE AND ACKNOWLEDGMENT]

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RESOLUTION 01-19-XX

Objective Standards for Approval to Loan within United Laguna Woods Mutual

WHEREAS, United Laguna Woods Mutual (hereinafter United or Corporation), is a nonprofit 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 nonprofit basis pursuant to the provisions set forth in its Occupancy Agreement, Articles of Incorporation, ~~and~~ Bylaws and Board Resolutions (collectively referred to as the “Governing Documents”);

WHEREAS, the Corporation’s Amended and Restated Bylaws (Bylaws) provide that the purpose of the Corporation is to “manage, maintain, preserve, and administer the business of a common interest development, specifically, a stock cooperative” (Bylaws Article II, Section 1);

WHEREAS, the Board of Directors of the Corporation is authorized to establish policy and perform various administrative activities (Bylaws Article II, Section 3);

WHEREAS, United is a stock cooperative housing development and holds title to all property and structures in United wherein each shareholder-member has ownership ~~and is granted of one share in the Cooperative and~~ 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, pursuant to the above authority or otherwise contained in the Governing Documents, included among the Board of Directors’ management responsibilities is the vetting of lenders seeking to loan money on ~~manors~~ to Shareholder-Members unsecured by property within United, in order to ensure the continued solvency of the Corporation;

WHEREAS, the Board of Directors requires a lender to sign its Recognition Agreement, giving United Mutual first right of refusal and agreeing to pay assessments when due in the event the member defaults in its obligation to pay assessments;

WHEREAS, through counsel, the Board of Directors has enumerated objective criteria lenders must satisfy in order to loan to Shareholder-Members within United, including that the ~~perspective-prospective~~ lender:

1. Is either a state or federally chartered bank or credit union;
2. Insures each deposit account through by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA) or otherwise, up to \$250,000.00

per account and backed by the full faith and credit of the United States government; and
3. Meets or exceeds the Capital Requirement pursuant to 12 C.F.R. § 3.10.

~~Must sign a recognition agreement giving United Mutual first right of refusal~~

~~3. The obligation of the lender to pay assessments in default.~~

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

1. **Acknowledging and Approving Qualified Lenders.** The Corporation, by and through its Board of Directors, is authorized to approve lenders based on confirmation of satisfaction of the ~~three-three~~ objective criteria set forth above, as follows:

Step 1 Confirm the institution is Insured. If the institution is a state or federal bank or savings association, start by going to the FDIC home page at www.fdic.gov/ and clicking on the "Deposit Insurance" tab and selecting "Bankfind" and entering the bank information. Credit unions are supervised and insured by the NCUA, and confirmation of insurance may be obtained at <https://www.ncua.gov/> by clicking on the Research a Credit Union link and entering the institution's name. As long as the institution's name is returned by either the FDIC or NCUA, the institution has satisfied criteria one and two.

Step 2

Confirm the institution meets or exceeds the Capital Requirement pursuant to 12 C.F.R. § 3.10. All national banks and federal savings associations are subject to the Capital Requirement pursuant to 12 C.F.R. § 3.10. Therefore, if the institution is a national bank or federal savings association, and it is insured by either FDIC or NCUA, it satisfies all three objective criteria. If the institution is not a national bank or federal savings association, an officer or director of the institution must sign an affidavit under penalty of perjury under the laws of the State of California attesting to the fact that the institution meets or exceeds the Capital Requirement pursuant to 12 C.F.R. § 3.10.

If both the above steps are satisfied, the institution may be deemed an approved lender and upon execution of a Recognition Agreement, allowed to loan ~~on property to Shareholder-Members~~ within United. Otherwise the institution should be advised that it fails to meet the objective criteria established to ensure the continued viability of the Corporation, that they are not approved to loan money ~~on United property to United Shareholder-Members~~.

2. **Further Acts.** The Board of Directors 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.

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

SEPTEMBER 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.



STAFF REPORT

DATE: September 10, 2019
FOR: Board of Directors
SUBJECT: Prohibition of Fruit Trees and Vegetable Planting

RECOMMENDATION

Approve a resolution prohibiting the planting of fruit trees and vegetable planting, and authorizing the removal of unmaintained fruit trees.

BACKGROUND

Resolution U-84-129 (Attachment 1), adopted on August 28, 1984, permits the planting of fruit trees, with limitations, in Common Area. The resolution sets forth qualifications for fruit trees and their maintenance. The resolution contains a reference to the discontinued Yellow Stake program.

On August 8, 2019, the Landscape Committee approved the proposed resolution and is recommending approval by the Board.

DISCUSSION

There are currently more than 7,000 fruit trees within the Village. These fruit trees were either planted by Members or by Staff as a chargeable service. The resolution that was adopted in 1984, permitted only dwarf type fruit trees, however these can grow to well over 12 feet tall and produce almost as much fruit as the full size variety.

Fruit trees and vegetable gardens are highly attractive to rodents as a convenient and consistent source of food. Resolution U-84-130 (Attachment 2), also adopted on August 28, 1984, prohibited the growing of vegetables in the Common Area and authorized Staff to remove any plant that is discovered. The reasoning in the existing resolution prohibits planting due to chemical spraying. The proposed resolution would prohibit planting in an effort to reduce rodent populations.

Rodent control experts agree that the most effective methods to reduce rodent populations is to remove their food sources. Since 2012, the Mutuels have experienced a 110% increase in calls and complaints regarding issues with rodents; 953 calls in 2012, to almost 2,000 in 2018 (Appendix 1).

Staff recommends approving a resolution prohibiting all new plantings of fruit trees and vegetables in Common Area (Attachment 3). The proposed resolution authorizes staff to remove any unmaintained existing fruit trees. Additionally, Staff recommends revising the resale policy to include removal of fruit trees in Common Area at resale. Landscaping Staff will work with the Marketing and Communications Department to initiate communications to the real estate community to inform them of the change in policy.

FINANCIAL ANALYSIS

There is no financial impact expected at this time; there is potential for future savings to the Pest Control work center.

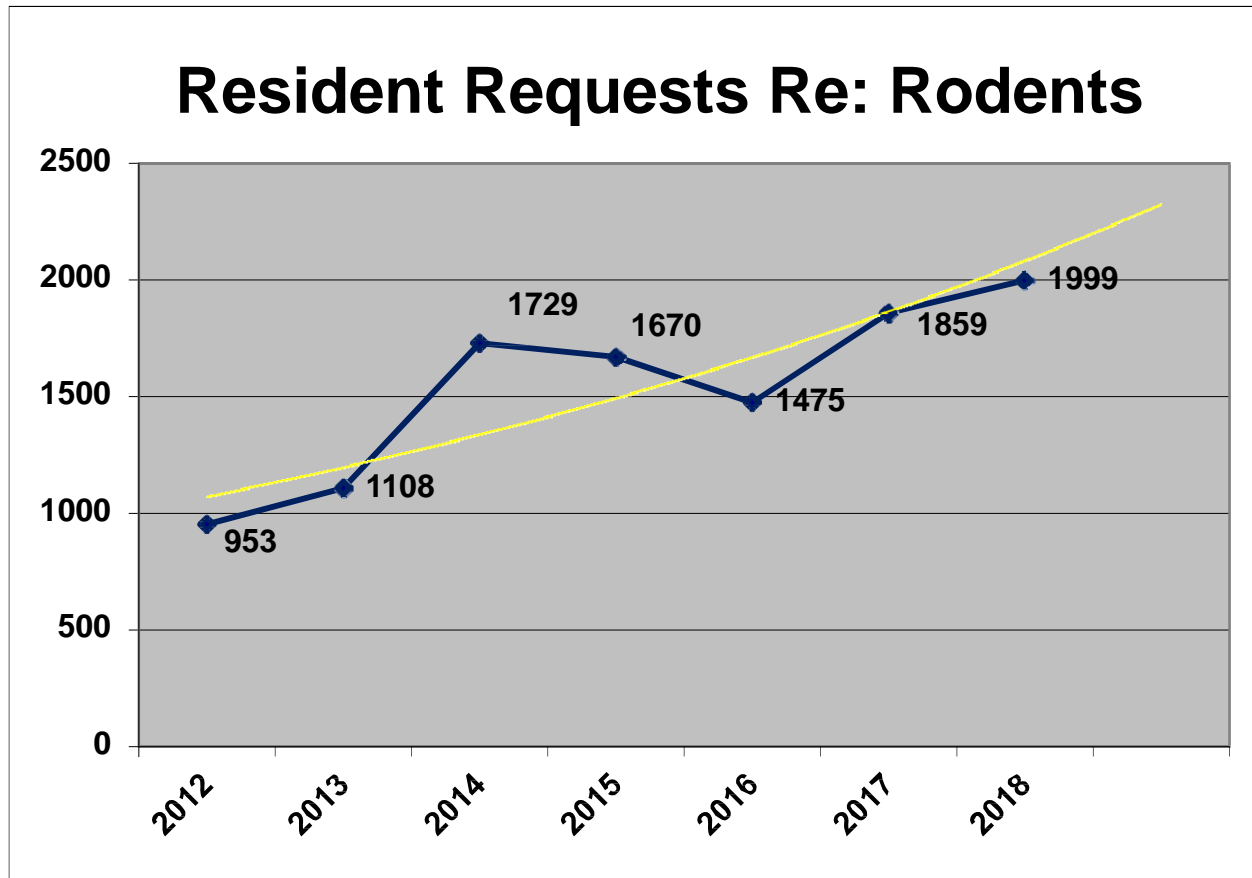
Prepared By: Kurt Wiemann, Senior Field Services Manager

Reviewed By: Eve Morton, Landscape Coordinator

ATTACHMENT(S)

Appendix 1:	Rodent Call Chart
Attachment 1:	Resolution U-84-129 (existing)
Attachment 2:	Resolution U-84-130 (existing)
Attachment 3:	Resolution 01-19-XXX (proposed)

Appendix 1



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ATTACHMENT 1

(EXISTING RESOLUTION)

RESOLUTION U-84-129

RESOLVED, that the planting of fruit trees in common areas owned by this corporation shall be permitted under the following conditions:

1. Any fruit tree henceforth planted in a common area must be of the dwarf variety;
2. Any dwarf fruit tree planted in the common area must be directly adjacent to the installing resident's dwelling unit;
3. Any fruit tree presently planted in the common area must be marked by the installing resident, or his or her successor, with a yellow stake and fully maintained in a manner acceptable to the corporation; the same procedure shall apply to all dwarf fruit trees planted pursuant to this resolution;

RESOLVED FURTHER, that the managing agent is hereby authorized to remove any fruit tree located in a common area owned by this corporation if the previously stated conditions are not met;

RESOLVED FURTHER, that this resolution shall become in full force and effect on November 15, 1984; and

RESOLVED FURTHER, that resolution No. 170 dated December 28, 1976, is hereby cancelled.

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ATTACHMENT 2

(EXISTING RESOLUTION)

RESOLUTION U-84-130

WHEREAS, certain chemical sprays used by the Landscaping Division of the managing agent could cause harm to human health if wind drift should cause such sprays to reach items intended for human consumption; and

WHEREAS, two Garden Centers have been provided by the Golden Rain Foundation of Laguna Hills for the purpose of providing a place for residents to grow tomatoes, or other vegetables, and other crops;

NOW THEREFORE BE IT RESOLVED, that the planting and growing of tomatoes, or other vegetables, in the common areas owned by this corporation is prohibited;

RESOLVED FURTHER, that the managing agent is hereby authorized and directed to remove any tomato or other vegetables found planted in a common area of this corporation;

RESOLVED FURTHER, that this resolution shall become in full force and effect on November 15, 1984; and

RESOLVED FURTHER, that resolution No. 170 adopted on December 28, 1976, is hereby cancelled.

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**ATTACHMENT 3
(PROPOSED RESOLUTION)**

**RESOLUTION 01-19-XXX
FRUIT TREES AND VEGETABLE POLICY**

WHEREAS, fruit trees and vegetables in the Common Area were planted by or at the request of Members as part of the “Yellow Stake” program;

WHEREAS, fruit trees and vegetables are not maintained or trimmed by the Mutual and are the responsibility of the Member to maintain;

WHEREAS, the maintenance of fruit trees and vegetables is passed on to new Members with the purchase of the residence;

WHEREAS, fruit trees and vegetable gardens are a known attractant and food source for wildlife and rodents, and unmaintained fruit trees exacerbate the problem and;

WHEREAS; two Garden Centers have been provided by the Golden Rain Foundation for the purpose of providing a place for residents to grow vegetables or other crops;

WHEREAS; there has been a consistent increase in rodent activity over the past six years;

NOW THEREFORE BE IT RESOLVED, as of January 1, 2020, that the Board of Directors of this Corporation hereby prohibits the planting on any fruit trees in Common Area and requires Members to maintain existing fruit trees on Common Area and in Exclusive Use Common Areas;

RESOLVED FURTHER, the planting of vegetables in Common Area is prohibited;

RESOLVED FURTHER, to maintain the health and safety of the Members, fruit trees found to be unmaintained will be removed, with notice, by the Mutual.;

RESOLVED FURTHER, existing fruit trees and vegetables in Common Area are to be removed in the resale process;

RESOLVED FURTHER, Resolution No. U-84-129 adopted August 28, 1984, and Resolution No. U-84-130, also adopted on August 28, 1984 are hereby superseded in their entirety and no longer in effect;

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

SEPTEMBER 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

DATE: September 10, 2019
FOR: Board of Directors
SUBJECT: Land Survey of Aliso Creek Boundaries

RECOMMENDATION

Approve an unbudgeted expense of \$5,800 for professional services.

BACKGROUND

The Aliso Creek area is the responsibility of the Golden Rain Foundation. It is bounded by United Laguna Woods Mutual on all sides. The legal boundaries were established with the original tract maps and recorded with the Orange County Surveyor's Office. The actual physical boundaries have never been determined or delineated in the field.

At the August 8, 2019, United Landscape Committee meeting, the committee recommended the Board approve the \$5,800 unbudgeted expense to engage the services of a professional land surveyor to map and mark the boundary limits.

DISCUSSION

In the Landscape Maintenance Department, the cost for the maintenance of the area for the two separate Mutuels was historically divided based upon allocations. These allocations were originally based upon the square feet as determined by the irrigation charts. As the Mutuels transition to a direct hours recording system, the physical boundaries of the two Mutuels is far more important than it has been in the past.

Although the boundary maps exist, due to the physical limitations present in the field, including trees, shrubs and topography, it is nearly impossible for the laymen to determine the actual boundaries (Attachment 1). Staff recommends engaging the services of a professional surveyor to map and mark the boundary limits. The boundaries will be marked by driving a steel rod into the ground at angle points and sight lines, and covering the exposed steel rod with white PVC pipe for visibility. Steel rods are used in case the marker gets covered by either vegetation or soil so a metal detector can be used to reestablish the marker.

Once the boundaries are marked, staff will be able to develop accurate budgets and accounting methods for the area. As this work will take some time to complete, Staff recommends any changes to budgets and accounting be made effective for the 2021 Budget.

Based upon the preliminary data, there are approximately 254 trees and 91,580 square feet of slope that has been potentially mislabeled, accounting for approximately \$15,570 in annual staff costs that may need to be reallocated.

FINANCIAL ANALYSIS

The proposal for surveying services is for \$11,600, Staff recommends the cost be split between GRF and United. An unbudgeted expense of \$5,800 would be charged to the Operating Fund.

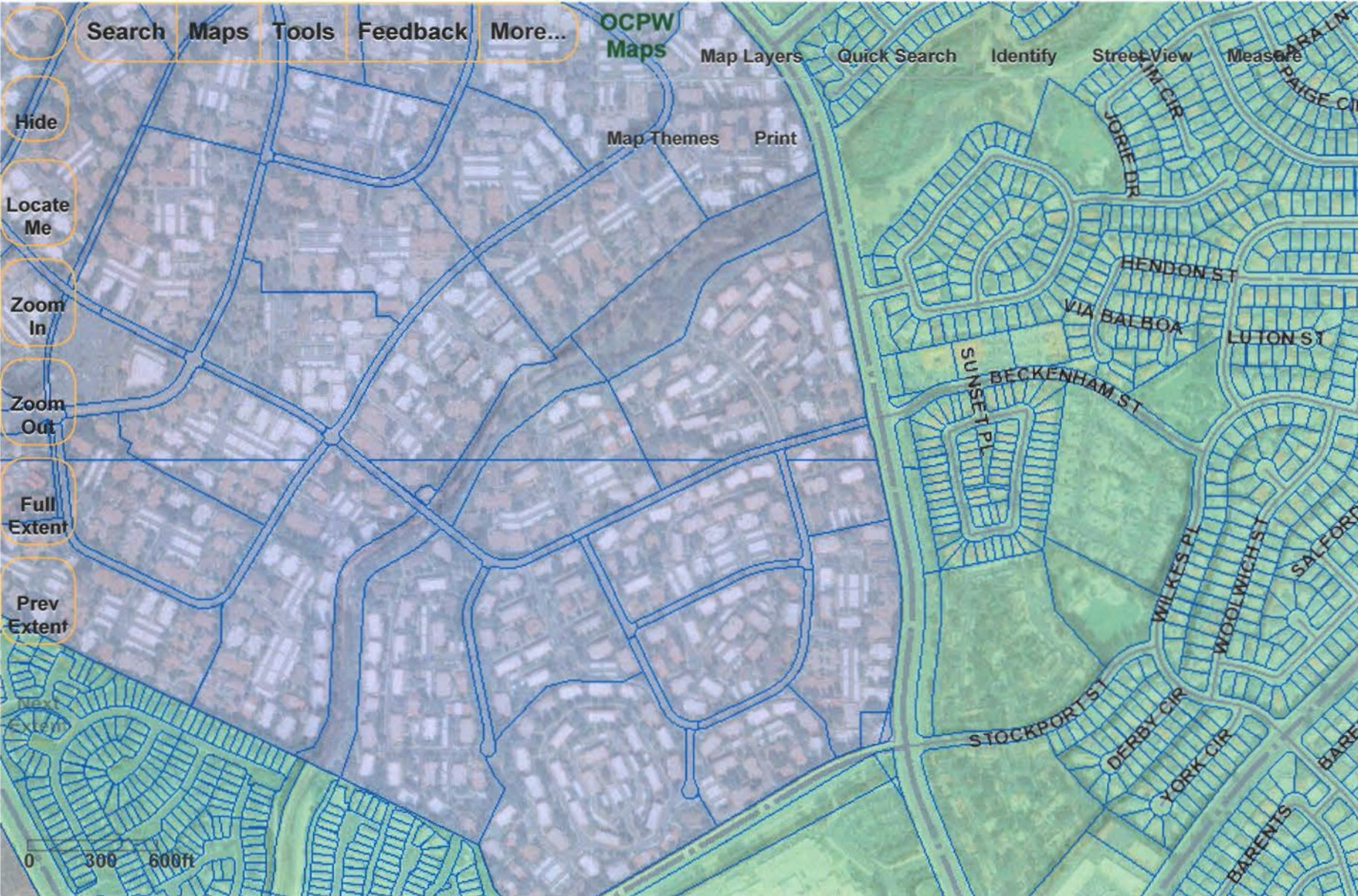
Prepared By: Kurt Wiemann, Senior Field Services Manager

Reviewed By: Eve Morton, Landscape Coordinator

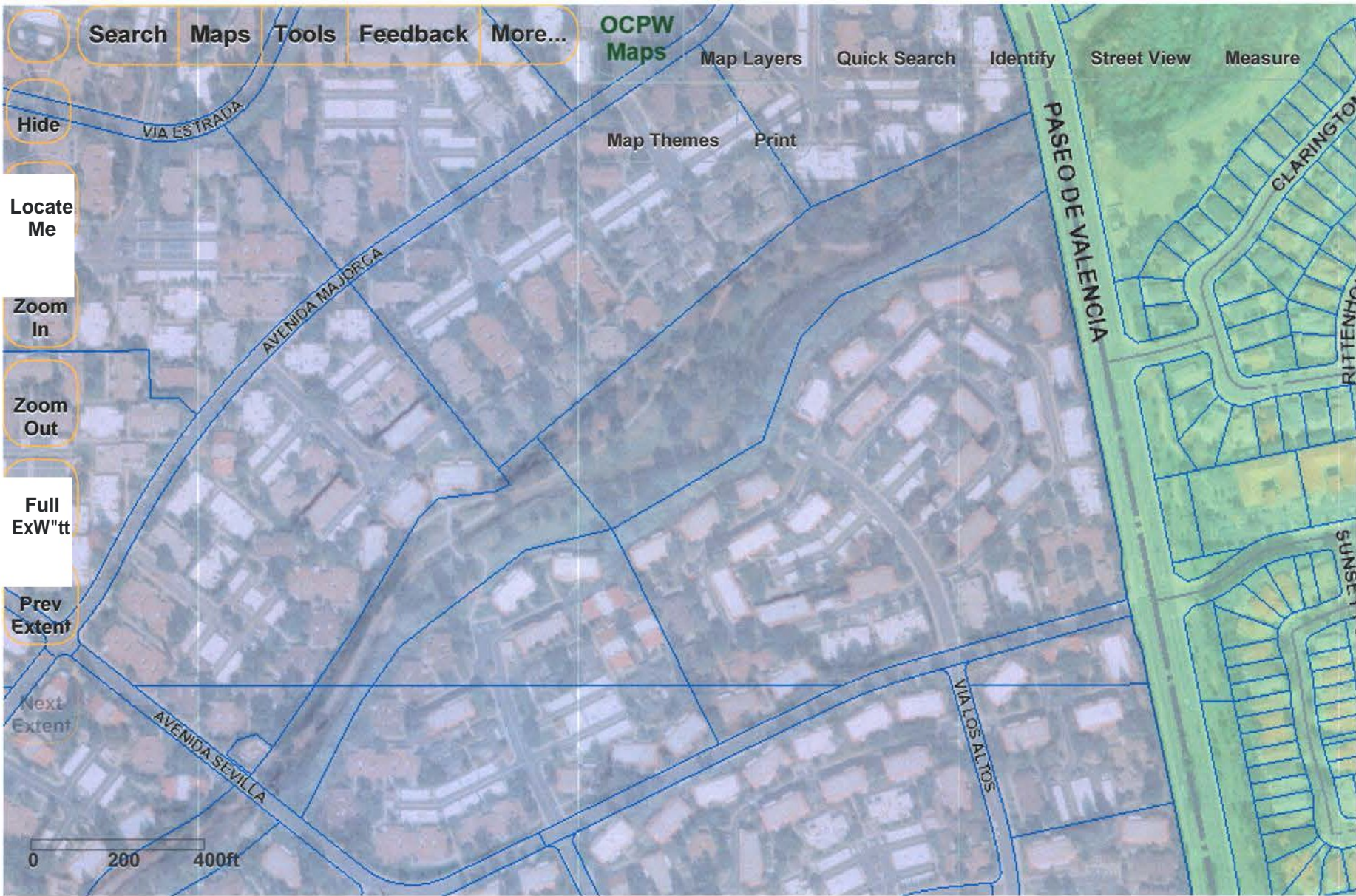
ATTACHMENT(S)

Attachment 1: Aerial Boundary Maps

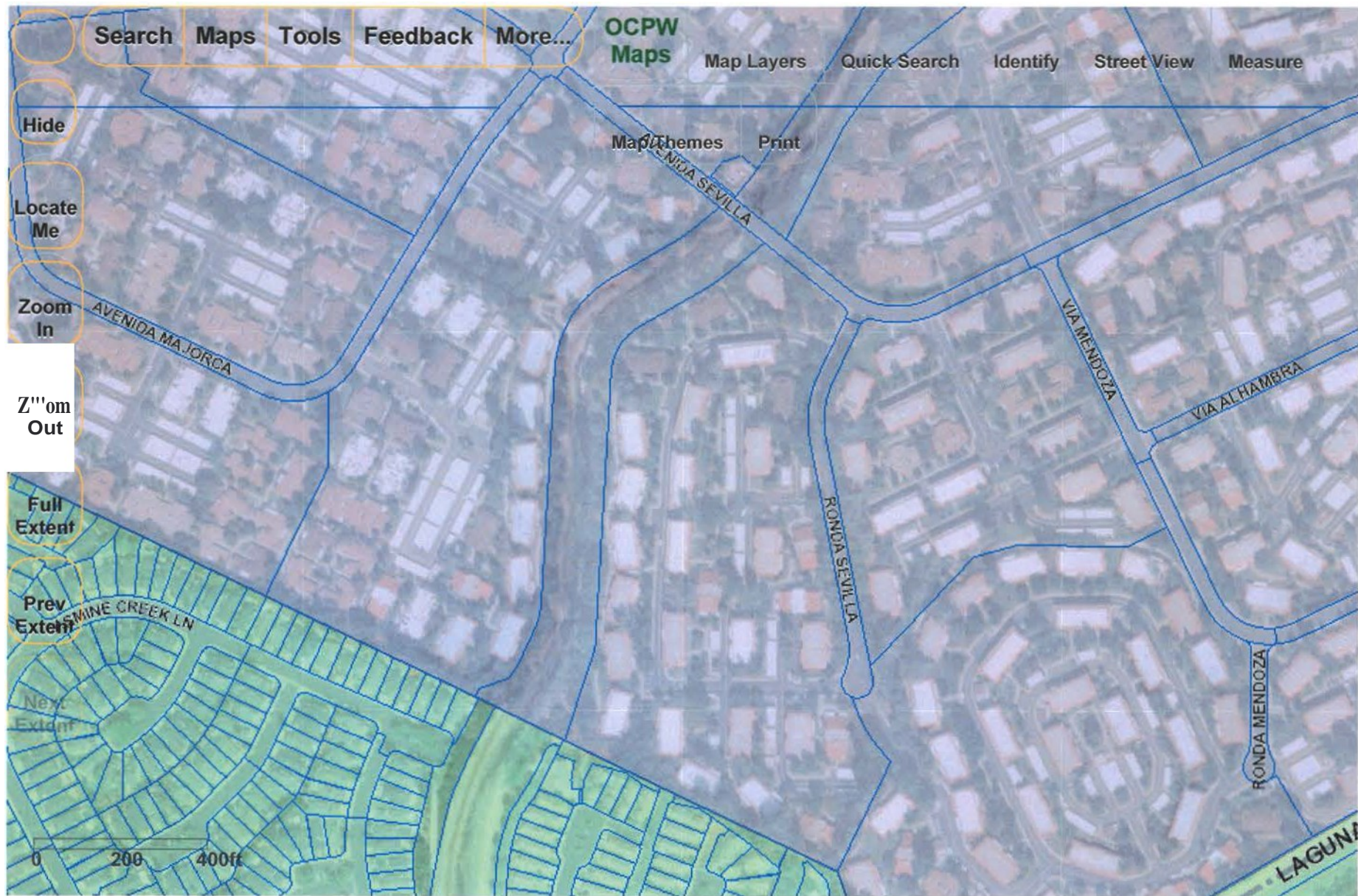
Attachment 2: Proposed Resolution 01-19-XX



BOTH PARCELS



NORTH PARCEL



SOUTH PARCEL

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Attachment 2

RESOLUTION 01-19-XX
Land Survey of Aliso Creek Boundaries

WHEREAS, the Aliso Creek area landscape maintenance is the financial responsibility of the Golden Rain Foundation;

WHEREAS, the Aliso Creek area is bounded on both sides by United Laguna Woods Mutual;

WHEREAS, the Aliso Creek area is a legally recorded parcel registered with the Orange County Assessor;

WHEREAS, the physical boundaries are not marked or known, making it impossible to accurately ascertain the property lines and determine the correct allocation of costs between the two Mutuals; and,

WHEREAS, Staff has engaged the service of a Professional Land Surveyor to survey and mark the limits of the Aliso Creek parcel to enable Staff to accurately allocate costs for maintenance of area.

NOW THEREFORE BE IT RESOLVED, September 10, 2019, the Board of Directors does hereby authorize an unbudgeted expense of \$5,800 in the Operating Fund for the cost of the land surveying services;

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 July 31, 2019



INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$23,575
Non-assessment Revenue	\$1,330
Total Revenue	\$24,905
Total Expense	\$25,338
Net Revenue/(Expense)	(\$433)

1

Financial Report

As of July 31, 2019



INCOME STATEMENT OPERATING FUND w/o Depreciation or Unrealized Gain / (Loss) (in Thousands)	ACTUAL
Assessment Revenue	\$16,361
Non-assessment Revenue	\$824
Total Revenue	\$17,185
Total Expense	\$16,802
Operating Surplus	\$383

2

Financial Report

As of July 31, 2019

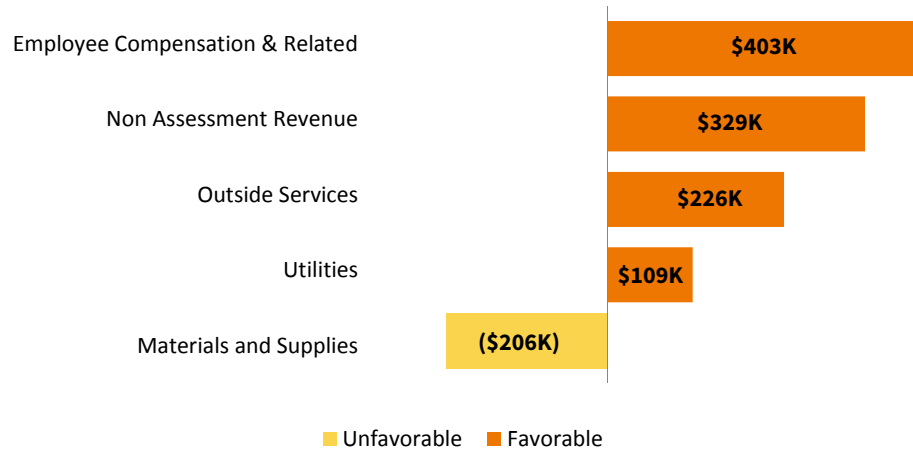


INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE
Assessment Revenue	\$23,575	\$22,818	\$757
Non-assessment Revenue	\$1,330	\$1,000	\$330
Total Revenue	\$24,905	\$23,818	\$1,087
Total Expense	\$25,338	\$25,128	(\$210)
Net Revenue/(Expense)	(\$433)	(\$1,310)	\$877

3

Financial Report

As of July 31, 2019



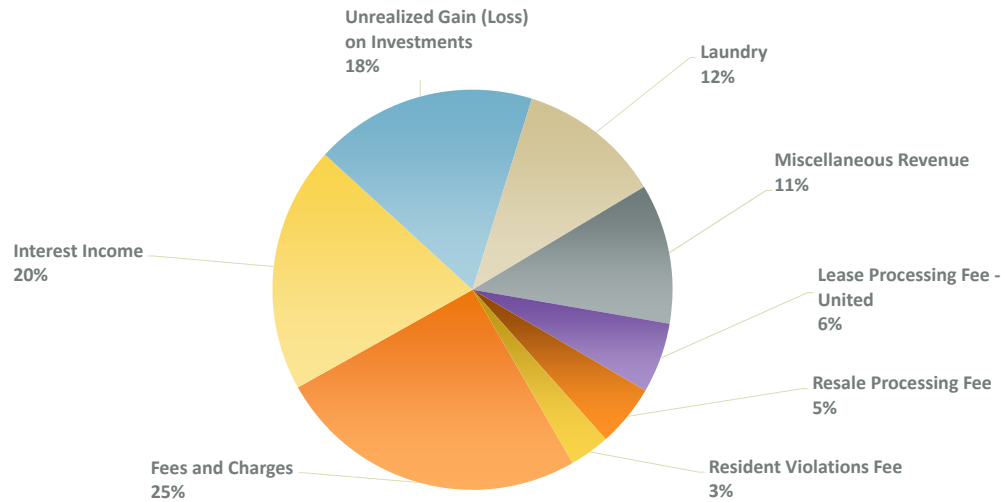
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Financial Report

As of July 31, 2019



Total Non Assessment Revenues \$1,329,427



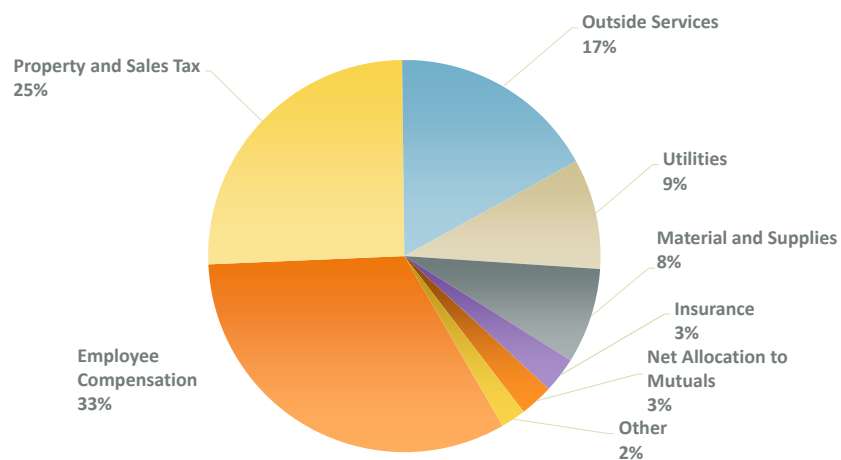
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Financial Report

As of July 31, 2019



Total Expenses \$25,337,716



6

Financial Report

As of July 31, 2019



NON OPERATING FUND BALANCES (in Thousands)	CONTINGENCY	REPLACEMENT
Beginning Balances: 1/1/19	\$2,661	\$19,052
Contributions & Interest	697	6,784
Expenditures	(922)	(7,492)
Current Balances: 7/31/19	\$2,436	\$18,344

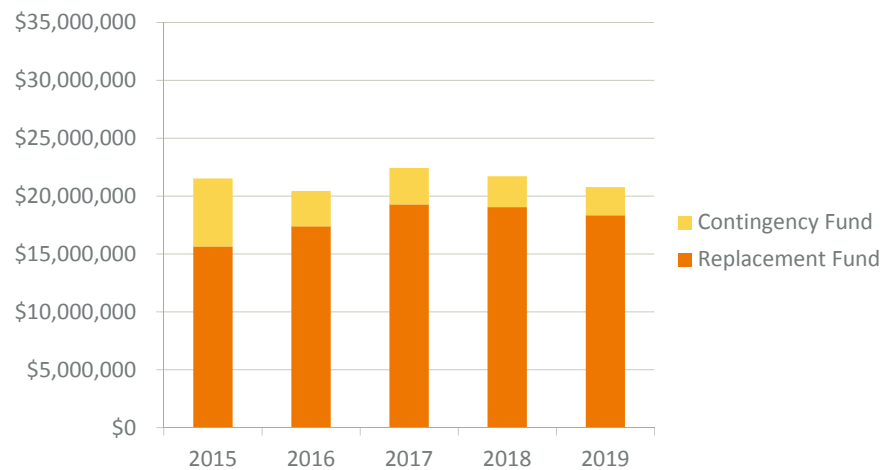
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Financial Report

As of July 31, 2019



FUND BALANCES – United Mutual



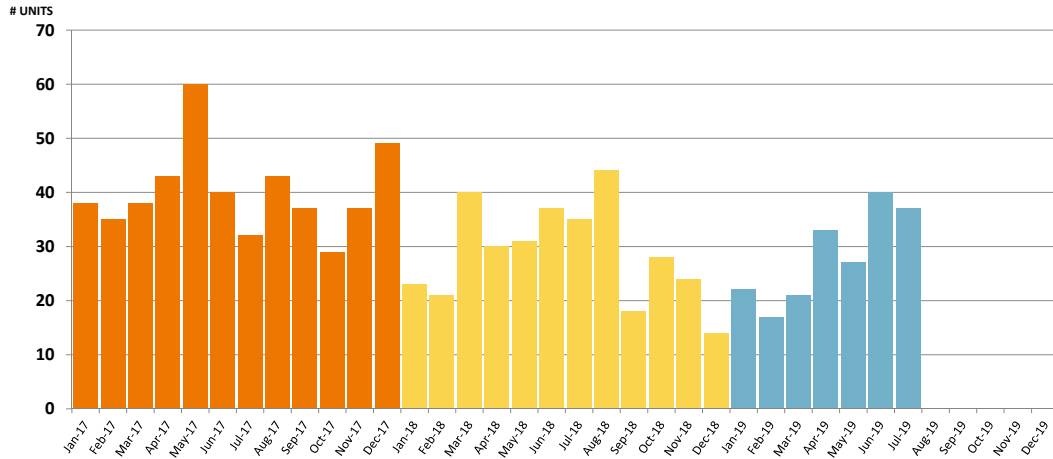
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Financial Report

As of July 31, 2019



RESALE HISTORY - United Mutual



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United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
7/31/2019
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	ANNUAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$2,337	\$2,229	\$108	\$16,361	\$15,603	\$758	\$15,883	\$26,750
2	Additions to restricted funds	1,031	1,031		7,215	7,215		6,949	12,368
3	Total assessments	3,368	3,260	108	23,575	22,818	758	22,832	39,118
Non-assessment revenues:									
4	Merchandise sales	2	2	(1)	4	17	(14)	15	30
5	Fees and charges for services to residents	12	40	(28)	334	277	57	208	475
6	Laundry	25	23	2	154	163	(10)	157	280
7	Interest income	38	24	14	264	169	96	206	289
8	Miscellaneous	48	53	(5)	574	374	200	339	641
9	Total non-assessment revenue	125	143	(18)	1,329	1,000	329	925	1,715
10	Total revenue	3,493	3,403	90	24,905	23,818	1,087	23,757	40,832
Expenses:									
11	Employee compensation and related	1,202	1,256	54	8,273	8,676	403	7,822	14,884
12	Materials and supplies	249	256	7	1,996	1,789	(206)	1,728	3,068
13	Utilities and telephone	425	406	(19)	2,297	2,406	109	2,380	4,232
14	Legal fees	42	15	(27)	121	102	(19)	119	175
15	Professional fees	12	13	2	106	116	10	83	168
16	Equipment rental	3	3	1	16	22	7	11	37
17	Outside services	1,046	654	(392)	4,352	4,578	226	3,789	7,848
18	Repairs and maintenance	3	4		21	27	6	19	47
19	Other Operating Expense	10	15	5	102	110	8	81	186
20	Income taxes				3		(3)	19	
21	Property and sales tax	881	818	(63)	6,460	5,723	(737)	6,019	9,811
22	Insurance	109	108	(2)	738	754	16	726	1,292
23	Investment expense		12	12	19	22	3	19	37
24	Uncollectible Accounts	(7)		7	12		(12)	24	
25	(Gain)/loss on sale or trade		(2)	(2)	1	(4)	(5)	(1)	(8)
26	Depreciation and amortization	17	17		121	121		124	208
27	Net allocation to mutuals	109	97	(11)	700	685	(15)	649	1,185
28	Total expenses	4,100	3,672	(428)	25,338	25,128	(210)	23,611	43,171
29	Excess of revenues over expenses	(\$607)	(\$270)	(\$338)	(\$433)	(\$1,310)	\$877	\$146	(\$2,339)

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Statement of Revenues & Expenses - Preliminary Variance Explanations as of July 31, 2019

SUMMARY

For the year-to-date period ending July 31, 2019, United Mutual was better than budget by \$877K, of which \$651K is attributed savings, recorded in employee compensation and related, utilities, and interest income. The remaining \$226K is due to timing of reserve programs performed by outside contractors.

REVENUE

► **Operating Assessments – Line 1 \$758K**

Favorable variance resulted from an increase in revenue for property taxes and supplemental property taxes; offsetting expense is shown on line 21.

► **Miscellaneous – Line 8 \$200K**

Favorable variance due to quarter-end reporting of Unrealized Gain (Loss) on Available for Sale Investments. Unrealized Gain of \$239K resulted from favorable investment market conditions year-to-date. Favorable variance is partially offset by less revenue from resale processing fee. The budget assumed 217 resales YTD; however 197 manors were sold through the reporting period.

EXPENSE

► **Employee Compensation and Related – Line 11 \$403K**

Favorable variance primarily resulted in Maintenance and Construction Services; water heater replacements budgeted to be performed by in-house staff is being completed by vendors. Expenses are found in Outside Services, below. In addition, fewer requests from residents for carpentry dry rot and electrical service were reported through July. Favorable variance is furthered by a vacant position in Electrical services; recruitment is in progress.

► **Materials and Supplies – Line 12 (\$206K)**

Unfavorable variance in plumbing materials due to water heater replacements; contractors addressed a backlog of water heater replacement work. Unfavorable variance was partially offset by fewer interior component and appliance replacements to date than anticipated.

► **Utilities and Telephone – Line 13 \$109K**

Favorable variance resulted from less water usage for irrigation due to weather. Average rainfall to date is 156% higher than 3-year average and water consumption is 17% lower than budget, 99.3% of which was in the efficient tiers.

► **Outside Services – Line 13 \$226K** Favorable variance due to:

▪ **Waste Line Remediation**

Work is in progress. The scope of work for 2019 includes 145 buildings which are anticipated to be completed by the end of the year.

▪ **Paving**

Timing; although budget is spread evenly throughout the year, paving programs are scheduled to begin in August and September of 2019. Seal Coat program commenced work in August which includes 14 cul-de-sacs.

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Statement of Revenues & Expenses - Preliminary
Variance Explanations as of July 31, 2019

- **Landscape Renovation**
This project is on hold for prioritization of work; anticipate October start.
- **Building Structures**
Staff is currently inspecting and evaluating building components and identifying the building structures that need repair/replacement. Once identified, staff will proceed with engineering, permit, abatement, testing, and repair/replacement of the building structure by outside service.
- **Water Heaters & Permits**
Project was budgeted to be conducted by in-house labor. However, due to a backlog that developed while the program was on hold, outside services are used to help catch up. On August 13, 2019, the Board authorized a supplemental appropriation of \$940K to complete the backlog of water heater replacements in 2019.
- **Property and Sales Tax – [Line 21 \(\\$737K\)](#)**
Unfavorable variance due to higher supplemental property taxes than anticipated at the time of budget preparation. Assessment base has increased as average sales price trends upward. Offsetting revenue found on Line 1.

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Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

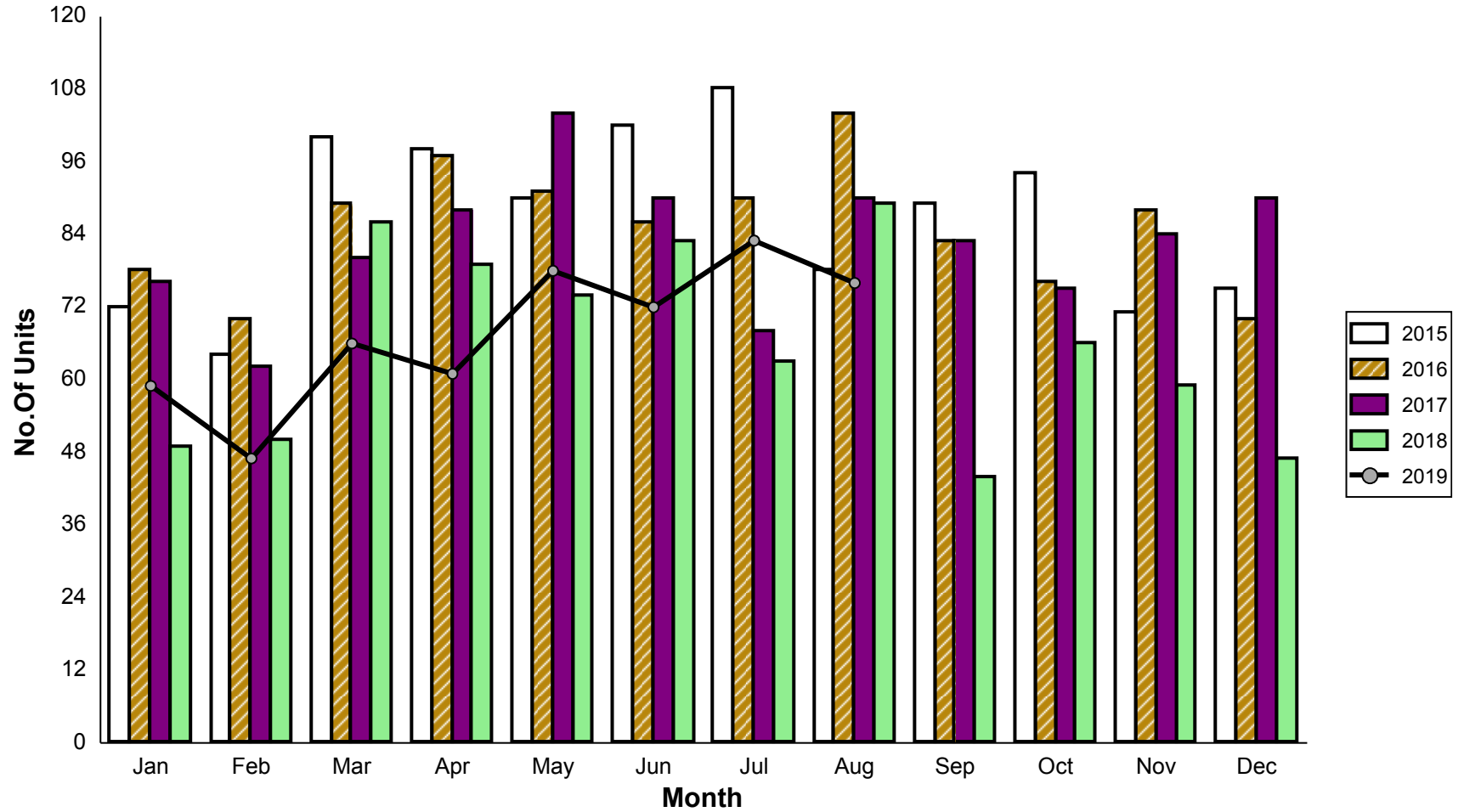
REPORT PERIOD

August, 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	\$23,975,536	\$24,187,990	\$307,379	\$350,551
June	72	83	\$21,298,290	\$28,002,538	\$295,810	\$378,413
July	83	63	\$27,170,573	\$19,434,100	\$327,356	\$329,392
August	76	89	\$25,563,500	\$28,612,100	\$336,362	\$340,620
September		* 44		* \$17,185,192		* \$409,171
October		* 66		* \$22,702,400		* \$366,168
November		* 59		* \$17,330,500		* \$320,935
December		* 47		* \$17,262,399		* \$383,609
TOTAL	542.00	574.00	\$174,088,462	\$189,478,435		
MON AVG	67.00	71.00	\$21,761,058	\$23,684,804	\$323,012	\$350,647

* Amount is excluded from percent calculation

Resales - 5 Year Comparison



Resales Report

United Laguna Woods Mutual

August, 2019

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
08/09/2019	2-D	1	\$230,000	Granada	FSBO	FSBO	Corner Escrow Inc.
08/08/2019	41-D	1	\$145,000	Cadiz	Laguna Premier Realty, Inc	Primo Management Partners	Corner Escrow Inc.
08/09/2019	59-B	1	\$340,000	Granada	Laguna Premier Realty, Inc	Pacific Sun Real Estate	Corner Escrow Inc.
08/23/2019	89-H	1	\$355,000	Granada	HomeSmart Evergreen	Laguna Premier Realty, Inc	Pacific Closing Services
08/27/2019	109-B	1	\$339,000	Cordoba	Realty One Group	Century 21 Rainbow	The Escrow Source
08/20/2019	119-O	1	\$130,000	Casa Blanca	FSBO	FSBO	Generations Escrow
08/14/2019	138-B	1	\$255,000	Seville	HomeSmart Evergreen	Coldwell Banker Residential	Escrow Options Group
08/22/2019	162-P	1	\$180,000	Casa Blanca	Sunset Pacific Real Estate	Pacific Sotheby's International	Corner Escrow Inc.
08/29/2019	225-A	1	\$170,000	Majorca	Landmark Realtors	Laguna Premier Realty, Inc	Landmark Realtors Escrow
08/08/2019	240-D	1	\$214,700	Valencia	First Team Real Estate	Laguna Premier Realty, Inc	Granite Escrow
08/07/2019	271-B	1	\$321,500	Majorca	Hallmark West Real Estate	Century 21 Rainbow	Corner Escrow Inc.
08/22/2019	316-C	1	\$315,000	Barcelona	Laguna Premier Realty, Inc	BHHS California Properties	Blue Pacific Escrow
08/21/2019	318-C	1	\$270,000	Madrid	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
08/29/2019	320-D	1	\$445,000	Cordoba	Village Real Estate Services	Century 21 Rainbow	Corner Escrow Inc.
08/21/2019	321-H	1	\$225,000	Barcelona	Coldwell Banker Residential	Village Management Services	Granite Escrow
08/19/2019	343-D	1	\$345,000	Seville	Century 21 Rainbow	Realty Quest	Granite Escrow
08/15/2019	378-B	1	\$378,000	Cadiz	Century 21 Rainbow	Coastline Real Estate	Granite Escrow
08/01/2019	385-A	1	\$350,000	Valencia	Compass	Laguna Premier Realty, Inc	Corner Escrow Inc.
08/30/2019	390-C	1	\$303,000	Majorca	First Team Real Estate	Century 21 Rainbow	Granite Escrow
08/29/2019	410-C	1	\$299,000	Valencia	Century 21 Rainbow	Laguna Premier Realty, Inc	Granite Escrow
08/22/2019	416-A	1	\$238,000	San Sebastian	Laguna Premier Realty, Inc	Seven Gables Real Estate	Granite Escrow
08/14/2019	465-D	1	\$170,000	Majorca	Laguna Woods Village Realty	Laguna Premier Realty, Inc	Granite Escrow
08/29/2019	501-H	1	\$266,000	Granada	Regency Real Estate	Century 21 Rainbow	Corner Escrow Inc.
08/30/2019	517-D	1	\$510,000	Cordoba	HomeSmart Evergreen	Frank McDowell, Broker	Escrow Options Group

Resales Report

United Laguna Woods Mutual

August, 2019

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
08/28/2019	539-A	1	\$312,500	Madrid	Integrated Realty Group	Laguna Premier Realty, Inc	Pacific Closing Services
08/08/2019	563-C	1	\$275,000	Majorca	Regal Properties	Keller Williams Real Estate	Granite Escrow
08/23/2019	572-B	1	\$319,000	Cordoba	Century 21 Rainbow	Pacific Sun Real Estate	Corner Escrow Inc.
08/29/2019	635-O	1	\$185,000	Castilla	Coldwell Banker	Unique Premier Realty	Generations Escrow
08/20/2019	639-Q	1	\$235,000	Casa Linda	BHHS California Properties	Laguna Premier Realty, Inc	Granite Escrow
08/16/2019	708-C	1	\$230,000	La Corona	Laguna Premier Realty, Inc	Regency Real Estate	Blue Pacific Escrow
08/05/2019	769-B	1	\$225,000	La Corona	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
08/30/2019	893-P	1	\$195,000	Casa Contenta	Charles Ryan & Associates	Tarbell Realtors	Corner Escrow Inc.
08/30/2019	952-A	1	\$215,000	Casa Linda	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
08/29/2019	957-N	1	\$160,000	Casa Contenta	Laguna Woods Village Realty	Integrated Realty Group	Granite Escrow
08/28/2019	2065-D	1	\$259,900	Valencia	Seven Gables Real Estate	Laguna Premier Realty, Inc	Escrow Options Group
08/08/2019	2074-E	1	\$218,000	Monterey	Century 21 Rainbow	Century 21 Rainbow	Escrow Leaders
08/12/2019	2121-N	1	\$155,000	Monterey	Keller Williams Real Estate	BHHS California Properties	Generations Escrow
08/09/2019	2124-N	1	\$160,000	Casa Contenta	Century 21 Rainbow	Century 21 Rainbow	Granite Escrow
08/09/2019	2143-D	1	\$290,000	Casa Contenta	Laguna Premier Realty, Inc	Pacific First Properties	Blue Pacific Escrow Corp.

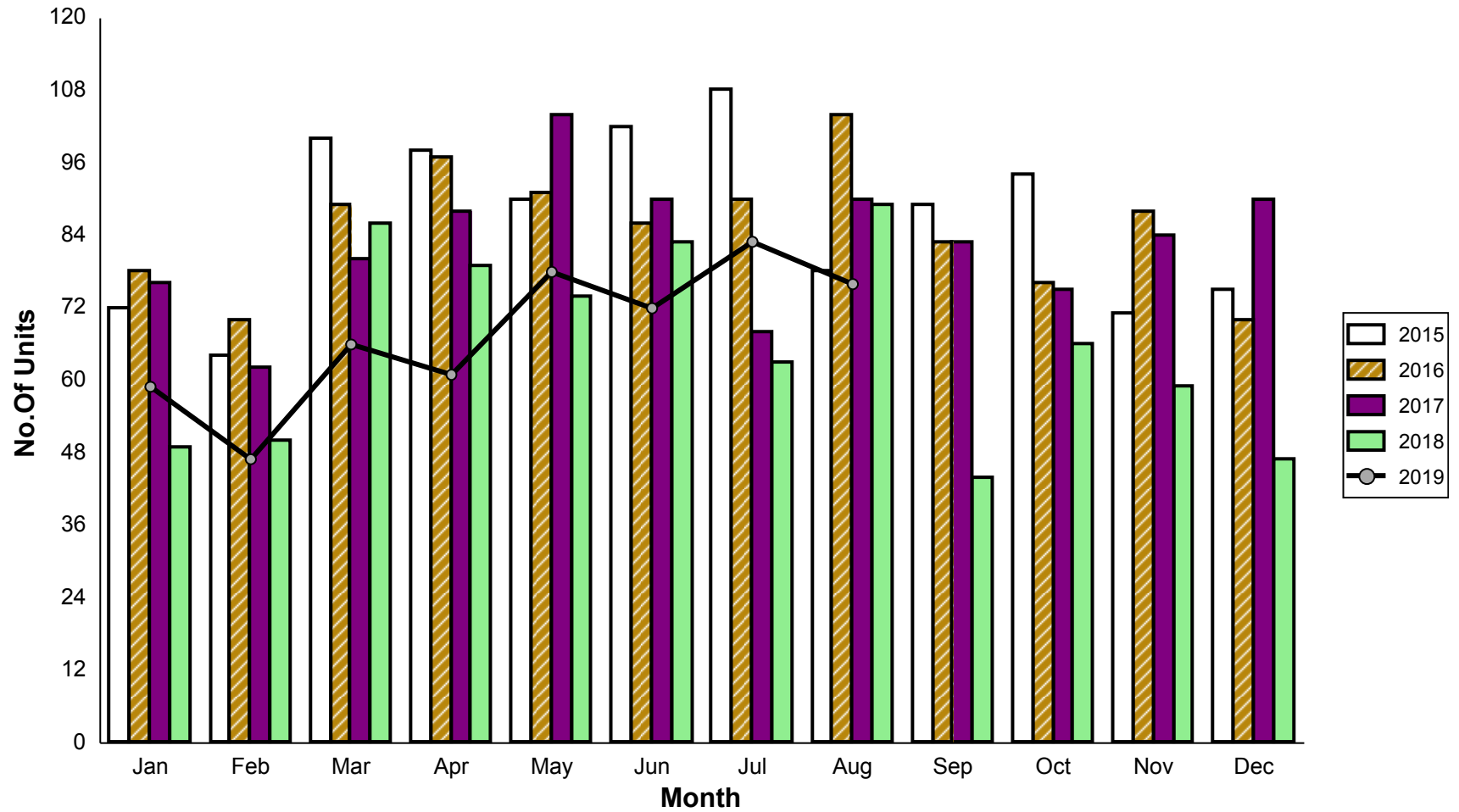
Number of Resales: 39

Total Resale Price: \$10,228,600

Average Resale Price: \$262,272

Median Resale Price: \$255,000

Resales - 5 Year Comparison



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MONTHLY LEASING REPORT

Report Period:
August-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	20	32	183	344	579	540	24	29	34	2
September						524				
October						527				
November						546				
December						558				
Monthly Average	23.3	33.1	243.4	262.0	561.8	Aug 508.9	31.5	37.3	31.9	1.1
Percentage Leased	579 / 6323 = 9%									

New Leases = Units Sublet

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OPEN MEETING

**REGULAR MEETING OF THE UNITED LAGUNA WOODS MUTUAL
ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE**

Thursday, August 15, 2019 – 9:30 a.m.
Laguna Woods Village Community Center Elm Room
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

COMMITTEE MEMBERS PRESENT: Acting Chair Carl Randazzo, Reza Bastani, Gary Morrison

DIRECTORS PRESENT: Juanita Skillman seating in for Chair Cash Achrekar

COMMITTEE MEMBERS ABSENT: Chair Cash Achrekar

ADVISORS PRESENT: Mike Mehrain, Walt Ridley

STAFF PRESENT: Brett Crane, Gavin Fogg, Alisa Rocha

1. Call to Order

Chair Randazzo called the meeting to order at 9:29 am

2. Acknowledgement of Media

No media present.

3. Approval of the Agenda

Director Bastani moved to accept the agenda. Director Skillman seconded. The committee had no objection.

4. Approval of the Report for June 20, 2019

Director Bastani moved to accept the report. Director Skillman seconded. The committee had no objection.

5. Committee Chair Remarks

Acting Chair Randazzo commented on being asked by Chair Achrekar to step in during his absence for this meeting.

Acting Chair Randazzo also commented on the request he made to Staff regarding revisions on the Alternate Heat Source Policy.

11. Committee Member Comments

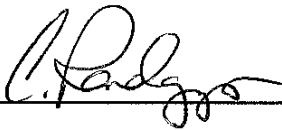
Acting Chair Randazzo requested Staff to list any previous references to the particular Staff Report, such as a previous resolution number.

Director Skillman mentioned she will be attending the City Council Meeting to express some concerns.

Acting Chair Randazzo inquired about a response regarding the addition of false wall in front of the actual wall between units where plumbing is present and plumbing modifications are to be accomplished. Mr. Crane responded no, with no further updates.

12. Date of Next Meeting - September 19, 2019

13. Adjournment at 9:53 am



Carl Randazzo, Acting Chair
Brett Crane, Staff Officer
Alisa Rocha, Alterations Coordinator 268-2301



OPEN MEETING

**REGULAR MEETING OF THE UNITED LAGUNA WOODS MUTUAL
LANDSCAPE COMMITTEE**

**Thursday, August 8, 2019 – 9:30 A.M.
Laguna Woods Village Community Center Board Room
24351 El Toro Road**

REPORT

COMMITTEE MEMBERS PRESENT: Chair - Maggie Blackwell, Manuel Armendariz, Anthony Liberatore

COMMITTEE MEMBERS ABSENT:

OTHERS PRESENT: Juanita Skillman, Andre Torng, Elsie Addington

ADVISORS PRESENT: Catherine Brians

STAFF PRESENT: Kurt Wiemann, Eve Morton

1. Call to Order

Called to order at 9:30 a.m.

2. Acknowledgment of Media

No media were present.

3. Approval of the Agenda

Director Liberatore made a motion to approve the agenda. Director Armendariz seconded. The committee was in unanimous support.

4. Approval of the Meeting Report for June 13, 2019

Director Armendariz made a motion to approve the report. Director Liberatore seconded. The committee was in unanimous support.

5. Chair's Remarks

In the informational booklet regarding the Creek, it says that maintenance agreement shall expire on Aug. 31, 2019.

The GRF meeting is next Wednesday at 1:30 which will include additional information about the Creek.

6. Member Comments

Roberta Berk (933-B) is grateful for the edging that is being done. It makes a positive presentation. There is a new landscape person who works in her area with a blower and it is the first time that anyone has cleaned up after landscaping was done. Her breezeway was cleaned. Thank you.

Bushes were taken out in the past next to a Magnolia tree that drops a lot of leaves. No one regularly cleans away the leaves. The water from sprinklers lands on top of leaves and accumulates and doesn't get into the ground.

She feels that someone should check to see if everything is in order after landscape crew goes through. Oversight is needed.

Jeri Miller (2030-C) stated she has dead grass and has been told the grass won't grow. She was sold a "park like" setting. She has been dealing with this problem for four years.

Jean Bender (2037- B) stated that landscaper edges and then blows the clippings into her flower beds. Supervision is needed. Also, there are a lot of bare spots.

Kathryn Krajnik (2035-B) reported that her clippings weren't picked up.

Andre Torng (389-Q) inquired about mowing schedule. How often? How many days between mows do we pay for? How much money do we spend and are we getting the service level we need.

Sylvia Heyman (466-D) stated that starting three years ago, the edging keeps creeping up so lawn is now only a foot. Then, crew steps on it and it dies. Weeds aren't pulled and gardeners say they won't pull them. Former Landscape Director came out and said it would be taken care of. They put in some junipers but the rest is just dirt. She has called many times.

Pat Brady (466-B) Landscapers only come to her house once a year. She has thick pine needles on her sidewalk.

Huber (788-Q) A Supervisor said some roses he wants to put in are not on the plant list. Couldn't find approved plant list on the website. Resident Services couldn't give him one either. Is there an authorized plant list and where would it be?

7. Response to Member Comments

Chair Blackwell told Director Torng that the mowing schedule changes throughout the year. Shortest time is 7-9 days and longest time is 14-21 days. Budget is yearly.

At 10:10 a.m., Security removed Director Andre Torng from the meeting for disruptive behavior.

Mr. Wiemann responded to resident concerns:

- Improvements have been made but we aren't perfect.
- He is aware of bare spots.
- It is true that we can't plant in summer months.
- We are experimenting with mowing methodologies. We are also looking into growth regulators.
- Budget and frequency: we are budgeted for four visits a year to each unit. We just bought some new mowers which should help with our mowing cycles.
- We are designating a day to pick up clippings so everyone will know that is the day to put them out. The current system is obviously not working well. He promised it will get better.
- Everyone at this meeting who has a concern will get help from Landscaping staff by the end of next week.
- Mr. Huber at 788-Q may plant his roses.

Advisor Brians appreciates people's frustrations.

Director Armendariz said we have a lot of catch up and a lot of problems to solve. Continue to come to these meeting when you have problems. He asked to keep in mind also that Landscaping is facing staffing issues.

Director Blackwell said Mr. Wiemann is the third department head we have had in three years. We are still in transition and we understand your concerns. He stated the Mr. Wiemann is organized and is making good changes. The Board is not curtailing the landscape budget to try to meet our landscape needs.

8. Department Head Update

Mr. Wiemann reported that on Saturday there would be a mulch day were staff would be mulching the flowerbeds of several cul de sacs, and free mulch for residents for several days at Clubhouse 4.

Kurt presented a PowerPoint presentation to illustrate some of the changes which have been made in Landscaping.

Member at 2035-B asked why landscaping staff doesn't just pick up clippings or branches when they see them? Mr. Wiemann reported that they are working on this.

He asked attendees to please speak to the Foreman or Lead Men in a blue or white shirts with any landscape requests. The crews wear green shirts.

Consent:
None

Reports:

9. Project Log

Mr. Wiemann showed slides of possible revitalization areas for turf reduction which will reduce landscape hours and water use in those areas. These areas are about 20,000 square feet in total. There will be rebates to help finance the project. Chair Blackwell stated that these are trouble areas for mowing and that is why these areas have been chosen. Mr. Wiemann stated that the smaller the area, the more cost to maintain it.

Director Armendariz moved to make a recommendation to approve the locations shown in the slide show and in the committee packet as sites for turf reduction this year. Director Liberatore seconded. The committee was in unanimous support.

10. Discuss Prohibition of Fruit Trees and Vegetables

Mr. Wiemann explained there is a drastic increase in rodent complaints and the best way to fix it is to remove food sources and that is reason for this proposed resolution to prohibit new plantings of fruit trees and to remove fruit trees at resale.

Director Armendariz asked to add to the resolution "and vegetables" where appropriate. Director Liberatore seconded. The committee was in unanimous support.

Director Armendariz moved to approve the proposed resolution, as amended. Director Liberatore seconded. The committee was in unanimous support.

The Committee asked staff to make sure that Members will be told that their vegetables will be removed when that time comes.

11. Discuss and Review the Survey of Aliso Creek

Mr. Wiemann discussed the need to determine the actual boundaries of the two Mutuels in the Creek.

Director Armendariz made a motion to approve an unbudgeted expense of \$5,800 to survey the creek. Director Liberatore seconded. The committee was in unanimous support.

Ms. Burke stated that she believes there was a "rainy day report" several years ago which included a survey of the creek. She felt all Mutuels should pay a share of the creek maintenance since all residents are free to use the area.

Items for Discussion and Consideration:

Director Armendariz made motion to accept the staff recommendations for agenda items number 12 thru 15. Director Liberatore seconded. The committee was in unanimous support.

12. Request for Landscape Revision: 134-A

Mr. McKeon is a neighbor (133-C) and was protesting this planting. He stated his reasons.

As per the motion stated above, the committee voted to accept Staff's recommendation and approve this non-standard landscape request.

13. Request for Landscape Revision: 321-D

As per the motion stated above, the committee voted to accept Staff's recommendation and approve this non-standard landscape request.

14. Request for Tree Removal – 2G – One Canary Island Pine

As per the motion stated above, the committee voted to accept Staff's recommendation and approve this request to remove the tree.

15. Request for Tree Removal – 67-C – Three Silk Oaks

As per the motion stated above, the committee voted to accept Staff's recommendation and approve this request to remove the trees.

Items for Future Agendas:

16. Herbicide Usage Update (in 2 months)

Concluding Business:

17. Committee Member Comments

None.

18. Date of Next Meeting – October 10, 2019

19. Adjournment at 11:19 a.m.



Maggie Blackwell, Chair
Kurt Wiemann, Staff Officer

Eve Morton, Landscape Operations Coordinator – 268-2565

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OPEN MEETING

REPORT FOR REGULAR MEETING OF THE VILLAGE ENERGY TASK FORCE

Wednesday, July 3, 2019 – 1:30 P.M.
Laguna Woods Village Community Board Room
24351 El Toro Road

MEMBERS PRESENT: Carl Randazzo, – Vice Chair, Dick Palmer (left at 3:15pm), Sue Margolis, Steve Parsons (in for Cush Bhada) Advisors: Bill Walsh, Sue Stephens

MEMBER ABSENT: Cush Bhada, Steve Leonard, John Frankel

OTHERS PRESENT: Juanita Skillman, Maggie Blackwell, Diane Phelps Pat English, Dick Rader, Bert Moldow, Elsie Addington, Manual Armendariz

STAFF PRESENT: Ernesto Munoz - Staff Officer, Laurie Chavarria

1. Call to Order

Vice Chair Randazzo called the meeting to order at 1:31 PM.

2. Acknowledgment of Media

Vice Chair Randazzo noted no members of the media were present.

3. Approval of the Agenda

Advisor Walsh added SCE Demand Charges to the agenda as Item 12. The agenda was approved as amended.

4. Approval of Meeting Report for May 1, 2019

The Meeting Report of May 1, 2019, was approved as written.

5. Chairman's Remarks

Vice Chair Randazzo commented on the legality of the Village Energy Task Force Chairman and he read a quote for the day from Thomas Edison: "The three great essentials to achieve anything worthwhile are: Hard work, Stick-to-itiveness, and Common sense."

Member Comments (*Items Not on the Agenda*)

Village Energy Task Force
July 3, 2019
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- Jean Janowsky (193-A) commented on her walkway lighting request.
- Pat English (2022-D) commented on the GRF bylaws regarding Committee's and Task Forces.
- Bert Moldow (3503-A) commented on the definition of a Task Force.
- Maggie Blackwell (71-d) commented on the use of a Task Force.

The Vice Chair and various Directors and Advisors responded briefly to all comments.

6. Department Head Update

Staff Officer Ernesto Munoz provided a brief summary of the energy consultants' role and what tasks have been assigned to them. The energy consultant representatives, TEC, presented a Microgrid Feasibility analysis to the Task Force, as attached to this report, and discussed what has been done and the next steps regarding the infrastructure assessment for the Mutual's.

Staff Officer Ernesto Munoz and the consultant addressed questions from the Task Force and the audience.

Discussion ensued regarding generator usage; disaster preparedness; SCE incentives; net metering programs; carbon tax credits; ROI on a Microgrid installation; energy conservation methods; demand charges from SCE; transformer upgrades.

Vice Chair Randazzo called for a recess at 3:30pm. The meeting reconvened at 3:41pm.

Consent:

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

By consensus, the Task Force approved all items on the Consent Calendar.

- 7. Project Log**
- 8. Street Light Outage Report**

Reports:

- 9. EV Charging Station Update (oral discussion)**

Village Energy Task Force
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Staff Officer Ernesto Munoz provided an update and showed pictures of the work in progress at the Community Center. The work is scheduled to be completed in September.

10. Street Light Pilot Program Update (oral discussion)

Staff Officer Ernesto Munoz provided an update on the pilot program. A special open meeting to discuss the options for the second pilot has been scheduled for July 18, 2019 at 9:00am.

Discussion ensued regarding a bulb installation by a lighting contractor; coupling nuts for fixture arms, structural engineering, and stress test for poles.

11. LED Solar Street Lights (oral discussion)

Director Margolis commented on the use of solar street lights as an option to increase street lighting in the darker areas. She suggested that staff should compile a map of the dark spots throughout the Mutual's walkways.

Discussion ensued regarding walkway lighting, budgeting for solar lighting and analysis by the lighting consultant.

12. SCE Demand Charges to Third Mutual

Discussion ensued regarding SCE bills; energy efficiency; batteries, solar, EMS systems; review of meters.

Advisor Walsh was designated to head the SCE Demand Charge Ad-hoc Task Force. He will gather Clubhouse energy bills and contact MIS Director Chuck Holland to review the energy management systems.

Items for Future Agendas:

Third Mutual:

- Electric Vehicle History Report
- Golf Cart Report
- LED Solar Street Lights (to be considered after the street fixture LED conversion project is completed.)

United Mutual:

- LED Solar Street Lights (priority)
- Electric Vehicle History Report
- Golf Cart Report
- Additional Walkway Lighting (Review of Dark Areas)

Village Energy Task Force
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GRF:

- Install Level II EV Bollard Chargers (on the streets)
- Community Choice Aggregation
- SCE Demand Charges

Concluding Business:

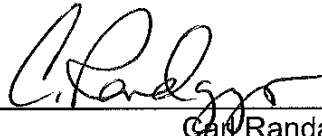
Committee Member Comments:

- Vice Chair Randazzo commented that Committee member requests should go through the Committee chair and not directly to staff.

Date of next meeting – September 4, 2019

Adjournment

This meeting was adjourned at 4:29 PM.



Carl Randazzo, Vice Chair



Golden Rain Foundation Microgrid Feasibility Analysis

July 3, 2019

Agenda Item # 15e
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Meeting Agenda

- Microgrid Scoping Task
- Microgrid Goal and Objectives
- Microgrid Load
- Microgrid Options Analyzed
- Proposed Microgrid Description
- Proposed Microgrid Benefits
- Q&A

Agenda Item # 15e

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1. Microgrid Scoping Task

Approach

- Identify Goal & Objectives
- Perform Scoping Review
 - Identify expectations of the system
 - Identify critical loads to be served by the microgrid
 - Determine grid interface based on objectives (grid-connected or islandable)
 - Review site data
 - Review and consider existing or potential renewable energy assets
 - Develop possible operating scenarios based on objectives identified
 - Conduct preliminary siting of Distributed Energy Resources (DERs) and energy storage

2. Microgrid Goal and Objectives

Goal

Provide a set of conceptual design scenarios for a resilient microgrid including the Community Center, Clubhouse 7, and the parking lot located in between these two buildings.

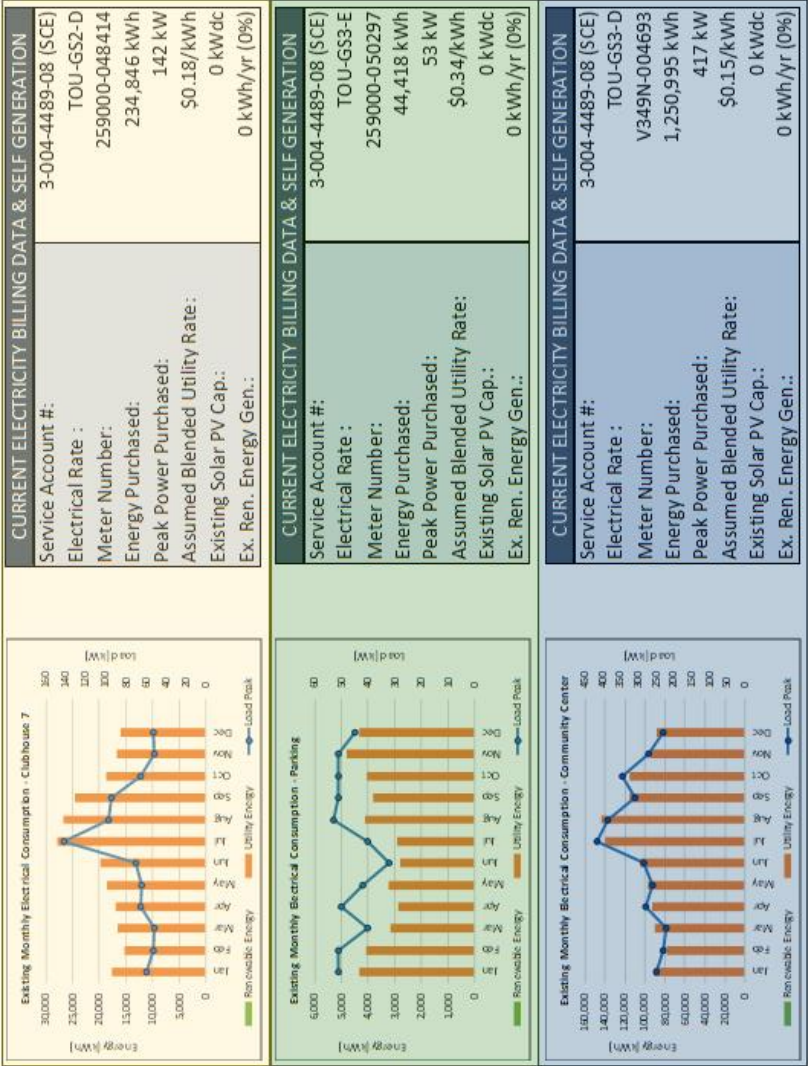
Microgrid Objectives

- Resiliency & Reliability
- Cost-effectiveness
- Increased Renewable Energy Penetration
- Reduced Greenhouse Gases (GHG) and Air Emissions

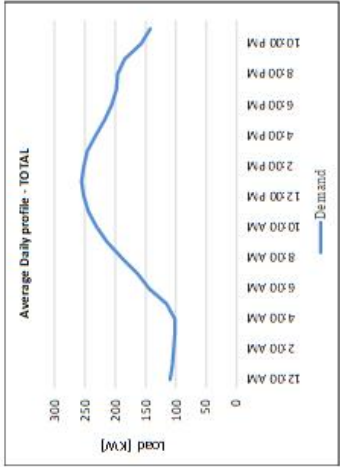
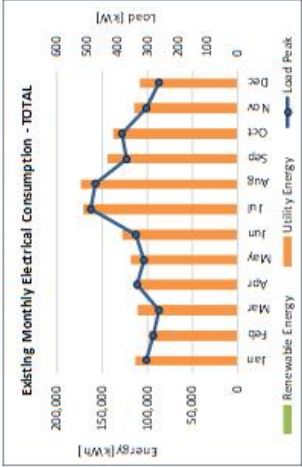
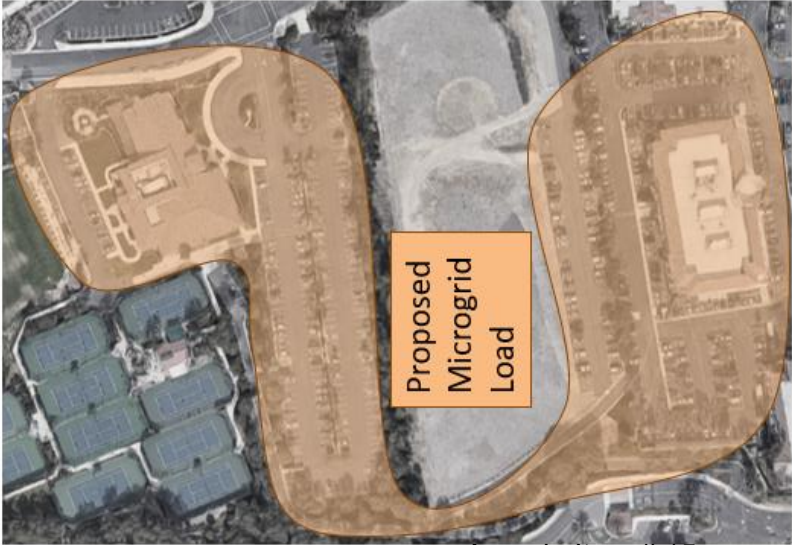
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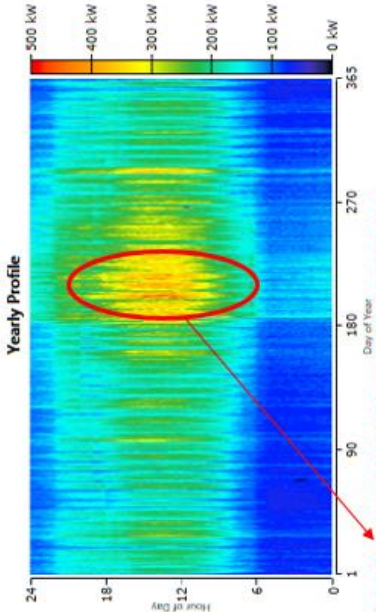
3. Microgrid Load



3. Microgrid Load



CURRENT ELECTRICITY BILLING DATA & SELF GENERATION	
Service Account #:	3-004-4489-08 (SCE)
Electrical Rate :	TOU-GS-3: Opt. D
Meter Number:	V349N-004693, 259000-048414, & 259000-050297
Energy Purchased:	1,530,259 kWh
Peak Power Purchased:	488 kW
Blended Utility Rate:	\$0.16/kWh
Existing Solar PV Cap.:	0 kWdc
Ex. Ren. Energy Gen.:	0 kWh/yr (0%)



Highest coincident load occurs in the summer season

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4. Microgrid Options Analyzed

1) The following DER would be required to maintain the capability to island indefinitely, with the removal of the existing generator (Community Center):

- 2.5 MW_{dc} of solar PV
- 850 kW/7.7 MWh BESS

Not enough space is available to install these DER. Furthermore, they could not be interconnected to SCE.

2) Most cost-effective solution would be to install the following DER:

- 194 kWdc solar PV
- Existing generator (Community Center)

Even though the payback could be as low as 5.5 years, LW would not have the capability to island from the main grid without using the existing generators.

A solution that would allow LW to meet all the objectives listed would consist of the following DER:

- 888 kWdc solar PV
- 540 kW/1,053 kWh BESS

Existing generator (used in very critical scenarios)

This solution is conceptually designed to be able to island the microgrid using solely renewable energy for a minimum of 8 hours.

Microgrid Objectives	Achieved?
Resiliency & Reliability	✓
Cost-effectiveness	✗
Increased Renewable Energy Penetration	✓
Reduced Greenhouse Gases (GHG) and Air Emissions	✓

Microgrid Objectives	Achieved?
Resiliency & Reliability	✗
Cost-effectiveness	✓
Increased Renewable Energy Penetration	✓
Reduced Greenhouse Gases (GHG) and Air Emissions	✓

Microgrid Objectives	Achieved?
Resiliency & Reliability	✓
Cost-effectiveness	✓
Increased Renewable Energy Penetration	✓
Reduced Greenhouse Gases (GHG) and Air Emissions	✓

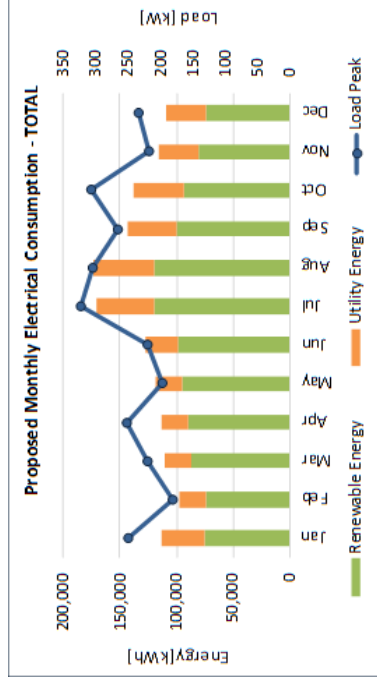
5. Proposed Microgrid Description



The proposed microgrid would consist of the following DER:

- 888 kWdc solar PV (ground mount system)
- 540 kW/1,053 kWh BESS
- Existing generators

On average (including Major Event Days) the LW community suffers 1.19 outage events of approximately 2 hours every year¹. The system has been conceptually designed to be able to island the microgrid using solely renewable energy for a minimum of 8 hours. Therefore, the existing generators would only be used if a very critical emergency occurs.



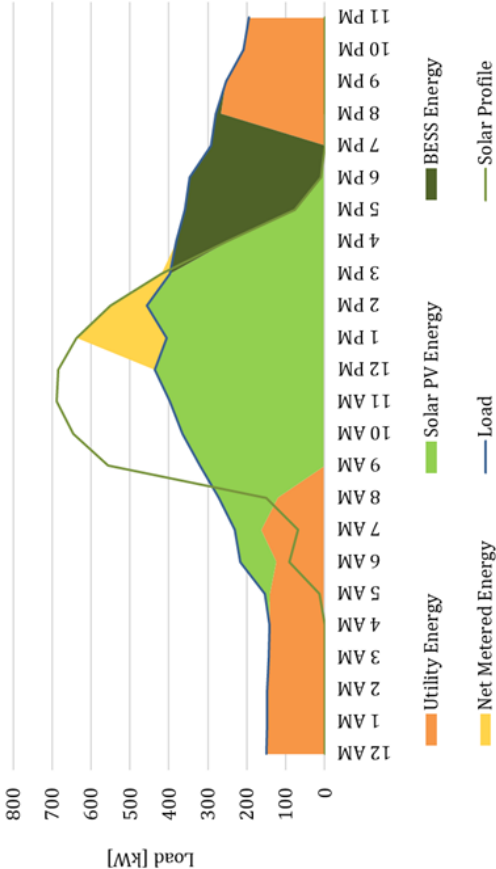
¹ Customer Average Interruption Duration Index (CAIDI) = average outage restoration time. SCE's CAIDI = 117 minutes
System Average Interruption Frequency Index (SAIFI) = average number of interruptions that a customer would experience. SCE's SAIFI: 1.19
System Average Interruption Duration Index (SAIDI) = average outage duration for each customer served. SCE's SAIDI = 140 minutes

6. Proposed Microgrid Benefits

POTENTIAL SAVINGS	
Energy Savings (Saved Utility Energy):	1,107,487 kWh/yr (72%)
Ren. Energy Sold (as % Ren. En. Generated):	419,327 kWh/yr (27%)
Max. Utility Peak Power Reduction:	168 kW/yr (34%)
GHG Emissions Reduction:	310.1 MTCO ₂ /yr
SO ₂ & NO _x reductions:	9,961.7 lb/yr
30% ITC Project Incentives:	\$873,728
SGIP Project Incentives:	\$257,985
Total Project Incentives:	\$1,131,713
Annual Cost Savings:	\$135,646/yr

TOTAL ANNUAL SAVINGS, EMISSIONS REDUCTION & COST	
Energy Savings (Saved Utility Energy):	1,107,487 kWh/yr (72%)
Renewable vs Conventional Energy:	100%
GHG Emissions Reduction:	310.1 MTCO ₂ /yr
SO ₂ & NO _x reductions:	9,961.7 lb/yr
Net Savings (including NET metering):	\$135,646/yr

Example of Daily (07/24/2018) Electrical Consumption



6. Proposed Microgrid Benefits

- **Resiliency & Reliability**
 - On average (including Major Event Days) the LW community suffers 1.19 outage events of approximately 2 hours every year¹.
 - The system has been conceptually designed to be able to island the microgrid using solely renewable energy for a minimum of 8 hours.
- **Increased Renewable Energy Penetration**
- **Energy Cost Savings**
 - Offset Utility Energy: 1,107,487 kWh/yr (72% of load will be offset)
 - Renewable Energy Sold: 419,327 kWh/yr
 - Cost Savings: \$135,646/yr
- **Reduced Greenhouse Gases and Air Emissions**
 - 310 MTCO₂/year
 - 9,961 lb./year of SO₂ and NO_x reductions
- **Support Load for EV Chargers**
 - Sufficient solar capacity and battery can be installed to offset load for future EV chargers

Q & A

Fuel Cells

How do they work?

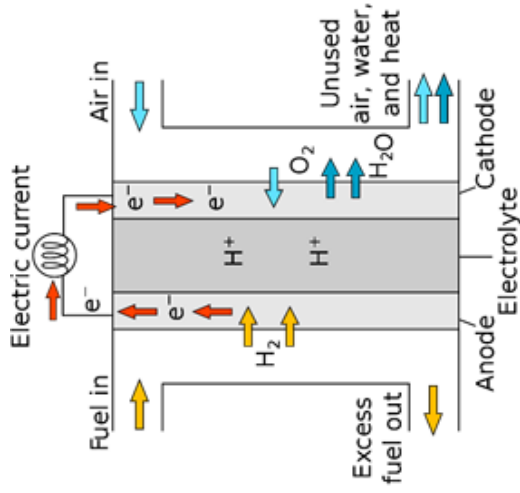
- Use electrochemical reactions to generate electricity: $\text{CH}_4 + 2\text{O}_2 \rightarrow \text{CO}_2 + 2\text{H}_2\text{O} + e^-$ (electricity) + Heat
- They are composed of an anode, a cathode, and an electrolyte membrane.
- Electrolyte allows protons from anode to cathode to travel but repels electrons, which go around the external circuit

Advantages

- Lower emissions
- Higher efficiency than generators
- Demand & Energy decoupled from each other
- Reliable
- Silent operation

Disadvantages

- Costly
- Need to operate 24/7 as a baseload
- Generate (Low) Emissions



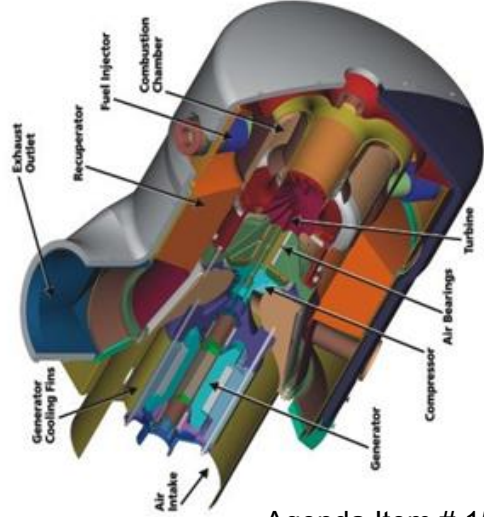
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Even though the graph represents a hydrogen fuel cell, the concept is the same

Microturbines/Generator

What is a Microturbine?

Microturbines are small combustion turbines approximately the size of a refrigerator with outputs of 25 kW to 500 kW.



Advantages

- Capability to follow the load
- Demand & Energy Decoupled from each other
- Reliable
- Cost-effective

Disadvantages

- Do not increase renewable energy penetration
- Generate Emissions

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Microgrid Objectives	Achieved?
Resiliency & Reliability	✓
Cost-effectiveness	✓
Increased Renewable Energy Penetration	✗
Reduced Greenhouse Gases (GHG) and Air Emissions	✗

Even though the graph represents a hydrogen fuel cell, the concept is the same

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