



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

Tuesday, September 8, 2020- 9:30 a.m.

VIRTUAL MEETING

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

NOTICE OF MEETING AND AGENDA

- 1. Call to Order / Establish Quorum – Sue Margolis, President**
- 2. Acknowledge Media**
- 3. Approval of Agenda**
- 4. Approval of the Meeting Minutes**
 - a. August 11, 2020 – Regular Open Session
- 5. Report of Chair**
- 6. 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. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Member should call (949) 268-2020 or email meeting@vmsinc.org to request to speak.***
- 7. Responses to Open Forum Speakers**
 - a. Director Ardani –August 11, 2020 Meeting Open Forum Speakers
- 8. Update from VMS – Director Rupert**
- 9. CEO Report**
- 10. 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. **Recommendation from the Finance Committee:**

- (1) Approval of Resolution to Record Lien against Member ID# 947-380-59
- (2) Approval of Resolution to Record Lien against Member ID# 947-416-34

- b. Review the United Sub-Leasing and Transfer of Trust Documents Approved in July, 2020, and such review is hereby ratified.

11. Unfinished Business

- a. Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the Board consisting of the Treasurer and at least one other Board member reviewed the United Laguna Woods Mutual preliminary financials for the month of July 2020, and such review is hereby ratified.
- b. Entertain a Motion to Approve the 2021 United Business Plan
- c. Entertain a Motion to Approve the 2021 United Reserves Funding Plan

12. New Business

- a. Entertain a Motion to Introduce the Revised Financial Qualifications Policy – Amendment to Income Requirement **(SEPTEMBER Initial Notification—Must postpone 28-days for Member Review and Comment to Comply with Civil Code §4360)**
- b. Entertain a Motion to Approve a Separate Reserve Checking Account for United Laguna Woods Mutual
- c. Entertain a Motion to Introduce 2021 Collection and Lien Enforcement Policy
- d. Entertain a Motion to Introduce a Resolution to Change the Exterior Paint and Prior to Paint Programs from a 10-year Cycle to a 15-year Cycle **(SEPTEMBER Initial Notification—Must 28-days for Member Review and Comment to Comply with Civil Code §4360)**

13. Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Gilmore. The Committee met on August 25, 2020; next meeting September 29, 2020, 1:30 p.m. as a virtual meeting.
 - 1) Treasurer's Report
 - 2) United Finance Committee Report
 - 3) Resales/Leasing Reports

- b. Report of the Architectural Control and Standards Committee – Director Addington. The Committee met on July 16, 2020; next meeting September 17, 2020 at 9:30 a.m. as a virtual meeting.
- c. Report of the Communications Committee – Director Skillman. Next meeting TBA
- d. Report of Member Hearings Committee – Director Liberatore. The Committee met on August 27, 2020; next meeting September 24, 2020 at 9 a.m. as a virtual meeting.
- e. Report of the Governing Documents Review Committee – Director Torng. The Committee met on August 20, 2020; next meeting September 17, 2020, 1:30 p.m. as a virtual meeting.
- f. Report of the Landscape Committee – Director Armendariz. The Committee met in closed session on July 22, 2020; next meeting October 8, 2020 at 9:30 a.m. as a virtual meeting.
- g. Report of the Maintenance & Construction Committee – Director Randazzo. The Committee met on August 26, 2020; next meeting October 28, 2020, 9:00 a.m. as a virtual meeting.
- h. Report of the Resident Advisory Committee – Director Ardani. The Committee met on March 12, 2020; for committee information contact Neda Ardani at n.ardani@yahoo.com.

14. GRF Committee Highlights

- a. Report of the GRF Finance Committee – Director Gilmore. The Committee met in August 19, 2020; next meeting October 21, 2020, 1:30 p.m. as a virtual meeting
- b. Report of the Community Activities Committee – Director Skillman. The Committee met on August 13, 2020; next meeting September 10, 2020, 1:30 p.m. as a virtual meeting.
 - (1) GRF Equestrian Center Ad Hoc Committee. Next meeting September 23, 2020 at 9:30 a.m. as a virtual meeting.
- c. Report of the GRF Landscape Committee – Director Armendariz. The Committee met on August 12, 2020; next meeting TBA.
- d. Report of the GRF Maintenance & Construction Committee – Director Randazzo. The Committee met in closed session on August 12, 2020; next meeting October 14, 2020, 9:30 a.m. as a virtual meeting.

- (1) PAC Renovation Ad Hoc Committee – Director Randazzo. The Committee met on July 13, 2020; next meeting TBA.
 - (2) Clubhouse 1 Renovation Ad Hoc Committee—Director Randazzo. The Committee met on September 2, 2020; next meeting TBA.
 - e. Report of the Media and Communication Committee – Director Skillman. The Committee met on August 17, 2020; next meeting September 21, 2020, 1:30 p.m. as a virtual meeting.
 - f. Report of the Mobility and Vehicles Committee – Director Addington. The Committee met on August 5, 2020; next meeting October 7, 2020, 1:30 p.m. as a virtual meeting.
 - g. Report of the Security and Community Access Committee – Director Ardani. The Committee met on August 24, 2020; next meeting October 26, 2020 at 1:30 p.m. as a virtual meeting.
 - h. Laguna Woods Village Traffic Hearings – Director Addington. The Hearings were held on August 19, 2020; next hearings will be held September 16, 2020, at 9:00 a.m. as a virtual meeting.
 - j. Report of the Disaster Preparedness Task Force – Director Achrekar. The Task Force met on July 28, 2020; next meeting September 29, 2020 at 9:30 a.m. as a virtual meeting.
 - k. Report of the GRF Bylaw Ad Hoc Committee—Director Margolis. The Committee met on September 3, 2020. Next meeting TBA.
- 15. 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.*
- 16. Directors' Comments**
- 17. 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.*

CLOSED SESSION NOTICE AND AGENDA

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) August 11, 2020—Regular Closed Session

Discuss and Consider Member Disciplinary Matters

Discuss Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Legal and Litigation Matters

18. Adjourn

this page intentionally left blank



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

**Tuesday, August 11, 2020, 9:30 a.m.
Open Session, Virtual Meeting
24351 El Toro Road, Laguna Woods, California**

Directors Present: Sue Margolis, Carl Randazzo, Juanita Skillman, Elsie Addington, Neda Ardani, Manuel Armendariz, Brian Gilmore, Reza Bastani, Anthony Liberatore, Andre Torng and Reza Bastani

Directors Absent: None

Staff Present: Jeff Parker, CEO; Siobhan Foster, COO; Pamela Bashline, Becky Jackson, Grant Schultz and Cheryl Silva

Others Present: VMS: Dick Rader and Cynthia Rupert

1. Call Meeting to Order/Establish Quorum

President Margolis called the meeting to order at 9:32 a.m. and acknowledged that a quorum was present.

2. Acknowledge Media

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

3. Approval of Agenda

Director Liberatore made a motion to approve the agenda. Director Torng seconded the motion.

Director Randazzo had corrections to several agenda items.

President Margolis called for the vote and the motion passed without objection.

4. Approval of Minutes

a. July 14, 2020—Regular Open Session

Director Skillman made a motion to approve the minutes of July 14, 2020, Regular Open Session. The motion was seconded by Director Liberatore and passed without

objection.

5. Report of the Chair

President Margolis commented about the assessment that residents pay for essential services and GRF amenities. Assessments are going up because taxes and the cost of living are going up. In the June/July Breeze there is a breakdown of where the assessment money is going. United Mutual is now accepting candidate applications for the board. Please contact Cheryl Silva or Grant Schultz for an application packet.

6. Open Forum

Members made comments regarding the following:

- A Member commented installation of a road reflector;
- A Member commented about quarter shortage.

Jeff Parker-CEO commented that the quarters in the laundry rooms will be recycled in the community.

7. Responses to Open Forum Speakers

Director Ardani gave a report of the member comments from July 2020:

- Members of the community thanked the United Board for passing the COVID-19 emergency rules

8. Update from VMS – Director Rader showed a presentation from the VMS Board which highlighted the following topics:

- Recreation Reopening
- Completed Service Orders Through 2020
- Call Center Report
- CDC Public Service announcement on how to wear masks

Jeff Parker-CEO answered questions from the Board

9. CEO Report

CEO Jeff Parker and COO Siobhan Foster reported on the following subjects:

- Orange County has reported 38,754 positive cumulative COVID-19 cases and 724 deaths, as well as 511 currently hospitalized with 177 in ICU. Testing continues throughout the County and we are at 8.9% positive test rate. 102 cases per 100,000 were reported. Hospitalization rate is at 8.6% decrease. 44 cases were reported in the City of Laguna Woods and he encouraged residents to continue to watch social distancing and wearing masks.
- United Mutual version 1 budget hearings were held and version 2 budget will be presented next week.
- SCE hearings on rate increases will be held in September.
- Bus route changes went into effect on August 3, 2020. Commercial Route 2 will be back in service with the Administration Building on request stop only. This is a temporary route modification and these are not considered permanent changes.

- Bulky Item trash collection happens on the third Saturday of each month. In-home bulky item pick-up has not resumed.
- Paving and Concert Program has begun. The schedule is listed on the website;
- Drive-in Movie Event will happen on August 21, 2020 and August 22, 2020 at 8 p.m. at the Village Maintenance Center.
- Temporary coin distribution will take place at Clubhouses 3 and 5 from 8 a.m. to noon on Thursdays and Fridays. Residents can purchase one \$10 roll of quarters at these locations.

Jeff Parker-CEO and Siobhan Foster-COO answered questions from the Board.

10. Consent Calendar

- 10a.** Ratify Approval of Resolution for Adoption of Modified Temporary COVID-19 Rules

RESOLUTION 01-20-55
BOARD RESOLUTION REGARDING
THE ADOPTION OF MODIFIED
TEMPORARY COVID-19 RULES

RECITALS

WHEREAS, on June 26, 2020, the United Laguna Woods Mutual and Third Laguna Hills Mutual and Boards of Directors adopted Temporary COVID-19 Rules on an emergency basis in response to the ongoing public health threat to members/residents of each of said Mutuels from the COVID-19 disease outbreak and global health pandemic (the "Disease").

WHEREAS, Mutual No. Fifty which had previously implemented comprehensive restrictions to reduce risk of exposure to the Disease, supported the Temporary COVID-19 Rules adopted on an emergency basis by United Laguna Woods Mutual and Third Laguna Hills Mutual and on June 26, 2020.

WHEREAS, the Boards of Directors of United Laguna Woods Mutual, Third Laguna Hills Mutual, and Mutual No. Fifty sought unanimity among all corporations within Laguna Woods Village, including the Golden Rain Foundation, pertaining to the adoption of Temporary COVID-19 Rules due to the severity of the public health crisis facing the entire Laguna Woods Village Community.

WHEREAS, on July 6, 2020, Third Laguna Hills Mutual held a Special Meeting (closed) and authorized the formation of a committee (two members from each corporation) to review and make changes to the resolution adopted by United Laguna Woods Mutual and Third Laguna Hills Mutual on June 26, 2020, and

supported by Mutual No. Fifty, to achieve critical unanimity among all corporations within Laguna Woods Village.

WHEREAS, designated representatives of the boards of directors from United Laguna Woods Mutual, the Golden Rain Foundation, Third Laguna Hills Mutual, and Mutual No. Fifty met on July 14, 2020, and as needed thereafter, to achieve unanimity among the corporations and develop modified Temporary COVID-19 Rules to be considered on an emergency basis by each corporation in response to the Disease.

WHEREAS, the Board of Directors of United Laguna Woods Mutual held a duly called emergency meeting on July 28, 2020 at which a quorum of the Board was present.

WHEREAS, the meeting of the United Laguna Woods Mutual Board was held on an emergency basis pursuant to California Civil Code Section 4923, as unforeseen circumstances require immediate attention and action by the Board where notice for such meeting was impractical.

WHEREAS, a majority of the members of the United Laguna Woods Mutual Board determined that in accordance with California Civil Code Section 4360(d), immediate rule changes are required to compel residents to refocus on utilizing face coverings and social distancing (creating a six foot distance between people) in light of the ongoing threat of public health to United Laguna Woods Mutual members in light of the Disease.

WHEREAS, in light of ongoing health concerns relating to the transmission of the Disease and the ease with which it spreads, the State of California has mandated that all persons be required to wear a cloth face covering while not within their homes and to maintain social distancing as referenced above.

WHEREAS, the modified Temporary COVID-19 Rules shall be adopted on an emergency basis, without notice or a member review and comment period, in accordance with California Civil Code Section 4360(d) and shall be effective for one hundred twenty (120) days from the effective date of the initial Temporary COVID-19 Rules adopted by United Laguna Woods Mutual and Third Laguna Hills Mutual, unless the Board modifies or rescinds the modified Temporary COVID-19 Rules on an earlier date pursuant to formal Board action. It is understood that the conditions and general health advice pertaining to the Disease may change from time to time and at any time; as such, the Board acknowledges that future changes to the modified Temporary COVID-19 Rules may be required and shall be reasonably made, as applicable, within the Board's discretion.

WHEREAS, the modified Temporary COVID-19 Rules shall be hereby adopted pursuant to this Resolution and shall be deemed an effective governing document and effective operating rules for United Laguna Woods Mutual.

RESOLUTION

IT IS HEREBY RESOLVED that the foregoing recitals are incorporated into and made a part of this Resolution.

IT IS HEREBY FURTHER RESOLVED that the modified Temporary COVID-19 Rules are hereby adopted on an emergency basis in accordance with California Civil Code Section 4360(d). A copy of the Temporary COVID-19 Rules is enclosed with this Resolution and incorporated into and made a part of this Resolution in their entirety.

IT IS HEREBY FURTHER RESOLVED that, a copy of this Resolution and the Temporary COVID-19 Rules shall be distributed and/or posted in a manner deemed suitable by the Board to adequately notify United Laguna Woods Mutual membership.

- 10b.** Review the United Sub-Leasing and Transfer of Trust Documents Approved in June, 2020, and such review is hereby ratified.
- 10c.** Revised Resolution to Update Committee Appointments

Resolution 01-20-53

United Laguna Woods Mutual Committee Appointments

RESOLVED, August 11, 2020, that the following persons are hereby appointed to serve the Corporation in the following capacities:

Architectural Control and Standards Committee

Elsie Addington, Chair
Brian Gilmore
Carl Randazzo
Non-Voting Advisors: Michael Mehrair, Janey Dorrell, Walt Ridley

Communications Committee

Juanita Skillman, Chair
Elsie Addington
Non-Voting Advisors: Maggie Blackwell

Finance Committee

Brian Gilmore, Chair
Elsie Addington
Sue Margolis
Carl Randazzo
Manuel Armendariz

Financial Review Task Force

Brian Gilmore

Neda Ardani

Governing Documents Review Committee

Andre Torng, Chair

Sue Margolis

Neda Ardani

Non-voting Advisors: Bevan Strom

Operating Rules Rewrite

Team 2 — Andre Torng

Landscape Committee

Manuel Armendariz, Chair

Anthony Liberatore

Elsie Addington

Maintenance and Construction Committee

Carl Randazzo, Chair

Cash Achrekar

Reza Bastani

Elsie Addington

Brian Gilmore

Non-voting Advisor: Ken Deppe, Walter Ridley, Janey Dorrell

Members Hearing Committee

Anthony Liberatore, Chair

Juanita Skillman

Andre Torng

Neda Ardani

Elsie Addington

New Resident Orientation

Per Rotation List

Resident Advisory Committee

Neda Ardani, Chair

Cash Achrekar

Juanita Skillman

Non-voting Advisors: Kay Anderson, Nancy Lannon, Barbara Siry

Handyman Task Force

Cash Achrekar, Chair

Juanita Skillman

Carl Randazzo

Anthony Liberatore

Non-voting Advisors: Nancy Lannon, Janey Dorrell and Ester Wright

Insurance Ad Hoc Committee (new)

Sue Margolis

Manuel Armendariz

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

RESOLVED FURTHER Resolution 01-20-24, adopted June 9, 2020, is hereby superseded and canceled.

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

Resolution 01-20-54
Golden Rain Foundation Committee Appointments

RESOLVED, August 11, 2020, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted September 29, 2014, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

GRF Community Activities

Juanita Skillman
Andre Torng
Elsie Addington, Alternate

GRF Finance

Sue Margolis
Brian Gilmore
Manuel Armendariz, Alternate

Purchasing Ad Hoc Committee

Carl Randazzo
Cash Achrekar
Brian Gilmore, Alternate

GRF Landscape Committee

Manuel Armendariz
Elsie Addington

Neda Ardani, Alternate

GRF Maintenance & Construction

Carl Randazzo

Reza Bastani

Brian Gilmore, Alternate

Clubhouse 1 Renovation Ad Hoc Committee

Carl Randazzo

Manuel Armendariz

Sue Margolis, Alternate

PAC Renovation Task Force

Carl Randazzo

Juanita Skillman

Manuel Armendariz, Alternate

GRF Media and Communications Committee

Juanita Skillman

Elsie Addington

Cash Achrekar, Alternate

GRF Mobility and Vehicles Committee

Elsie Addington

Reza Bastani

Neda Ardani, Alternate

GRF Security and Community Access

Neda Ardani

Cash Achrekar

Brian Gilmore, Alternate

Disaster Preparedness Task Force

Cash Achrekar

Andre Torng

Reza Bastani, Alternate

GRF Strategic Planning Committee

Sue Margolis

Brian Gilmore, Alternate

Andre Torng, Alternate

GRF Bylaws Ad Hoc Committee (new)

Elsie Addington

Juanita Skillman

Sue Margolis, Alternate

Laguna Woods Village Traffic Hearings

Elsie Addington
Neda Ardani, Alternate

Town Hall Meetings

As Needed

RESOLVED FURTHER, that Resolution 01-20-25, adopted June 9, 2020, is hereby superseded and cancelled.

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

Director Ardani made a motion to approve the Consent Calendar. The motion was seconded by Director Liberatore.

Director Randazzo requested agenda item (10b) affidavit statement be corrected.

Director Randazzo requested a correction to item 10c, the GRF Bylaw Ad Hoc Committee.

President Margolis called for the vote as amended and the motion passed by a vote of 10-1-0 (Director Armendariz opposed)

11. Unfinished Business

- 11a.** Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the Board consisting of the Treasurer and at least one other Board member reviewed the United Laguna Woods Mutual preliminary financials for the month of June 2020, and such review is hereby ratified.

Director Liberatore made a motion to receive the financial review for the month of June 2020. The motion was seconded by Director Addington and the motion passed by a vote of 6-4-1 (Directors Armendariz, Randazzo, Torng and Margolis opposed, Director Bastani abstained).

12. New Business

- 12a.** Financial Qualifications Policy – Amendment to Income Requirement

Director Torng read a synopsis of the following resolution:

Resolution 01-20-XX
Financial Qualifications Policy

WHEREAS, United Laguna Woods Mutual ("United") is formed to provide housing to its Members on a mutual nonprofit basis;

WHEREAS, United is authorized to adopt, amend or repeal necessary or desirable rules and regulations, through its Board of Directors, to carry out the purposes of this Corporation;

WHEREAS, United recognizes that many retirees have built traditional retirement accounts during their lifetimes, in addition to acquiring other assets contributing to their total net worth;

NOW THEREFORE BE IT RESOLVED, September XX, 2020, that the Board of Directors of this Corporation hereby amends the Income Requirements portion of the Financial Qualification Policy as attached to the meeting minutes; and

RESOLVE FURTHER, that Resolutions 01-19-71, 01-19-47, and 01-18-24, are hereby superseded and canceled;

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.

AUGUST INITIAL NOTIFICATION—Must postpone 28-days for member review and comment to comply with Civil Code §4360.

Director Torng made a motion to introduce the amendment to income requirement in the financial qualification policy for 28-day review. The motion was seconded by Director Achrekar.

Discussion ensued among the directors.

Director Liberatore made an amendment to send this item back to committee for re-evaluation. The amendment was seconded by Director Armendariz.

President Margolis called for the vote on the amendment to send this item back to the committee and the motion passed without objection.

12b. Procedural Review for Requesting Documents

Siobhan Foster-COO reviewed the procedures for requesting documents policy.

The Board discussed and considered the Policy Governing Director Access to Corporate Books, Records and Documents approved on March 13, 2018, through the adoption of Resolution 01-18-34.

- 12c.** Discuss and Consider a Policy, Retroactive to February 1, 2017, to have Southern California Edison Electric Net Credits be Recorded as Additions to Contingency Fund

The Board discussed the need for a policy, retroactive to February 1, 2017, to have Southern California Edison Electric Net Credits be recorded as additions to the Contingency Fund.

Director Armendariz made a motion to have the Southern California Edison Electric New Credits be recorded as additions to the Contingency Fund, retroactive to February, 1, 2017. The motion was seconded by Director Tornig.

Discussion ensued among the directors.

President Margolis recommended the Board discuss this further during closed session before the vote.

13. Committee Reports

- 13a.** Report of the Finance Committee / Financial Report – Director Gilmore showed a presentation on the Treasurer's Report and reviewed the resale and lease reports. The Committee virtually met on June 30, 2020; next meeting will be August 25, 2020, 1:30 p.m. as a virtual meeting.
- 13b.** Report of the Architectural Control and Standards Committee – Director Addington. The Committee met virtually on July 16, 2020; next meeting September 17, 2020 at 9:30 a.m. as a virtual meeting.
- 13c.** Report of the Communications Committee – Director Skillman commented that the next Village Breeze is ready. Deadline for articles for the next Village Breeze is August 24, 2020. The next meeting TBA.
- 13d.** Report of Member Hearings Committee – Director Liberatore gave a report from the last Member Hearings. The Committee met virtually on July 23, 2020; next meeting August 27, 2020 at 9:00 a.m. as a virtual meeting.
- 13e.** Report of the Governing Documents Review Committee – Director Tornig gave a report from the last Committee meeting. The Committee met virtually on July 16, 2020; next meeting will be August 20, 2020, 1:30 p.m. as a virtual meeting.
- 13f.** Report of the Landscape Committee – Director Armendariz gave a report from the last Committee meeting. The Committee met virtually on June 11, 2020; next meeting will be October 8, 2020 at 9:30 a.m. as a virtual meeting.
- 13g.** Report of the Maintenance & Construction Committee – Director Randazzo gave a report from the last Committee meeting. The Committee met virtually on July 10, 2020; next meeting August 26, 2020 at 9:30 a.m. as a virtual meeting.

- 13h.** Report of the Resident Advisory Committee – Director Ardani. The Committee met on March 12, 2020; next meeting TBA.

14. GRF Committee Highlights

- 14a.** Report of the Finance Committee – Director Gilmore gave highlights from the last Committee meeting. The Committee met virtually on June 29, 2020; next meeting will be August 19, 2020, 1:30 p.m. as a virtual meeting.
- 14b.** Report of the Community Activities Committee – Director Skillman gave highlights from the last Committee meeting. The Committee met virtually on June 11, 2020; next meeting August 13, 2020, 1:30 p.m. as a virtual meeting.
- 14c.** Report of the Landscape Committee – Director Armendariz. The Committee met on February 12, 2020; next meeting will be August 12, 2020, 1:30 p.m. as a virtual meeting.
- 14d.** Report of the Maintenance & Construction Committee – Director Randazzo gave highlights from the last Committee meeting. The Committee met virtually on June 10, 2020; next meeting will be August 12, 2020, 9:30 a.m. as a virtual meeting.
- (1) PAC Ad Hoc Committee – Director Randazzo gave a report from the PAC Ad Hoc Committee. The committee met virtually on July 13, 2020; next meeting TBA.
- (2) Clubhouse 1 Renovation Ad Hoc Committee—Director Randazzo.
- 14e.** Report of the Media and Communication Committee – Director Skillman gave highlights from the last Committee meeting. The Committee met virtually on June 15, 2020; next meeting will be August 17, 2020, 1:30 p.m. as a virtual meeting.
- 14f.** Report of the Mobility and Vehicles Committee – Director Addington. The Committee met virtually on August 5, 2020; next meeting will be October 7, 2020, 1:30 p.m. as a virtual meeting.
- 14g.** Report of the Security and Community Access Committee – President Ardani. The Committee met virtually on February 24, 2020; next meeting August 24, 2020 at 1:30 p.m. as a virtual meeting.
- 14h.** Laguna Woods Village Traffic Hearings – Director Addington. The hearings were held virtually on July 15, 2020; next hearings August 19, 2020 at 9:00 a.m. as a virtual meeting.
- 14i.** Disaster Preparedness Task Force – Director Achrekar. The Task Force met virtually on July 28, 2020; next meeting September 29, 2020 at 9:30 a.m. as a virtual meeting.

15. Future Agenda Items--none

16. Director's Comments

- President Margolis commented that the Board is working with staff to separate the accounting funds.
- Director Gilmore requested the checklist be suspended until the accounts can be separated.
- Director Skillman commented about the sublease and trust transfer checklist. She would like to see the vacancy filled on the VMS Board.
- Director Torng commented on the need for more staff analysis and recommendations. He asked about having different bank accounts for separate funds.
- Director Randazzo commented that he would recommend staff submit their recommendation on projects to the Board and he will let staff know if he disagrees.
- Director Liberatore asked staff to report back about scanning the warehouse inventory.
- Director Armendariz commented about the HVAC system for the PAC and commented on how separate bank accounts can be opened.
- Director Bastani commented about qualifications for board members. Asked if the indemnity clause can be disclosed to residents.
- Director Ardani asked about the VMS vacancy. Asked why the jacuzzi is closed in the pool area.

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

The meeting recessed at 11:22 a.m. into the Closed Session.

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

During the July 14, 2020, Regular Closed Session, the Board:

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) June 9, 2020—Regular Closed Session

(b) June 25, 2020 – Special Closed Meeting

(c) June 26, 2020 – Special Closed Meeting

Discussed Member Disciplinary Case Report

Discussed Personnel Matters

Discuss and Consider Contractual Matters

Discussed and Considered Litigation and Legal Matters

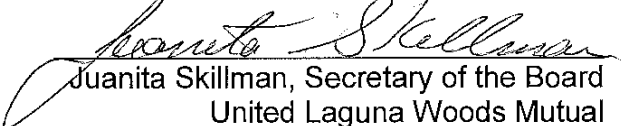
During the July 24, 2020, Emergency Closed Email Meeting, the Board:

Approval of Agenda

Approved the Resolution for Modified Temporary COVID-19 Rules

18. Adjourn

The meeting was adjourned at 2:45 p.m.


Juanita Skillman, Secretary of the Board
United Laguna Woods Mutual



RESOLUTION 01-20-XX

Recording of a Lien

WHEREAS, Member ID 947-380-59; 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, September 8, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-380-59 and;

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

this page intentionally left blank



RESOLUTION 01-20-XX

Recording of a Lien

WHEREAS, Member ID 947-416-34; 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, September 8, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-416-34 and;

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

this page intentionally left blank

**Sublease Review Confirmation
Checklist**


By way of Resolution 01-20-52, the Board of Directors of United Laguna Woods Mutual has elected to delegate its authority to act upon and approve or deny sublease applications to an authorized agent. On a monthly basis, a subcommittee of the Board, consisting of United's secretary and at least one other director, shall randomly check select applications for completeness and conformance with established rules and regulations.

The undersigned Board members affirm that they have reviewed select sublease applications for the period ending August 31, 2020.


_____ Shareholder Effective Date
_____ Sublease Application
_____ Sublease Agreement or Addendum/Extension
_____ Credit Report, FICO Score
_____ Background Check
_____ Emergency / Code Red Form
_____ Criminal Record
_____ Age Verification

I certify that a random and representative sampling of sublease applications was reviewed to the best of my ability. The applications conform to established rules and regulations.

UNITED LAGUNA WOODS MUTUAL

Signature 
Print Name Juanita Skillman
Title Secretary
Date 9/3/20

UNITED LAGUNA WOODS MUTUAL

Signature 
Print Name ANTHONY M. LIBERATORE
Title DIRECTOR
Date 09/03/2020

this page intentionally left blank

**Membership Trust Transfer Review Confirmation
Checklist**

By way of Resolution 01-20-52, the Board of Directors of United Laguna Woods Mutual has elected to delegate its authority to act upon and approve or deny membership trust transfer requests to an authorized agent. On a monthly basis, a subcommittee of the Board, consisting of United's secretary and at least one other director, shall randomly check select membership trust transfer applications for completeness and conformance with established rules and regulations.

The undersigned Board members affirm that they have reviewed select membership trust transfer applications for the period ending August 31, 2020.

_____ Staff Report

_____ Request Form

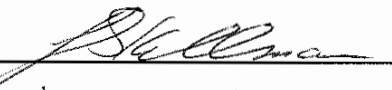
_____ Attorney Opinion Letter

_____ Membership Certificate; Death Certificate (if applicable)

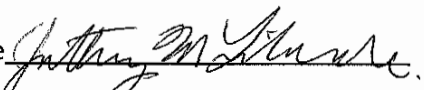
_____ Age Verification

I certify that a random and representative sampling of membership trust transfer applications was reviewed to the best of my ability. The applications conform to established rules and regulations.

UNITED LAGUNA WOODS MUTUAL

Signature 
Print Name Juanita Skillman
Title Secretary
Date 9/3/20

UNITED LAGUNA WOODS MUTUAL

Signature 
Print Name ANTHONY M. LIBERATORI
Title DIRECTOR
Date 09/03/2020

this page intentionally left blank



STAFF REPORT

DATE: September 8, 2020
FOR: Board of Directors
SUBJECT: 2021 Business Plan and Reserve Funding Plan – Version 3

RECOMMENDATION

Staff recommends the board approve the 2021 Business Plan Resolution (Attachment 1) and the 2021 Reserve Funding Plan Resolution (Attachment 2) at the board meeting on September 8, 2020.

BACKGROUND

The proposed business plan for United was reviewed several times during July and August. Comments and directives have been incorporated into this version of the budget presented for adoption.

DISCUSSION

BUSINESS PLAN SUMMARY

The proposed budget for 2021 plan year (Attachment 3) shows that the sum of \$45,256,288 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2021. In addition, the sum of \$15,599,779 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2021. Therefore, a total of \$60,856,067 is required to be collected from and paid by members of the Corporation as monthly assessments. The budget equates to a Total Basic Assessment of \$601.98 per manor per month, excluding property-related taxes and insurances.



FINANCIAL ANALYSIS

The financial impact of this proposed business plan would be a Total United Basic Assessment of \$601.98 per manor per month, no change 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 – 2021 Business Plan Resolution

ATT2 – 2021 Reserve Funding Plan Resolution

ATT3 – 2021 United Business Plan by Department

ATT4 – 2021 United Business Plan by Account

ATT5 – 2021 United Budget Comparison Reports

ATT6 – Programs Report – Operating Fund

ATT7 – Programs Report – Reserve and Contingency Funds

ATT8 – Definition of Funds

ATT9 – Contracted Reserve Study Dated August 30, 2020 - Excerpts



RESOLUTION 01-20-xx

2021 BUSINESS PLAN RESOLUTION

RESOLVED, September 8, 2020, that the Business Plan of this Corporation for the year 2021 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 \$45,256,288 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2021. In addition, the sum of \$15,599,779 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 2021. Therefore, a total of \$60,856,067 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 \$14,808,966, all of which is planned from the Reserve Fund.

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 2021, 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.

this page intentionally left blank



RESOLUTION 01-20-xx

2021 RESERVE FUND RESOLUTION

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 8, 2020, that pursuant to Civil Code § 5570 the Board hereby adopts the 30-Year Alternate Reserve Funding Plan (attached) prepared by Association Reserves™ for fiscal year 2021; and

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

this page intentionally left blank

30-Year Reserve Plan Summary (Alternate Funding Plan)

36560-1
NSV

Fiscal Year Start: 2021

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 Contrbns.	Loan or Special Assmts	Interest Income	Reserve Expenses
2021	\$18,169,517	\$45,121,310	40.3 %		Medium	\$11,535,000	\$0	\$332,319	\$14,945,700
2022	\$15,091,136	\$48,736,445	31.0 %		Medium	\$13,380,600	\$0	\$259,752	\$17,824,923
2023	\$10,906,565	\$48,883,783	22.3 %		High	\$15,521,496	\$0	\$215,814	\$15,950,366
2024	\$10,693,509	\$51,415,003	20.8 %		High	\$18,004,935	\$0	\$229,691	\$16,632,671
2025	\$12,295,464	\$52,300,378	23.5 %		High	\$18,374,037	\$0	\$262,038	\$17,000,529
2026	\$13,931,009	\$51,517,706	27.0 %		High	\$18,750,704	\$0	\$327,124	\$14,199,079
2027	\$18,809,759	\$54,051,814	34.8 %		Medium	\$19,135,094	\$0	\$426,752	\$14,469,227
2028	\$23,902,377	\$56,852,100	42.0 %		Medium	\$19,527,363	\$0	\$514,481	\$16,353,940
2029	\$27,590,280	\$58,288,243	47.3 %		Medium	\$19,927,674	\$0	\$609,161	\$14,748,561
2030	\$33,378,554	\$61,502,434	54.3 %		Medium	\$20,336,191	\$0	\$750,824	\$12,696,683
2031	\$41,768,887	\$67,160,758	62.2 %		Medium	\$20,753,083	\$0	\$901,179	\$14,996,024
2032	\$48,427,126	\$71,442,149	67.8 %		Medium	\$21,178,522	\$0	\$1,035,241	\$15,454,210
2033	\$55,186,679	\$75,676,174	72.9 %		Low	\$21,612,681	\$0	\$1,174,049	\$15,653,500
2034	\$62,319,909	\$80,372,209	77.5 %		Low	\$22,055,741	\$0	\$1,298,036	\$18,077,577
2035	\$67,596,109	\$83,268,791	81.2 %		Low	\$22,507,884	\$0	\$1,401,141	\$18,865,700
2036	\$72,639,435	\$86,013,663	84.5 %		Low	\$22,969,296	\$0	\$1,504,257	\$19,196,418
2037	\$77,916,569	\$89,090,597	87.5 %		Low	\$23,440,166	\$0	\$1,602,336	\$20,503,254
2038	\$82,455,817	\$91,521,862	90.1 %		Low	\$23,920,689	\$0	\$1,665,551	\$23,798,444
2039	\$84,243,614	\$91,258,327	92.3 %		Low	\$24,411,064	\$0	\$1,725,315	\$21,942,575
2040	\$88,437,418	\$93,543,527	94.5 %		Low	\$24,911,490	\$0	\$1,842,084	\$19,260,423
2041	\$95,930,570	\$99,324,348	96.6 %		Low	\$25,422,176	\$0	\$1,955,640	\$23,505,544
2042	\$99,802,841	\$101,590,501	98.2 %		Low	\$25,943,331	\$0	\$2,012,764	\$26,111,002
2043	\$101,647,934	\$101,945,932	99.7 %		Low	\$26,475,169	\$0	\$2,089,850	\$22,694,808
2044	\$107,518,145	\$106,556,767	100.9 %		Low	\$26,475,169	\$0	\$2,140,762	\$29,390,552
2045	\$106,743,524	\$105,157,155	101.5 %		Low	\$26,475,169	\$0	\$2,139,605	\$27,955,899
2046	\$107,402,399	\$105,963,524	101.4 %		Low	\$26,475,169	\$0	\$2,110,536	\$32,154,043
2047	\$103,834,061	\$103,263,383	100.6 %		Low	\$26,475,169	\$0	\$2,067,398	\$29,291,793
2048	\$103,084,834	\$104,247,544	98.9 %		Low	\$26,475,169	\$0	\$1,980,973	\$36,356,837
2049	\$95,184,140	\$98,825,939	96.3 %		Low	\$26,475,169	\$0	\$1,853,916	\$33,145,094
2050	\$90,368,131	\$97,416,737	92.8 %		Low	\$26,475,169	\$0	\$1,807,117	\$28,150,235

UNITED LAGUNA WOODS MUTUAL

2021 BUSINESS PLAN - BY DEPARTMENT

DESCRIPTION	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 PLAN	2021 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2020	2021	Change
OPERATING:								
Office of the CEO	\$339,772	\$516,990	\$407,504	\$621,703	\$416,441	\$8.19	\$5.49	(\$2.70)
Information Services	630,621	790,235	692,763	924,659	1,023,876	12.19	13.49	1.30
General Services	801,875	1,084,821	892,168	1,027,283	1,062,117	13.54	14.00	0.46
Financial Services	1,102,583	694,923	1,164,707	1,256,223	1,616,975	16.56	21.31	4.75
Property Insurance*	617,222	634,590	952,802	974,142	3,021,595	***	***	***
Security Services	123,268	102,445	133,112	140,492	163,674	1.85	2.16	0.31
Landscape Services	3,396,200	3,529,499	3,591,107	4,249,225	4,360,364	56.00	57.47	1.47
Human Resource Services	0	0	453	149,985	149,985	1.98	1.98	0.00
Maintenance & Construction	5,469,956	5,865,351	5,209,544	5,152,975	5,593,593	67.90	73.70	5.80
Non Work Center	4,114,686	4,039,524	3,993,772	4,260,423	4,154,668	56.15	54.76	(1.39)
Property and Sales Tax*	10,062,623	10,765,612	11,375,124	11,111,994	12,158,000	***	***	***
Net Operating	\$26,658,806	\$28,023,990	28,413,056	\$29,869,104	\$33,721,288	\$234.36	\$244.36	\$10.00
RESERVE CONTRIBUTIONS:								
Reserve Fund	\$10,850,268	\$10,850,268	\$11,229,648	\$11,535,000	\$11,535,000	\$152.02	\$152.02	\$0.00
Contingency Fund	1,441,644	1,062,464	1,138,140	758,760	0	10.00	0.00	(10.00)
Total Reserve Contributions	\$12,291,912	\$11,912,732	\$12,367,788	\$12,293,760	\$11,535,000	\$162.02	\$152.02	(\$10.00)
TOTAL MUTUAL	\$38,950,718	\$39,936,722	\$40,780,844	\$42,162,864	\$45,256,288	\$396.38	\$396.38	\$0.00
GOLDEN RAIN FOUNDATION								
GRF Operating	\$12,870,405	\$13,548,791	\$13,947,912	\$13,778,752	\$14,158,135	\$181.60	\$186.60	\$5.00
GRF Reserve Contributions	1,821,024	1,517,520	1,441,644	1,821,024	1,441,644	24.00	19.00	(5.00)
Total GRF	\$14,691,429	\$15,066,311	\$15,389,556	\$15,599,776	\$15,599,779	\$205.60	\$205.60	\$0.00
TOTAL BASIC ASSESSMENTS	\$53,642,147	\$55,003,033	\$56,170,400	\$57,762,640	\$60,856,067	\$601.98	\$601.98	\$0.00

*The asterisk indicates an assessment that varies per manor.

UNITED LAGUNA WOODS MUTUAL 2021 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 PLAN	2021 PLAN	ASSESSMENT Per Manor Per Month		
						2020	2021	Change
REVENUES:								
Non-assessment Revenues:								
Merchandise Sales	\$20,663	\$16,489	\$1,840	\$20,000	\$0	\$0.26	\$0.00	\$0.26
Fees and Charges to Residents	184,245	513,803	602,446	539,522	628,958	7.11	8.29	(1.18)
Laundry	188,260	271,454	253,604	270,000	270,000	3.56	3.56	0.00
Miscellaneous	503,794	597,370	554,172	578,701	540,664	7.63	7.13	0.50
Total Revenue	\$896,962	\$1,399,116	\$1,412,062	\$1,408,223	\$1,439,622	\$18.56	\$18.98	(\$0.42)
EXPENSES:								
Employee Compensation	\$6,769,342	\$7,101,334	\$6,772,640	\$7,545,645	\$7,591,769	\$99.44	\$100.05	\$0.61
Expenses Related to Compensation	2,533,803	2,950,772	2,525,920	2,953,208	3,064,495	38.92	40.39	1.47
Material and Supplies	782,393	847,345	831,110	963,885	837,297	12.70	11.04	(1.66)
Electricity	192,576	151,523	161,483	189,000	120,000	2.49	1.58	(0.91)
Sewer	1,736,044	1,723,347	1,743,577	1,779,600	1,840,200	23.45	24.25	0.80
Water	1,888,496	1,898,155	1,790,236	1,919,116	1,937,476	25.29	25.53	0.24
Trash	379,488	407,744	422,299	429,177	450,459	5.66	5.94	0.28
Telephone	664	669	638	685	706	0.01	0.01	0.00
Legal Fees	193,400	253,208	238,961	349,985	349,985	4.61	4.61	0.00
Professional Fees	100,513	174,191	99,831	121,979	116,320	1.61	1.53	(0.08)
Equipment Rental	8,246	5,878	5,960	3,654	4,533	0.05	0.06	0.01
Outside Services	759,101	1,215,518	1,180,521	765,211	1,451,221	10.09	19.13	9.04
Repairs and Maintenance	22,235	45,347	35,538	41,314	41,873	0.54	0.55	0.01
Other Operating	162,176	128,831	135,553	166,682	166,044	2.20	2.19	(0.01)
Income Taxes	19,849	(371,167)	(13,931)	25,000	0	0.33	0.00	(0.33)
Property and Sales Tax*	10,062,623	10,765,612	11,375,124	11,111,994	12,158,000	***	***	***
Property Insurance*	617,222	634,590	952,802	974,142	3,021,594	***	***	***
Insurance	512,394	476,748	529,725	529,519	816,149	6.98	10.76	3.78
Net Allocations to Mutuals	790,755	969,562	1,004,578	1,355,431	1,162,789	17.86	15.32	(2.54)
Uncollectible Accounts	26,495	44,785	32,610	59,600	30,000	0.79	0.40	(0.39)
(Gain)/Loss on Sale	(2,047)	(886)	(57)	(7,500)	0	(0.10)	0.00	0.10
Total Expenses	\$27,555,768	\$29,423,106	\$29,825,118	\$31,277,327	\$35,160,910	\$252.92	\$263.34	\$10.42
(Surplus)/Deficit Recovery	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Total Operating	\$26,658,806	\$28,023,990	\$28,413,056	\$29,869,104	\$33,721,288	\$234.36	\$244.36	\$10.00
RESERVE CONTRIBUTIONS:								
Reserve Fund	\$10,850,268	\$10,850,268	\$11,229,648	\$11,535,000	\$11,535,000	\$152.02	\$152.02	\$0.00
Contingency Fund	1,441,644	1,062,464	1,138,140	758,760	0	10.00	0.00	(10.00)
Total Reserve Contributions	\$12,291,912	\$11,912,732	\$12,367,788	\$12,293,760	\$11,535,000	\$162.02	\$152.02	(\$10.00)
TOTAL MUTUAL	\$38,950,718	\$39,936,722	\$40,780,844	\$42,162,864	\$45,256,288	\$396.38	\$396.38	\$0.00
GOLDEN RAIN FOUNDATION								
GRF Operating	\$12,870,405	\$13,548,791	\$13,947,912	\$13,778,752	\$14,158,135	\$181.60	\$186.60	\$5.00
GRF Reserve Contributions	1,821,024	1,517,520	1,441,644	1,821,024	1,441,644	24.00	19.00	(5.00)
Total GRF	\$14,691,429	\$15,066,311	\$15,389,556	\$15,599,776	\$15,599,779	\$205.60	\$205.60	\$0.00
TOTAL BASIC ASSESSMENTS	\$53,642,147	\$55,003,033	\$56,170,400	\$57,762,640	\$60,856,067	\$601.98	\$601.98	\$0.00

*The asterisk indicates an assessment that varies per manor.

United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2021
UNITED LAGUNA WOODS MUTUAL

	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2021 Budget	Increase/ (Decrease)	VAR %
Non-Assessment Revenues:							
Merchandise Sales							
41501500 - Merchandise Sales - Warehouse	\$38,515	\$25,495	\$6,905	\$20,000	\$0	\$20,000	100%
Total Merchandise Sales	38,515	25,495	6,905	20,000	0	20,000	100%
Fees and Charges for Services to Residents							
46501000 - Permit Fee	70,387	107,902	165,201	148,715	165,393	(16,677)	(11%)
46501500 - Inspection Fee	50,419	61,842	56,566	79,294	79,294	0	0%
46502000 - Resident Maintenance Fee	63,439	344,059	380,679	311,513	384,271	(72,758)	(23%)
Total Fees and Charges for Services to Residents	184,245	513,803	602,446	539,522	628,957	(89,435)	(17%)
Laundry							
46005000 - Coin Op Laundry Machine	188,260	271,454	253,604	270,000	270,000	0	0%
Total Laundry	188,260	271,454	253,604	270,000	270,000	0	0%
Investment Income							
49001000 - Investment Income - Nondiscretionary	40,861	89,572	111,158	88,289	18,000	70,289	80%
49002000 - Investment Income - Discretionary	282,646	301,524	328,932	297,205	216,000	81,205	27%
Total Investment Income	323,507	391,096	440,089	385,494	234,000	151,494	39%
Unrealized Gain/(Loss) On AFS Investments							
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(10,281)	(213,731)	0	0	125,000	(125,000)	0%
Total Unrealized Gain/(Loss) on AFS Investments	(10,281)	(213,731)	0	0	125,000	125,000	0%
Miscellaneous							
46004500 - Resident Violations	21,385	80,160	45,763	50,001	30,000	20,001	40%
44501000 - Additional Occupant Fee	39,872	44,200	40,090	42,000	40,000	2,000	5%
44501500 - Lease Processing Fee - United	101,860	113,580	124,540	128,000	123,526	4,474	3%
44502000 - Variance Processing Fee	11,510	8,100	3,450	4,000	4,000	0	0%
44503000 - Stock Transfer Fee	12,780	15,110	12,100	13,000	15,405	(2,405)	(19%)
44503510 - Resale Processing Fee - United	170,044	122,934	125,132	125,000	128,233	(3,233)	(3%)
44506500 - Auto Decal Fee	0	(125)	0	0	0	0	0%
44507000 - Golf Cart Electric Fee	59,772	59,919	59,113	62,000	60,000	2,000	3%
44507200 - Electric Vehicle Plug-In Fee	4,276	7,307	12,896	15,000	14,000	1,000	7%
44507500 - Carport Space Rental Fee	2,594	2,307	2,538	2,500	2,000	500	20%
47001000 - Cash Discounts - Accounts Payable	(10)	0	0	0	0	0	0%
47001500 - Late Fee Revenue	24,594	47,967	42,496	50,000	50,000	0	0%
47002000 - Collection Administrative Fee	48,230	0	0	0	0	0	0%
47002010 - Collection Administrative Fee - United	1,800	63,890	74,020	72,000	61,500	10,500	15%
47002500 - Collection Interest Revenue	1,780	4,730	8,828	4,800	10,000	(5,200)	(108%)
47501000 - Recycling	2,313	5,888	4,229	6,000	2,000	4,000	67%
48001000 - Legal Fee	1,707	4,435	3,465	4,400	0	4,400	100%
49004000 - Insurance Reimbursement	7,485	0	0	0	0	0	0%
49009000 - Miscellaneous Revenue	(712)	16,969	(4,487)	0	0	0	0%
Total Miscellaneous	511,279	597,370	554,172	578,701	540,664	38,037	7%
Total Non-Assessment Revenue	1,235,525	1,585,489	1,857,217	1,793,717	1,798,621	(4,904)	0%
Expenses:							
Employee Compensation							
51011000 - Salaries & Wages - Regular	2,300,668	2,544,753	2,426,628	2,883,900	2,966,423	82,523	3%
51021000 - Union Wages - Regular	5,715,196	5,608,553	5,759,262	6,279,593	6,380,230	100,637	2%
51041000 - Wages - Overtime	61,517	45,795	46,698	28,203	23,590	4,614	(16%)
51051000 - Union Wages - Overtime	132,807	111,691	134,374	94,908	88,955	(5,953)	(6%)
51061000 - Holiday & Vacation	580,847	892,739	907,991	773,301	788,381	15,080	2%
51071000 - Sick	264,766	281,990	311,326	315,425	321,577	6,151	2%
51081000 - Sick - Part Time	0	0	0	24	255	231	956%
51091000 - Missed Meal Penalty	3,159	3,018	4,181	1,268	1,426	158	12%
51101000 - Temporary Help	141,049	143,083	89,617	1,870	23,900	22,030	1178%
51981000 - Compensation Accrual	24,140	(35,646)	37,963	0	0	0	0%
Total Employee Compensation	9,224,149	9,595,975	9,718,040	10,378,493	10,594,736	216,243	2%
Compensation Related							
52411000 - F.I.C.A.	663,142	712,034	716,353	776,727	793,354	16,626	2%
52421000 - F.U.I.	37,358	8,627	8,496	10,834	10,882	49	0%
52431000 - S.U.I.	49,683	76,267	65,253	55,120	55,304	184	0%
52441000 - Union Medical	1,782,086	1,839,814	1,849,120	1,889,284	2,001,002	111,718	6%
52451000 - Workers' Compensation Insurance	394,354	686,085	562,575	639,961	580,059	(59,902)	(9%)
52461000 - Non Union Medical & Life Insurance	274,815	343,755	323,717	337,605	380,221	42,615	13%
52461500 - VUL Premium	0	17,367	0	0	0	0	0%
52461550 - VUL Interest	0	(548)	0	0	0	0	0%
52471000 - Union Retirement Plan	315,812	325,638	376,433	334,482	500,411	165,928	50%
52481000 - Non-Union Retirement Plan	69,662	57,623	51,767	125,775	129,095	3,319	3%
52981000 - Compensation Related Accrual	7,324	90,876	(41,398)	0	0	0	0%
Total Compensation Related	3,594,236	4,157,538	3,912,316	4,169,789	4,450,327	280,538	7%
Materials and Supplies							
53001000 - Materials & Supplies	624,349	518,596	568,351	594,628	650,728	56,100	9%
53002500 - Printed Membership Materials	1,120	0	0	0	0	0	0%
53003000 - Materials Direct	1,771,159	2,523,338	2,587,128	2,545,928	2,431,902	(114,025)	(4%)
53004000 - Freight	9	35	0	0	4,141	4,141	0%
Total Materials and Supplies	2,396,637	3,041,969	3,155,479	3,140,556	3,086,771	(53,784)	(2%)
Utilities and Telephone							
53301000 - Electricity	192,576	151,523	161,483	189,000	120,000	(69,000)	(37%)

United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2021
UNITED LAGUNA WOODS MUTUAL

	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2021 Budget	Increase/ (Decrease)	VAR %
53301500 - Sewer	1,736,044	1,723,347	1,743,577	1,779,600	1,840,200	60,600	3%
53302000 - Water	1,888,496	1,898,155	1,790,236	1,919,116	1,937,476	18,360	1%
53302500 - Trash	393,704	423,056	430,881	437,719	460,254	22,535	5%
53304000 - Telephone	664	669	638	685	706	21	3%
Total Utilities and Telephone	4,211,484	4,196,751	4,126,815	4,326,120	4,358,636	32,515	1%
Legal Fees							
53401500 - Legal Fees	193,400	253,208	238,961	349,985	349,985	0	0%
Total Legal Fees	193,400	253,208	238,961	349,985	349,985	0	0%
Professional Fees							
53402000 - Audit & Tax Preparation Fees	41,461	42,056	0	0	0	0	0%
53402010 - Audit & Tax Preparation Fees - United	0	0	43,377	44,500	45,400	900	2%
53403500 - Consulting Fees	3,629	23,496	(7,470)	12,479	15,920	3,441	28%
53403510 - Consulting Fees - United	55,423	108,639	113,924	65,000	55,000	(10,000)	(15%)
Total Professional Fees	100,513	174,191	149,831	121,979	116,320	(5,659)	(5%)
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	29,399	21,403	32,849	17,038	19,993	2,955	17%
Total Equipment Rental	29,399	21,403	32,849	17,038	19,993	2,955	17%
Outside Services							
53601000 - Bank Fees	20,985	20,207	6,843	25,321	31,921	6,600	26%
53601500 - Credit Card Transaction Fees	0	0	999	0	0	0	0%
54603500 - Outside Services Direct	5,512,896	7,825,530	9,929,254	8,447,910	9,059,495	611,585	7%
53704000 - Outside Services	49,734	117,920	90,998	164,394	137,221	(27,172)	(17%)
Total Outside Services	5,583,615	7,963,656	10,028,094	8,637,624	9,228,637	591,012	7%
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	11,234	7,350	8,730	16,823	18,394	1,571	9%
53702500 - Building Repair & Maint	0	13,870	0	0	0	0	0%
53703000 - Elevator /Lift Maintenance	14,191	26,552	30,133	30,157	30,166	9	0%
Total Repairs and Maintenance	25,425	47,773	38,863	46,979	48,559	1,580	3%
Other Operating Expense							
53801000 - Mileage & Meal Allowance	4,262	6,269	8,804	15,153	14,993	(160)	(1%)
53801500 - Travel & Lodging	169	401	961	3,027	2,829	(199)	(7%)
53802000 - Uniforms	94,610	74,759	79,657	88,787	94,090	5,303	6%
53802500 - Dues & Memberships	906	924	1,445	1,687	2,557	871	52%
53803000 - Subscriptions & Books	2,994	3,225	1,640	2,026	2,048	21	1%
53803500 - Training & Education	6,949	4,622	6,740	19,682	23,134	3,452	18%
53804000 - Staff Support	0	0	0	1,409	0	(1,409)	(100%)
53901000 - Benefit Administrative Fees	27	0	0	0	0	0	0%
53901500 - Volunteer Support	0	0	0	1,668	0	(1,668)	(100%)
53903000 - Safety	95	0	0	508	776	268	53%
54001000 - Board Relations	3,747	3,657	7,355	0	0	0	0%
54001010 - Board Relations - United	5,183	3,388	8,658	7,500	7,525	25	0%
54001500 - Public Relations	448	11	394	0	0	0	0%
54002000 - Postage	55,074	56,245	48,177	58,717	57,828	(889)	(2%)
54002500 - Filing Fees / Permits	297	330	4,525	847	348	(498)	(59%)
Total Other Operating Expense	174,759	153,830	168,357	201,011	206,128	5,116	3%
Income Taxes							
54301000 - State & Federal Income Taxes	19,849	(371,167)	(13,931)	25,000	0	(25,000)	(100%)
Total Income Taxes	19,849	(371,167)	(13,931)	25,000	0	(25,000)	(100%)
Property and Sales Tax							
54301500 - State & Local Taxes	6,400	0	0	0	0	0	0%
54302000 - Property Taxes	10,056,223	10,765,612	11,375,124	11,111,994	12,158,000	1,046,006	9%
Total Property and Sales Tax	10,062,623	10,765,612	11,375,124	11,111,994	12,158,000	1,046,006	9%
Insurance							
54401000 - Hazard & Liability Insurance	428,519	405,480	460,237	455,779	742,331	286,552	63%
54401500 - D&O Liability	79,525	64,121	64,083	66,412	66,490	79	0%
54402000 - Property Insurance	617,222	764,251	952,802	974,142	3,021,594	2,047,453	210%
54403000 - General Liability Insurance	4,350	7,147	5,406	7,328	7,328	0	0%
Total Insurance	1,129,616	1,240,999	1,482,527	1,503,660	3,837,743	2,334,083	155%
Investment Expense							
54201000 - Investment Expense	36,956	37,110	28,847	36,732	11,180	(25,552)	(70%)
Total Investment Expense	36,956	37,110	28,847	36,732	11,180	(25,552)	(70%)
Net Allocation to Mutuals							
48502500 - Mutual General Operating	0	0	(15,223)	0	0	0	0%
54602500 - Allocated Expenses	1,025,598	1,129,234	1,243,082	1,584,319	1,484,039	(100,280)	(6%)
Total Net Allocation To Mutuals	1,025,598	1,129,234	1,227,859	1,584,319	1,484,039	(100,280)	(6%)
Uncollectible Accounts							
54602000 - Bad Debt Expense	26,495	44,785	32,610	59,600	30,000	(29,600)	(50%)
Total Uncollectible Accounts	26,495	44,785	32,610	59,600	30,000	(29,600)	(50%)
(Gain)/Loss on Sale or Trade							
54101000 - (Gain)/Loss - Warehouse Sales	(2,047)	(886)	(57)	(7,500)	0	7,500	100%
54101500 - (Gain)/Loss On Investments	0	2,939	285,861	0	0	0	0%
Total (Gain)/Loss on Sale or Trade	(2,047)	2,053	285,803	(7,500)	0	7,500	100%

United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2021
UNITED LAGUNA WOODS MUTUAL

	<u>2017 Actuals</u>	<u>2018 Actuals</u>	<u>2019 Actuals</u>	<u>2020 Budget</u>	<u>2021 Budget</u>	<u>Increase/ (Decrease)</u>	<u>VAR %</u>
Total Expenses	<u>37,832,707</u>	<u>42,454,919</u>	<u>45,988,446</u>	<u>45,703,380</u>	<u>49,981,054</u>	<u>4,277,674</u>	<u>9%</u>
Excess of Revenues Over Expenses	<u>(\$36,597,182)</u>	<u>(\$40,869,431)</u>	<u>(\$44,131,229)</u>	<u>(\$43,909,663)</u>	<u>(\$48,182,433)</u>	<u>\$4,272,770</u>	<u>10%</u>

United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2021
UNITED LAGUNA WOODS MUTUAL

	2021 Budget Operating	2021 Budget Reserves	Total
Non-Assessment Revenues:			
Fees and Charges for Services to Residents			
46501000 - Permit Fee	\$165,393	\$0	\$165,393
46501500 - Inspection Fee	79,294	0	79,294
46502000 - Resident Maintenance Fee	384,271	0	384,271
Total Fees and Charges for Services to Residents	628,957	0	628,957
Laundry			
46005000 - Coin Op Laundry Machine	270,000	0	270,000
Total Laundry	270,000	0	270,000
Investment Income			
49001000 - Investment Income - Nondiscretionary	0	18,000	18,000
49002000 - Investment Income - Discretionary	0	216,000	216,000
Total Investment Income	0	234,000	234,000
Unrealized Gain/(Loss) On AFS Investments			
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	0	125,000	125,000
Total Unrealized Gain/(Loss) on AFS Investments	0	125,000	125,000
Miscellaneous			
46004500 - Resident Violations	30,000	0	30,000
44501000 - Additional Occupant Fee	40,000	0	40,000
44501500 - Lease Processing Fee - United	123,526	0	123,526
44502000 - Variance Processing Fee	4,000	0	4,000
44503000 - Stock Transfer Fee	15,405	0	15,405
44503510 - Resale Processing Fee - United	128,233	0	128,233
44507000 - Golf Cart Electric Fee	60,000	0	60,000
44507200 - Electric Vehicle Plug-In Fee	14,000	0	14,000
44507500 - Carport Space Rental Fee	2,000	0	2,000
47001500 - Late Fee Revenue	50,000	0	50,000
47002010 - Collection Administrative Fee - United	61,500	0	61,500
47002500 - Collection Interest Revenue	10,000	0	10,000
47501000 - Recycling	2,000	0	2,000
Total Miscellaneous	540,664	0	540,664
Total Non-Assessment Revenue	1,439,621	359,000	1,798,621
Expenses:			
Employee Compensation			
51011000 - Salaries & Wages - Regular	2,966,423	0	2,966,423
51021000 - Union Wages - Regular	3,736,120	2,644,111	6,380,230
51041000 - Wages - Overtime	23,590	0	23,590
51051000 - Union Wages - Overtime	47,044	41,910	88,955
51061000 - Holiday & Vacation	563,350	225,031	788,381
51071000 - Sick	229,787	91,789	321,577
51081000 - Sick - Part Time	165	90	255
51091000 - Missed Meal Penalty	1,390	36	1,426
51101000 - Temporary Help	23,900	0	23,900
Total Employee Compensation	7,591,769	3,002,967	10,594,736
Compensation Related			
52411000 - F.I.C.A.	566,842	226,511	793,354
52421000 - F.U.I.	7,906	2,977	10,882
52431000 - S.U.I.	40,420	14,884	55,304
52441000 - Union Medical	1,249,383	751,619	2,001,002
52451000 - Workers' Compensation Insurance	378,182	201,877	580,059
52461000 - Non Union Medical & Life Insurance	380,221	0	380,221
52471000 - Union Retirement Plan	312,446	187,965	500,411
52481000 - Non-Union Retirement Plan	129,095	0	129,095
Total Compensation Related	3,064,494	1,385,833	4,450,327

United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2021
UNITED LAGUNA WOODS MUTUAL

	2021 Budget Operating	2021 Budget Reserves	Total
Materials and Supplies			
53001000 - Materials & Supplies	447,221	203,506	650,728
53003000 - Materials Direct	387,609	2,044,293	2,431,902
53004000 - Freight	2,467	1,674	4,141
Total Materials and Supplies	837,298	2,249,473	3,086,771
Utilities and Telephone			
53301000 - Electricity	120,000	0	120,000
53301500 - Sewer	1,840,200	0	1,840,200
53302000 - Water	1,937,476	0	1,937,476
53302500 - Trash	450,459	9,795	460,254
53304000 - Telephone	706	0	706
Total Utilities and Telephone	4,348,841	9,795	4,358,636
Legal Fees			
53401500 - Legal Fees	349,985	0	349,985
Total Legal Fees	349,985	0	349,985
Professional Fees			
53402010 - Audit & Tax Preparation Fees - United	45,400	0	45,400
53403500 - Consulting Fees	15,920	0	15,920
53403510 - Consulting Fees - United	55,000	0	55,000
Total Professional Fees	116,320	0	116,320
Equipment Rental			
53501500 - Equipment Rental/Lease Fees	4,533	15,460	19,993
Total Equipment Rental	4,533	15,460	19,993
Outside Services			
53601000 - Bank Fees	31,921	0	31,921
54603500 - Outside Services Direct	1,291,819	7,767,676	9,059,495
53704000 - Outside Services	127,481	9,740	137,221
Total Outside Services	1,451,221	7,777,416	9,228,637
Repairs and Maintenance			
53701000 - Equipment Repair & Maint	11,707	6,687	18,394
53703000 - Elevator /Lift Maintenance	30,166	0	30,166
Total Repairs and Maintenance	41,872	6,687	48,559
Other Operating Expense			
53801000 - Mileage & Meal Allowance	14,779	214	14,993
53801500 - Travel & Lodging	2,828	1	2,829
53802000 - Uniforms	56,359	37,731	94,090
53802500 - Dues & Memberships	2,399	158	2,557
53803000 - Subscriptions & Books	2,047	0	2,048
53803500 - Training & Education	21,179	1,955	23,134
53903000 - Safety	752	25	776
54001010 - Board Relations - United	7,525	0	7,525
54002000 - Postage	57,828	0	57,828
54002500 - Filing Fees / Permits	348	0	348
Total Other Operating Expense	166,044	40,084	206,128
Property and Sales Tax			
54302000 - Property Taxes	12,158,000	0	12,158,000
Total Property and Sales Tax	12,158,000	0	12,158,000
Insurance			
54401000 - Hazard & Liability Insurance	742,331	0	742,331
54401500 - D&O Liability	66,490	0	66,490
54402000 - Property Insurance	3,021,594	0	3,021,594
54403000 - General Liability Insurance	7,328	0	7,328
Total Insurance	3,837,743	0	3,837,743

United Laguna Woods Mutual
Budget Comparison Report by Account
12/31/2021
UNITED LAGUNA WOODS MUTUAL

	2021 Budget Operating	2021 Budget Reserves	Total
Investment Expense			
54201000 - Investment Expense	0	11,180	11,180
Total Investment Expense	0	11,180	11,180
Net Allocation to Mutuals			
54602500 - Allocated Expenses	1,162,789	321,250	1,484,039
Total Net Allocation To Mutuals	1,162,789	321,250	1,484,039
Uncollectible Accounts			
54602000 - Bad Debt Expense	30,000	0	30,000
Total Uncollectible Accounts	30,000	0	30,000
Total Expenses	35,160,909	14,820,145	49,981,054
Excess of Revenues Over Expenses	<u>(\$33,721,288)</u>	<u>(\$14,461,145)</u>	<u>(\$48,182,433)</u>

this page intentionally left blank

**UNITED LAGUNA WOODS MUTUAL
2021 RESERVES PLAN
Programs Report**

DESCRIPTION	2017 ACTUALS	2018 ACTUALS	2019 ACTUALS	2020 BUDGET	2021 BUDGET	INCREASE/(DECREASE)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
PLUMBING SERVICE	\$1,386,190	\$1,546,049	\$1,674,053	\$1,382,296	\$1,157,218	(\$225,078)	(16%)
DAMAGE RESTORATION	0	0	0	0	750,051	750,051	100%
CARPENTRY SERVICE	631,345	602,580	188,134	494,100	535,154	41,054	8%
ELECTRICAL SERVICE	297,572	279,917	315,789	409,634	413,911	4,277	(1%)
INTERIOR PREVENTIVE MAINTENANCE	300,972	325,221	345,817	346,454	350,791	4,337	(1%)
APPLIANCE REPAIRS	340,302	334,729	316,893	308,507	320,663	12,156	4%
PEST CONTROL	75,577	123,057	176,611	225,980	200,000	(25,980)	(11%)
COUNTERTOP/FLOOR/TILE REPAIRS	120,770	159,360	164,092	128,480	120,807	(7,673)	(6%)
FIRE PROTECTION	8,873	19,891	11,819	12,700	32,981	20,281	160%
ENERGY PROGRAM	32,725	33,439	28,285	25,000	25,000	0	0%
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	19,056	16,125	27,017	25,000	25,000	0	0%
GUTTER CLEANING	135,680	133,645	140,566	0	0	0	0%
BALCONY/BREEZEWAY RESURFACING	295,054	131,853	0	0	0	0	0%
BUILDING REHAB/DRY ROT	84,844	43,115	0	0	0	0	0%
PAINT-TOUCHUP	186,571	186,228	0	0	0	0	0%
ROOF REPAIR	162,439	146,113	0	0	0	0	0%
TOTAL	\$4,077,970	\$4,081,321	\$3,389,076	\$3,358,151	\$3,931,576	\$573,425	17%

Line 2 was moved from contingency in 2021.

Line 12 was moved to General Services in 2020.

Lines 13-16 were moved to reserves in 2019.

OPERATING FUND - GENERAL SERVICES

16	CONCRETE SERVICE	\$385,931	\$491,793	\$437,408	\$373,111	\$386,661	\$13,550	4%
17	JANITORIAL SERVICE	243,623	370,083	318,622	345,015	359,689	14,674	4%
18	GUTTER CLEANING	47,282	24,669	66,425	192,872	195,013	2,141	1%
19	WELDING	57,120	120,028	71,405	101,275	105,144	3,869	4%
20	TRAFFIC CONTROL	12,040	19,606	8,821	15,010	15,610	600	4%
21	PAVING MAINTENANCE & REPAIRS	46,950	69,408	0	0	0	0	0%
TOTAL		\$792,946	\$1,095,587	\$902,681	\$1,027,283	\$1,062,117	\$34,834	3%

Line 22 was moved to reserves in 2019.

**UNITED LAGUNA WOODS MUTUAL
2021 BUSINESS PLAN
Programs Report**

DESCRIPTION	2017	2018	2019	2020	2021	INCREASE/(DECREASE)	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	\$	%
OPERATING FUND - LANDSCAPE							
23 LANDSCAPE ADMINISTRATION	\$109,833	\$80,126	\$126,159	\$122,135	\$234,842	112,707	92%
24 NURSERY & COMPOSTING	187,650	189,754	185,790	216,737	187,358	(29,379)	(14%)
25 GROUNDS MAINTENANCE	2,081,242	2,198,830	2,284,105	2,680,672	2,742,171	61,499	2%
26 IRRIGATION	641,932	678,226	614,750	800,293	761,282	(39,011)	(5%)
27 SMALL EQUIPMENT REPAIR	179,812	188,412	188,316	199,608	208,891	9,283	5%
28 PEST CONTROL	195,979	191,790	219,894	229,781	225,820	(3,961)	(2%)
29 TREE MAINTENANCE	(247)	2,358	(21,110)	0	0	0	0%
TOTAL	\$3,396,201	\$3,529,496	\$3,597,904	\$4,249,226	\$4,360,364	\$111,138	3%

OPERATING EXPENDITURES MAINTENANCE & CONSTRUCTION

General Maintenance includes the inspection, maintenance and repair of buildings including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings, stairs, and concrete and asphalt surfaces. Services are provided as planned programs as well as in response to service requests.

1) Plumbing Service

\$1,157,218

Routine and emergency services include but are not limited to the following:

- Sink stoppages
- Basin stoppages
- Tub stoppages
- Main line stoppages
- In-wall leaks
- Faucet leaks
- Toilet leaks
- Water heater leaks
- Sink leaks
- Faucet repair/replacement
- Toilet repairs
- Shower valve repair/replacement
- Underground/slab leaks
- Building service valve replacements

Plumbing Repairs

Main service categories include leak investigation, clearing of stoppages, remedial work related to plumbing leaks (in-wall, under-slab, underground, etc.), and component repairs (faucets, toilets, garbage disposals, etc.). Beginning in 2014, plumbing technicians began to perform drywall and stucco cuts to expedite repairs to in-wall leaks and pipe re-routes. The technicians are certified to handle the removal and abatement of drywall. This allows for a single visit by one department to a manor for the cutout and repair process. Service levels for this category are based on historical averages of hours, materials, and outside services.

Underground leaks are addressed through outside services due to CAL OSHA shoring requirements and asbestos cement pipe (Transite) repair and abatement issues. A contingency amount is included for this service.

The overall budget increase in the 2021 budget accounts for the growing number of calls for service in the community to mitigate back-ups and leaks. In addition, the cost for outside contractors to handle plumbing emergencies has increased due to the changes in after-hours security protocol.

In 2019, Plumbing received 13,857 calls for service. It is assumed that the occurrence of stoppages will begin to trend down as the waste lining program progresses through the community.

2) Damage Restoration

\$750,051

This line item covers several Damage Restoration Services described below.

(A) Damage Restoration – Plumbing Leaks

This item funds restoration (dry down, environmental testing, abatement & misc. repairs) of units due to plumbing leaks from the under-slab, in-wall, supply line, drain line, toilet base, loose plumbing connections, tub/shower fixtures, angle stops, under fixture pipes, dishwashers, water heaters, garbage disposals, faucets, and toilet tanks, that may cause damage to floors, walls, base boards, etc. and will need repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

This budget will remain flat based on the adopted 2020 budget.

(B) Damage Restoration – Plumbing Stoppages

This item funds restoration (dry down, environmental testing, abatement & misc. repairs) of units due to plumbing stoppages from main lines, internal lines, toilets, sink/basins, and multi-fixture stoppages, that may cause damage to floors, walls, base boards, etc. and will need repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

This budget will remain flat based on the adopted 2020 budget.

(C) Damage Restoration – Miscellaneous

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of units with miscellaneous moisture from tub/shower enclosures, cracked tile/missing grout, humidity, irrigation, loose sink/countertop connections, washing machines (non-alteration), service work related, foundations, window condensation, and mold, that may cause damage to floors, walls, base boards, etc. and will need repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

This budget will remain flat based on the adopted 2020 budget.

(D) Damage Restoration – Rain Leaks

This line item funds restoration (dry down, environmental testing, abatement & misc. repairs) of units due to roof leaks, deteriorated roof membranes, roof flashing/connections, windows, stucco walls, , atrium back-ups, gutter systems, rain flooding, skylights (non-alteration), and vents, that may cause damage to floors, walls, base boards, etc. and will need repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

Moisture Intrusion staff coordinate repairs and restoration with in-house staff and outside contractors to minimize the inconvenience to members.

This budget will remain flat based on the adopted 2020 budget.

(E) Damage Restoration Services

This line item funds the emergency mitigation and restoration services necessary to fulfill the Mutual's policy and protect Mutual property against further loss or damage. Services include coordination of leak investigations, dispatch of emergency mitigation and remediation contractors, environmental testing, asbestos abatement and mold remediation where required, and repair of damaged building components.

Part of this expenditure is reimbursed to the Mutual through hearings that review the circumstances of the moisture intrusion event in order to determine if the member should be held responsible for costs associated with the restoration.

This budget has remained flat based on the approved 2020 budget.

3) Carpentry Service

\$535,154

Carpentry and carpentry-related service work is provided on the Mutual's buildings, carports, and laundries, such as:

- Interior/exterior entry door repair
- Repair/replace entry locks
- re-key locks
- Support scaffolding
- Window repair
- Building cracks and stucco repair
- Door/window re-screening
- Weather stripping
- In-wall animal removal
- Insect screen install/repair
- Mailbox door and lock repair
- Wardrobe closet door repair
- Board-up windows/shore up sites
- Sliding glass door repairs
- Carport repair
- Patio gate repair
- Drywall/texture repair
- Acoustic ceiling repair
- Carport cabinet repair
- Cabinet repair/modification for appliances
- Baseboard repair/replacement
- Bath accessory repair/replacement
- Skylight repair
- Medicine cabinet repair
- Patio door lock repair

The budget for this item is essential to maintain the expected service level and to complete all necessary maintenance concerns requested by residents for the services described above, in a timely manner. Included is non-paint related scaffolding work, where properly trained staff setup scaffolding and operate man-lift equipment to perform high reach work on an as-needed basis for other department work functions such as prior-to-paint dry rot repairs, decking installation, and other miscellaneous needs.

4) Electrical Service

\$413,911

This item includes maintenance, repair and replacement of all lighting and electrical systems and fixtures, including:

- Doorbells / Thermostats
- Light fixtures / Heaters / Fans
- Electrical service panels
- Street/ Carport / Walkway lighting
- Interior bulb / Ballast replacement
- Electrical outlets
- Low voltage lighting systems
- Walkway lighting installations
- Underground wiring
- Relamping of exterior fixtures

This item also includes funding for load calculations on electrical service panels by a certified electrical engineer prior to any additional walkway light installations, as required to comply with permit requirements by the City of Laguna Woods. City permit fees are also included in this item. The service level for this category is based on historical averages of hours and materials.

5) Interior Preventive Maintenance

\$350,791

(A) Manor Preventive Maintenance Program

The Interior Preventive Maintenance crew moves through the Mutual's manors on an approximate 3 year schedule, covering approximately 1,641 manors per year. The following general items are addressed:

- Change exhaust fan filters
- Caulk sinks, basins, tub/shower enclosures, and tub/shower tile
- Lubricate and adjust window and sliding glass door rollers
- Remove, clean, lubricate, and reinstall bathroom exhaust fan
- Remove dust from the coils behind and beneath refrigerators
- Tighten and adjust closet door rollers
- Perform leak testing on toilets using blue tablets
- Inspect sink, toilet, and basin risers for leaks
- Inspect and test all valves and supply lines for signs of deterioration

(B) Laundry Preventive Maintenance Program

Implemented in 2011, this proactive program includes activities such as cleaning behind and under laundry equipment, cleaning or replacing the dryer vent tubes and

addressing or reporting other maintenance requirements on a semi-annual basis for each of the Mutual's 175 laundry rooms.

6) Appliance Repairs

\$320,663

This item includes repairs to the Mutual's in-manor and laundry appliances. In each category, both historical averages of labor, materials and outside services as well as recent trends in service requirements are used as a budgetary basis.

This increase is reflective of the rising cost of parts and the number of calls for service.

(A) Oven Repair

Door gaskets, thermostats, control panels, and heating elements are examples of oven components that require repair or replacement. These parts are repaired or replaced as required for proper operation. Many service calls are for calibration of the thermostat.

(B) Dishwasher Repair

Heating elements, pumps, baskets, and door seals are examples of dishwasher components that require repair or replacement. These parts are repaired or replaced as required for proper operation.

(C) Refrigerator Repair

Door seals, shelving, thermostats, and compressors are examples of refrigerator components that require repair or replacement. These parts are repaired or replaced as required for proper operation.

(D) Range/Cook Top Repair

Heating elements and electrical connections are examples of range/cook top components that require repair or replacement. These parts are repaired or replaced as required for proper operation.

(E) Laundry Washer/Dryer Repair

Washers: Repairs to washing machines often result from the high volume of usage experienced by the units. Frequent washing machine service calls include reports of water not draining, washtubs not spinning, and non-operation of the machine. Repairs or replacements are undertaken as required for proper operation.

Dryers: Repairs to dryers often result from the high volume of usage experienced by the units. Heating elements, thermostats, and control switches are typical dryer components that require repair or replacement. These parts are repaired or replaced as required for proper operation.

7) Pest Control

\$200,000

A licensed pest control contractor provides the Mutual with pest control services for termite eradication and bee removal services. The budget is typically developed based on historical trends and the existence of termites as identified by the Mutual's pest control contractor. A staff inspector and a representative of the contractor conduct inspections in response to all reported evidence of live termites and upon request at the time a manor is resold. Based on the results of those inspections, a list of buildings requiring fumigation is compiled. Whenever possible, localized treatments of the infested areas will be performed for dry wood termites to minimize the fumigation requirements. Subterranean termites are also treated at the localized point of infestation.

The buildings listed for fumigation typically are scheduled for the following year and worked into the budget. Fumigation costs are based on a pre-determined contract value per building type. The current contract is with Newport Exterminating. The projected costs are budgeted in four categories, Fumigation – Tenting; Local Treatments; Fumigation – Landscaping (for plant removal); and Fumigation – Motel (Lodging) Costs. Lodging costs include costs related to providing temporary housing to residents displaced from buildings being fumigated. Although not required by law, Mutual policy is to provide lodging for two nights while the fumigation is in process. The lodging budget is based on the number of units contained in each of the buildings to be fumigated and a contract in place with a local hotel.

The budget for fumigation (tenting) is based on a weighted average of each building type with costs applied to those buildings based on a pre-determined contract value per building type. This approach is used to determine budgetary estimates for the Business Plan, as the full list of actual buildings that will require treatment are often not known until after the preparation of a given year's Business Plan.

Projected funding for 2021 includes fumigation of buildings that have been qualified for whole structure tenting during inspections conducted in 2020.

During the 2021 Business Planning Meeting, the original proposed budget was decreased by \$24k per the request of the Board.

8) Countertop/Floor/Tile Repairs

\$120,807

This item includes repairs to kitchen and bathroom countertops, kitchen and bathroom vinyl floors, bath shower and tub wall surround tiles, and shower floor tiles. In 2013, due to increasing need for replacement of bathtub and shower wall tile surrounds, major tile repairs and replacements were moved to the Replacement Fund, resulting in the tile-related scope of this item including only re-grouting of tiled shower walls and floors and minor tile repairs (i.e. those that do not involve complete replacement of tub/shower surrounds or shower floors).

Labor and materials for the in-house repair of shower and tub glass enclosures is based on historical averages.

Outside contractors perform repairs to chipped bathtubs and as-needed glazing of bathtubs and shower wall tiles which are needed for color matching when new tiles do not match the color of existing tiles.

9) Fire Protection

\$32,981

(A) Smoke Detector Service

Effective 2021, the majority of the budget for smoke detector repairs/replacements was moved from the Security Department to the M&C Department.

This budget is based on the Security Departments adopted budget for 2020.

(B) Fire Extinguisher Service

This service, provided through an outside contractor, covers the required annual inspection, maintenance, repair and replacement of the 1,024 fire extinguishers located throughout the Mutual. Specifics of the service include (1) annual inspection; (2) tear down and rebuilding when required; (3) hydrostatic testing when required; (4) proper tagging of extinguishers to indicate date of service and certification; (5) replacement of irreparable or missing extinguishers and extinguishers that must be replaced in accordance with Fire Authority regulations, and (6) repair of extinguisher cabinets.

(C) Chimney Cleaning

This contingency budget includes ten chimney cleanings and removal of ashes from ash pits at the contract pricing for that service.

10) Energy Program

\$25,000

This item provides Operation & Maintenance (O&M) to the Mutual's solar systems as described below:

- Remote monitoring and diagnostics
- Monthly kilowatt production reports
- Monitor overall system performance and production
- Product warranty administration
- Inverter inspections and preventative maintenance
- Thermal imaging and thermal reporting
- Communication system inspection
- IV curve trace testing
- Array, balance of systems inspection
- Module and solar site visual inspection 2x per year

- Report shading of PV panels
- Preventative maintenance service reports
- PV panel cleaning 2x per year
- Annual system performance report summary
- Power quality analysis and reporting
- Warranty management & service logs of maintenance

11) Miscellaneous Repairs by Outside Services

\$25,000

Budgeting for the following repairs not completed by in-house crews is based on historical averages and trends in the types of service required.

(A) Glass Tub Enclosures

This item addresses repairs to glass tub enclosures (when possible). Non-reparable enclosures are replaced through the Appliance & Fixture Replacements category of the Reserve Expenditures - Replacement Fund section of the Business Plan.

(B) Glass Shower Enclosures

This item addresses repairs to glass shower enclosures (when possible). Non-reparable enclosures are replaced through the Appliance & Fixture Replacements category of the Reserve Expenditures - Replacement Fund section of the Business Plan.

(C) Glass / Broken Window

This item includes the replacement of broken glass, glazing strips, handles and locks on windows and sliding glass doors. When frames and tracks become worn, damaged or separate from the glass, replacement of the window in its entirety with a retrofit or new construction type window is required. Replacements are performed out of the Window Replacement line item of the Reserve Expenditures - Replacement Fund section of the Business Plan.

(D) Sliding Glass Door Track

This item covers the bottom track of the sliding glass doors. Generally, there are two reasons for replacing these tracks. Through normal use, the weight of the dual-pane glass door wears down the door rollers and wears down the guiding fin. Over time the door will no longer stay in the track. Deterioration of the track due to moisture also necessitates its replacement. Placement of a plastic plate between the track and the stucco serves to mitigate potential deterioration of the new track.

(E) Weather Stripping Replacement

Replacement of weather stripping through outside services is limited to the occasions when the particular type of weather stripping requires glass removal or other special circumstances.

(F) Phone Line Repairs

This item covers repairs associated with the Mutual's responsibility for providing a working telephone line to each manor.

(G) Lead Paint Testing

In 2010, new EPA regulations went into effect requiring special procedures and handling when performing Renovation, Repair and Painting (RRP) of building components where lead based paint is present. The presence of lead paint must be determined before proceeding with work that qualifies under the regulations. Determination of the presence of lead paint must be performed a Certified Lead Inspector/Risk Assessor. This budget is included to pay for the costs of lead testing performed by a Certified Lead Inspector/Risk Assessor on projects that will be completed by an outside service.

(H) Miscellaneous

This item includes repairs through outside services that do not fit into one of the above categories.

this page intentionally left blank

OPERATING EXPENDITURES GENERAL SERVICES

This section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

17) Concrete Service

\$386,661

Services provided include the repair or replacement of all concrete slabs, walkways and driveways. Concrete repairs include crack filling and grinding-down of walkways that have created a tripping hazard. Replacement of concrete occurs when lifting exceeds grinding capability. Repairs to block trash enclosures or laundry room walls are also addressed under this budget item. The budget for this item is developed based on historical averages and recent trends.

18) Janitorial Service

\$359,689

Services provided in this category include scheduled janitorial services for breezeways and common areas of multi-story buildings, free-standing laundry buildings, miscellaneous janitorial services in Mutual common areas, and carport cleanings based on the following established service levels:

<u>Description</u>	<u>Quantity</u>	<u>Times/Year</u>	<u>Hours/Visit</u>
• Free-Standing Laundry Rooms	175	13	1.40
• Restrooms at Free-Standing Laundry Rooms	40	52	0.25
• Multi-Story Building Breezeways	375	10	1.00
• Carport Stall Cleanings	6514	03	7/per day

19) Gutter Cleaning

\$195,013

This item provides for the cleaning of building and carport rain gutters to ensure their proper function and drainage.

The budget includes funding for an outside service to clean the gutters of 1-story, 2-story, and 3-story buildings once during the fourth quarter of the year, as well as providing hours for cleaning gutters on an as-requested basis throughout the year using in-house labor.

The leaf/debris removal program was implemented to remove built-up debris, mostly leaves and pine needles, from the flat roofs prior to the winter season. This preventive measure serves to reduce the potential for water backups on flat roofs during the rainy season, 307 buildings with flat roofs are included in this program.

The scope of the leaf/debris removal program also includes buildings with sloped roofs that are subject to leaf/debris accumulation; therefore an additional 558 buildings are part of this program. The leaf/debris removal program is coordinated with the gutter cleaning program to increase the efficiency of this work.

20) Welding

\$105,144

Welding services include the repair/replacement of railings, gates, fences, and steel step rails. Budgeting is based on historical averages and trends for hours and materials, and includes lead testing and abatement, required due to EPA lead handling regulations.

In 2013, the Board chose to include Stair Tread Replacements in this line item, to address the increase of stair tread deterioration within the Mutual. This work is completed in response to service ticket requests placed by residents or staff.

Where possible, the existing stair treads from runs completely replaced are salvaged for use as replacement treads on an individual basis.

21) Traffic Control

\$15,610

This item addresses the installation and maintenance of devices required to facilitate traffic safety and circulation throughout the Community. This includes: parking lot and street striping, replacement of directional and vehicular control signage, and curb painting. The budget is developed based on historical averages and recent trends.

OPERATING EXPENDITURES LANDSCAPE SERVICES

The Department of Landscape Services provides the following major functions:

23) Landscape Administration \$234,842

Landscape Administration support is provided to the United Board and Landscape Committee at regularly scheduled meetings. Additionally, the administrative staff provides customer service, maintains databases, and prepares work efficiency reports and annual operating budgets. Other tasks not directly related to the daily operation of individual work centers are included in this budget.

The 2021 Administration budget has increased by \$112,707 or 92% over the 2020 Budget due to the restructuring of the section and annual increase in wage rates including elimination of turnover factor.

24) Nursery & Composting \$187,358

The Nursery and Composting work center supports other crews by growing and providing shrubs and trees for use throughout the community for new and replanting tasks. By growing all the plants used by the crews on site, the cost of new and replacement plant materials are greatly reduced. The work center also supports other crews by recycling tree and shrub cuttings, using a tub grinder, into the mulch used throughout the community. By recycling the green waste produced by the pruning within the Community, disposal costs are greatly reduced as well as eliminating the expense of purchasing mulch.

The 2021 Nursery and Composting budget has decreased by (\$29,379), or (14%) over the 2020 Budget due to the reallocation of hours.

25) Grounds Maintenance \$2,742,171

Grounds Maintenance crews perform the routine maintenance described below. Overall, Grounds Maintenance budget has increased by \$61,499, or 2% due to factors mentioned below.

Shrub-Bed Maintenance

Components required for shrub-bed maintenance consist of all pruning, raking, weeding, mulching, re-planting, and edging of the planters around buildings. The shrub-bed maintenance cycle varies seasonally and is performed on 83 shrub-bed acres in United Mutual. Beginning in 2020 the costs for small slope maintenance were included in shrub-beds due the tasks being concurrent.

The 2021 Shrub-Bed Maintenance budget has decreased by (\$137,442) or (7%) over the 2020 budget due to the following factors:

- Annual increase in wage rates, including elimination of turnover factor
- Inclusion of in-house costs for small slope maintenance
- Increase in agronomic costs (fertilizer, herbicides, etc.)

Turf Maintenance

The turf maintenance responsibilities consist of 138 acres in United Mutual. The mowing cycle schedules are adjusted seasonally throughout the year to respond to growing conditions.

The 2021 Turf Maintenance budget has increased by \$34,601 or 6% over the 2020 Budget due to the following factors:

- Annual increase in wage rates, including elimination of turnover factor.
- Increase in materials for turf repair to increase the overall appearance of the turf.
- Increase in agronomic costs, e.g. fertilizer, herbicides, etc.

Miscellaneous Tasks

The Grounds Maintenance work center also perform various miscellaneous tasks, including general cleanup, storm damage repair and cleanup, storm preparation, employee training, preparation of areas for paint crew access, and preparation of exterior for building fumigation.

The 2021 Miscellaneous Tasks Budget has increased by \$181,960 or 193% over the 2020 Budget due to the following factors:

- Annual increase in wage rates, including elimination of turnover factor
- Reallocation of hours

Slope Maintenance

Components required for slope maintenance are similar to shrub-bed maintenance; pruning, raking, weeding, edging, re-planting, and renovation. The maintenance cycle is performed on all slopes, of which there are 24 acres in United Mutual.

Starting in 2020, all large slope maintenance is performed by contract. Smaller slope maintenance adjacent to housing units will continue to be performed by Staff in conjunction with shrub-bed maintenance.

The 2021 Slope Maintenance budget has decreased by (\$17,620), or (63%) from the 2020 Operating Budget due to reallocation of work to outside services.

26) Irrigation

\$761,282

This is a support work center, providing irrigation support to other Landscape Maintenance Sections. The irrigation work center oversees 4,154 watering zones throughout United Mutual controlled by 163 irrigation controllers. These controllers are managed by a central irrigation computer through the use of radio and telephone communication transmission technologies. The system is weather sensitized and adjusts watering schedules based on daily fluctuations in plant evapotranspiration (ET) rates. The irrigation crew also maintains and cleans landscape drains throughout the community on a regular basis.

The 2021 Irrigation Maintenance budget has decreased by (\$39,011) or (5%) over the 2020 Budget due to the following factors:

- Annual increase in wage rates, including elimination of turnover factor.
- Reallocation of hours from other tasks and increase in staffing levels; staff hours increased by 16%.
- Increase in material costs.

27) Small Equipment Repair

\$208,891

The Small Equipment Repair work center supports other crews by providing mower and small equipment maintenance, repair, and delivery. Supplies and materials used by crews to maintain lawns, slopes, and shrub beds are ordered and received through this department.

The 2021 Small Equipment Repair Budget has increased by \$9,283, or 5% from the 2020 Budget due to the reallocation of hours.

28) Pest Control

\$225,820

Pest Control is a support work center, providing pest control support to other landscape maintenance sections. Pest Control uses various methods to control a variety of landscape pests. Pests include; weeds, insects including wasps and bees (in landscaping), and rodents and other vertebrae.

The 2021 Pest Control budget has decreased by (\$3,961), or (2%) over the 2020 Budget due to the annual increase in wage rates, including elimination of turnover factor. Additionally, the work center has experienced a rise in rodent control calls and costs.

this page intentionally left blank

**UNITED LAGUNA WOODS MUTUAL
2021 RESERVES PLAN
Programs Report**

DESCRIPTION	2017 ACTUALS	2018 ACTUALS	2019 ACTUALS	2020 BUDGET	2021 BUDGET	INCREASE/(DECREASE) \$ %	
RESERVE FUND - MAINTENANCE & CONSTRUCTION							
BUILDING STRUCTURES	\$550,274	\$450,881	\$600,963	\$670,009	\$1,548,984	\$878,975	131%
CDS SIGNAGE	0	0	0	50,000	0	(50,000)	(100%)
ELECTRICAL SYSTEMS	415,152	391,326	447,860	459,495	459,495	0	0%
EXTERIOR WALKWAY LIGHTING	25,816	42,568	36,202	75,121	100,391	25,270	34%
FOUNDATIONS	10,396	9,540	41,608	43,836	43,836	0	0%
GUTTER REPLACEMENT	44,926	32,607	67,711	98,289	102,215	3,926	4%
PAINT - EXTERIOR	1,783,176	1,962,079	1,920,691	1,876,061	2,018,293	142,232	8%
PLUMBING	0	0	0	0	635,618	635,618	100%
PRIOR TO PAINT	795,628	727,998	938,463	1,003,518	1,081,894	78,376	8%
PAVING	140,802	223,490	392,760	396,628	483,596	86,968	22%
ROOFS	966,357	1,197,055	814,112	930,804	1,011,445	80,641	9%
WALLS	0	0	151,736	165,000	35,000	(130,000)	(79%)
WASTE LINE REMEDIATION	1,067,364	1,890,122	2,126,216	2,300,000	2,300,000	0	0%
WATER LINE - COPPER PIPE REMEDIATION	0	225,632	245,552	200,000	200,000	0	0%
WINDOW/SLIDING SCREEN DOOR	74,238	140,117	60,896	119,518	123,735	4,217	4%
OTHER SUPPL. APPROPRIATIONS	2,792	0	915,107	0	0	0	0%
APPLIANCE AND FIXTURES:							
COOKTOPS	79,079	57,585	106,637	71,112	71,716	604	1%
DISHWASHERS	103,150	107,052	93,094	85,523	89,051	3,528	4%
FIXTURES - BASINS/FAUCETS/SINKS/TOILETS	325,963	300,042	255,597	238,679	229,253	(9,426)	(4%)
GARBAGE DISPOSALS	100,858	159,923	110,654	115,440	114,730	(710)	(1%)
HOODS	38,629	26,507	21,474	35,681	36,299	618	2%
KITCHEN/BATH COUNTERS, FLOORS, MISC.	958,559	1,114,485	992,888	1,392,191	1,364,445	(27,746)	(2%)
OVENS	132,318	95,335	130,533	111,112	111,716	604	1%
RANGES	8,756	4,392	10,628	12,469	12,799	330	3%
REFRIGERATORS	267,847	167,413	185,323	227,754	229,892	2,138	1%
WATER HEATERS & PERMITS	90,493	1,042,161	1,205,084	751,503	748,075	(3,428)	(0%)
DRYERS - LAUNDRY	3,282	0	3,551	35,735	35,872	137	0%
WASHING MACHINES - LAUNDRY	7,882	1,858	2,717	90,773	91,124	351	0%
RESALE INSPECTION REPLACEMENTS	0	0	0	0	0	0	0%
TOTAL APPLIANCE AND FIXTURES	\$2,116,816	\$3,076,754	\$3,118,180	\$3,167,972	\$3,134,972	(\$33,000)	(1%)
TOTAL	\$7,993,737	\$10,370,168	\$11,878,056	\$11,556,251	\$13,279,474	\$1,723,223	15%

Line 30 includes major damage restoration costs moved from contingency in 2021.

Lines 30, 36, 38, 39, and 40 include major repairs moved from operations in 2019.

Lines 36 and 38 were moved from operations in 2016.

Line 37 was moved from operations in 2021.

Line 42, 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
2021 RESERVES PLAN
Programs Report**

DESCRIPTION	2017	2018	2019	2020	2021	INCREASE/(DECREASE)	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	\$	%
RESERVE FUND - GENERAL SERVICES							
57 PRIOR TO PAINT - WELDING	\$1,298	\$3,678	\$0	\$9,186	\$9,546	\$360	4%
58 PAVING	0	0	33,890	68,481	71,067	2,586	4%
59 WALLS	14,205	140,900	0	30,365	30,400	35	0%
TOTAL	\$15,503	\$144,578	\$33,890	\$108,032	\$111,013	\$2,981	3%

Lines 57 and 58 include major repairs moved from operations in 2019.

RESERVE FUND - LANDSCAPE							
60 LANDSCAPE RENOVATION	\$262,629	\$87,667	\$104,142	\$451,543	\$168,591	(\$282,952)	(63%)
61 IMPROVEMENT & RESTORATION	\$0	\$0	\$0	0	316,330	\$316,330	100%
62 TREE MAINTENANCE	587,110	416,257	1,118,879	864,752	933,558	68,806	8%
TOTAL	\$849,739	\$503,924	\$1,223,021	\$1,316,295	\$1,418,479	\$102,184	8%

CONTINGENCY FUND - MAINTENANCE & CONSTRUCTION							
63 MOISTURE INTRUSION - RAIN LEAKS	\$200,300	\$78,401	\$464,866	\$152,000	\$0	(\$152,000)	(100%)
64 MOISTURE INTRUSION - PLUMBING LEAKS	572,607	867,771	1,381,962	755,390	0	(755,390)	(100%)
65 MOISTURE INTRUSION - PLUMBING STOPPAGES	247,715	356,680	409,223	278,926	0	(278,926)	(100%)
66 MOISTURE INTRUSION - MISCELLANEOUS	69,970	140,546	250,780	78,786	0	(78,786)	(100%)
67 DAMAGE RESTORATION SERVICES	121,230	5,496	207,991	143,640	0	(143,640)	100%
OTHER SUPPL. APPROPRIATIONS	0	0	100,953	0	0	0	0%
TOTAL	\$1,211,822	\$1,448,894	\$2,814,606	\$1,408,742	\$0	(\$1,408,742)	(100%)

Lines 63-67: planned expenditures moved to operations and reserves for damage restoration services

RESERVE EXPENDITURES MAINTENANCE & CONSTRUCTION

This section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

30) Building Structures

\$1,548,984

Building Structures (Projects): This reserve component is designed to address building structures that are exhibiting deterioration and will be utilized on a contingency basis. It is assumed that full replacement of this component would never be required. The unit cost is a contingency estimate for a typical building structure repair.

Building Structures (Maint Ops/Carpentry): This reserve component is designed to address building structures that are exhibiting deterioration and to eradicate dry rot through a systematic and proactive approach utilizing an aggressive inspection process designed to address all buildings in United Mutual to include both architectural and structural components through outside services and staff labor hours and material costs. This includes but is not limited to balcony replacements, trellis structure replacements, beam replacements, walkway replacements, bridge replacements, interior doors, exterior doors, corbel end removals, cannon and peeler post replacements, stucco, drywall systems, lead and asbestos testing and abatement cost, associated engineering cost and City building permit application and inspection fees. Replacements are qualified and generated on both a reactive and a proactive basis (Non-Program and Program).

Building Rehab/Dry Rot: Dry rot is reported by residents, contractors and staff working in the Community. Additionally, the decking crews address re-surfacing of deck surfaces on a 4-year program. When the crews review the existing condition of deck surfaces, in some cases dry rot is found, necessitating repairs. The dry rot crew completes the work as part of the overall Building Rehab/Dry Rot line item.

Smoke Alarm Installation (Maintenance Services): Smoke detectors are to be replaced every 10 years. No budget needed until 2023.

Funding for all building structure expenditures is based on the historical replacement quantities, anticipated useful life, and current estimated cost of materials and labor adjusted for inflation, as well as prior year actuals.

As part of the 2021 building structure repairs, staff will proactively assess buildings for drainage issues that could lead to building settlement. Staff will identify areas that are displaying drainage issues and implement the necessary modifications.

On programs such as decking topcoat and prior-to-paint, staff no longer allows the “patch and paint” practices, which have resulted in a reduction in general maintenance

dry rot service orders. Staff now replaces compromised wooden sections with properly primed and painted materials, resulting in a higher life expectancy.

Damage Restoration Services

This reserve component is for reconstruction of manors/buildings resulting from rain leaks, plumbing leaks, plumbing stoppages, and moisture intrusion events. During the 2021 Business Planning Meeting, the Board asked that all costs related to the reconstruction or replacement of mutual owned components, be moved from the Contingency Fund to the Replacement/Reserve Fund. However, restoration costs exceeding \$25K will be submitted to the Mutual's insurance carrier.

Balcony Inspections

This reserve item is new for 2021 and is necessary due to Senate Bill 326, which states that a statistically significant sample of all of the mutual's exterior elevated elements is to be inspected once every 9 years. The first inspection shall be completed by January 1, 2025, and then every nine years thereafter in coordination with the reserve study inspection pursuant to Section 5550. The report will include detailed information of each inspected element's condition, expected future performance, remaining useful life, and any repair/replacement recommendations. VMS will be contracting with a licensed structural engineer or architect to inspect (216 buildings) the exterior elevated elements for which the mutual has maintenance or repair responsibility.

31) CDS Signage

\$0

The cul-de-sac signage project was completed in 2020.

32) Electrical Systems

\$459,495

Electrical Upgrades: This reserve component is designed to address upgrades to the electrical systems in the Mutual's buildings, on a contingency basis.

Pushmatic Panel Upgrades: The new program assumes 2,750 electrical panels will be replaced over a 10 year period.

The 2021 budget includes funding for the installation of approximately 275 electric panels.

Alternate Heat Source Installation: United Mutual is responsible for providing a heat source in the bedroom and living/dining room areas of its manors. At the time of original construction, the provided heat source was in-ceiling radiant heat systems. If an original in-ceiling radiant heat system fails or requires replacement as the result of some maintenance activity, the Mutual must provide a replacement heat source. The Mutual replaces failed heat systems with an appropriate and cost effective type unit for the room being heated. Typically that is a wall heater in the bedrooms and a through the

wall heat pump in the living/dining rooms. The type of unit used is contingent on several factors, the most important being the BTU's required to heat the area being heated.

This is a reactive program to replace 3 heat pumps and 3 wall heaters per year.

33) Exterior Walkway Lighting \$100,391

This budget funds as-needed consultant services for exterior lighting projects, and the maintenance and upgrade of the Mutual's walkway lighting system, including the addition of new lights. Funding assumes a contingency for the installation of 18 new fixtures per year.

34) Foundations \$43,836

This reserve component is designed to address building foundations that are exhibiting deterioration. Staff assumed that full replacement of this component would never be required.

This program assumes that .6% or 7 buildings would require repair every year.

As part of the 2021 funding for foundations, staff will proactively assess buildings for drainage issues that could lead to undermining of building foundations which may cause differential settlement and other damage. Staff will identify areas with drainage deficiencies and implement corrective action if contingency funding from this program is available.

35) Gutter Replacement \$102,215

Gutter Repairs: The gutter systems are constructed of galvanized metal pieces joined together in ten foot long sections or less. Typically, original gutter systems fail at the joints and corrode, which result in leaks. The funding for this program is reactive and based on resident requests.

Gutter Replacement: This reserve item is designed to address the replacement of failing, original rain gutters, and downspout systems on all of the Mutual's buildings.

New Gutter Installation: Starting in 2020, \$50,000 was added to the budget for new gutter installations in order to address drainage issues and to prevent foundation erosion.

36) Paint – Exterior \$2,018,293

The Mutual's Exterior Paint Program is based on a 10-year full painting cycle. The 2021 Program includes approximately 1.5 million square feet of buildings. The work entails painting of all exterior building components, including stucco or siding, and the trim

(fascia boards, beams, overhangs, doors, closed soffits, structural and ornamental metal surfaces). This budget items also include deck top coating, replacement of building number signs, and lead testing. Funding also includes interior and exterior touch-up painting which was moved from Operating to Reserves in 2019.

Planned expenditures are based on the square footage and the number of buildings planned for 2021.

37) Plumbing

\$635,618

This reserve component will address routine and emergency plumbing component replacements.

During the 2021 Business Planning Meeting, the Mutual elected to move plumbing replacements and major plumbing repair work performed by in-house staff and outside services from the Operating Fund to the Replacement/Reserve Fund.

Services will include but are not limited to the following:

- Valve Replacements
- Hose Bib Replacements
- In-wall leaks
- Underground Leaks
- Under slab Leaks
- Shower mix-it valve replacements
- Tub Spout Replacements
- Building service valve replacements
- Drywall cut for plumbing repairs

Underground leaks are addressed through outside services due to CAL OSHA shoring requirements and asbestos cement pipe (Transite) repair and abatement issues.

The overall budget increase in the 2021 budget accounts for the growing number of calls for service in the community to mitigate back-ups and leaks. In addition, the cost for outside contractors to handle plumbing emergencies has increased due to the changes in after-hours security protocol.

38) Prior to Paint

\$1,081,894

The Mutual's Exterior Paint Program is based on a 10-year full painting cycle. The 2021 Program includes approximately 1.5 million square feet of buildings. The work entails painting of all exterior building components, including stucco or siding, and the trim (fascia boards, beams, overhangs, doors, closed soffits, structural and ornamental metal surfaces). This budget items also include deck top coating, replacement of building number signs, and lead testing. Funding also includes interior and exterior touch-up painting which was moved from Operating to Reserves in 2019.

Planned expenditures are based on the square footage and the number of buildings planned for 2021.

39) Paving

\$483,596

Parkway Concrete: Each year staff inspects the Mutual sidewalks to receive paving work for potential tripping hazards and areas are identified for replacement to eliminate the long waiting periods required with the current reactive program. Staff also identifies all damaged drainage gutters in the area and includes their replacement cost in this budget item. This program works in conjunction with the current paving program.

Asphalt Repairs: Each year all asphalt pavements in the community is inspected and rated for wear. When the pavement rating justifies replacement, the work is budgeted for the upcoming year. For the purpose of reserve planning, an estimated life of 25 years is used. Asphalt maintenance consists of pavement repair and replacement of failed sections and the application of seal coatings to extend the life of the asset.

Seal Coat: The application of a slurry seal coat over asphalt is recommended to extend its useful life. This procedure can eliminate most minor defects in paving, such as raveling or block cracking, before the oxidation process accelerates water intrusion into the structural base. Asphalt within the Mutual receives a seal coat 5 years after paving and also on a continuous 5-year cycle thereafter. This type of preventive maintenance is considered the most efficient and cost-effective method of extending the serviceable life of asphalt paving.

The scope of work for 2021 includes all those asphalt areas last paved or sealed in 2016 (481,304 square feet).

40) Roofs

\$1,011,445

Funding is provided to identify and replace roof systems which have reached their serviceable life prior to failure. Three roof systems are maintained and replaced in the Mutual with this budget item; Built-up roofs (BUR), Composition Shingle Roofs; and Tile Roofs.

In 2019, preventive and emergency roof repairs were moved from operating to reserves.

Roofs - Built-Up ("BUR"): All roofs 15 years of age and older are visually inspected and a query of all reported rain leaks for the subject buildings is generated. After this information has been documented, the roofs are ranked and the roofs with the worst overall performance are slated for replacement. Therefore, not all roofs are replaced upon expiration of their anticipated 16-year serviceable life. To eliminate spikes in future year expenditures staff has leveled out the roofing replacement square footage over the next 10 years. Starting in 2009 all BUR roofs are being re-roofed with PVC Cool Roofs. The new PVC roofs have a serviceable life of 25 years.

Roofs - Comp Shingle: The Composition Shingle Replacement Program was designed to replace roof systems that have reached their serviceable life prior to failure. The next composition shingle roof replacements will take place in the year 2023.

Roofs - Tile: Beginning with the 2004 Business Plan, the board elected to initiate the Capistrano Tile Replacement program to address premature failure of Capistrano tile roofs that were originally constructed with plywood sheathing. Inspections of buildings constructed with plywood confirmed that the organic felt underlayment had significantly deteriorated and was causing a significant number of leaks into the manors.

The Capistrano Tile Roof program was completed over a 12 year period and completed 278 buildings and has an estimated life of 40 years. Capistrano Tile roofs are not due for replacement until 2044.

The 2021 budget is based on the square footage of roofing systems requiring replacement. In addition, 3 of the 18 planned buildings to be re-roofed are Barcelona style buildings and this building style requires an extensive taper/cricket system to correct roof drainage problems due to improper sloping from the original roof construction.

41) Walls

\$35,000

Funding is provided to upgrade the security and aesthetics of the Mutual's perimeter walls by replacing existing barbed wire with shepherd's crook. In 2017 Conditional Use Permit-1135 was approved by the City of Laguna Woods for the installation of Shepherd's Crook.

1475 linear feet of wall and security fencing replacement and vegetation removal is scheduled for 2021.

42) Waste Line Remediation

\$2,300,000

In 2006, the Board established a reserve line item for Waste Lines. The program provides for the evaluation of waste lines and the implementation of an epoxy-lining program to extend the life of the existing waste pipes and reduce the leaks and backups associated with an aging waste system.

This program uses a combination of a reactive and proactive approach for the repair of waste lines. Reactively staff addresses backups as they arise and proactively all waste pipes in the surrounding units are epoxy lined.

Beginning in 2020, the Board increased funding for this program to \$2,300,000 and it is predicated on a program horizon of nine years.

43) Water Line – Copper Pipe Remediation

\$200,000

This budget item funds the epoxy lining of failed copper water supply lines in the Mutual. Buildings are selected as candidates for epoxy-lining based on a leak criteria and the frequency of leaks in a given building. Staff tracks leaks associated with the copper lines, and criteria-based calculations are made to identify the candidate building. The program is reactive as well as proactive. When a manor meets the epoxy-lining criteria, the entire building where the manor is located is epoxy-lined.

44) Windows/Sliding Screen Door

\$123,735

Resolution U-01-09 (2/17/01) sets forth the following regarding the Mutual's Window Replacement Policy: "Windows will not be replaced at the expense of United Laguna Woods Mutual for any reason other than structural or mechanical malfunction and/or failure of the windows. Residents are free to replace windows at their own expense, following established procedures."

This reserve component funds the replacement of windows and sliding screen doors in need of replacement due to structural or mechanical malfunction. Residents are also free to replace windows at their own expense, following established procedures.

45) Cooktops

\$71,716

With the exception of rings, pans, and burners, it is often more cost effective to replace an older unit than it is to repair it. Following current direction from the Board, cooktops 20 years and older will be replaced at the request of the Mutual member. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 20 year estimated life for each appliance. The planned expenditures are based on the expectation of replacing 83 cooktops in 2021.

Funding of \$18,000 is also included for disbursements for residents who furnish their own cooktops.

46) Dishwashers

\$89,051

Dishwashers are typically replaced due to rusting of the metal tubs and doors. New units are made using fiberglass tubs and have a longer serviceable life. Following current direction from the board, a dishwasher 12 years and older will be replaced at the request of the Mutual member.

Planned expenditures are based on the replacement of 160 dishwashers in 2021.

Funding of \$14,000 is also included for disbursements for residents who furnish their own dishwashers.

47) Fixtures – Basins/Faucets/Sinks/Toilets

\$229,253

Bathroom Basins: Bathroom basins are replaced for several reasons, most commonly due to rusting and normal wear and tear. The old basins are cast iron, whereas the new basins are porcelain. Costs for standard basins are an average based on type (over counter/under counter) with varying prices for types and colors. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 30 year estimated life for each appliance.

Toilets: Toilets are replaced for many reasons, such as cracks in the bowl and/or tank, and various non-functioning components. Acid washing of toilets is performed to remove the hard water deposits. The Mutual standard replacement includes 14" round and 18" elongated toilets which vary in cost. Planned expenditures are based on the anticipated 30 year useful life and current estimated cost of materials and labor plus inflation.

Kitchen Sinks: Sinks are replaced due to normal wear and tear resultant from everyday use and due to chipping and flaking of the enamel finish (often due to corrosion). Approved standard sinks are now stainless steel (single or double). All vary in costs based on size and color. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 30 year estimated life for each appliance.

Faucets: Faucets are replaced due to normal wear and tear. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 30 year estimated life for each appliance.

48) Garbage Disposals

\$114,730

Garbage disposals are typically replaced due to age and wear. The serviceable life of a garbage disposal is currently 12 years. The plumbing division follows a reactive replacement policy, replacing the units only upon non-reparability. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the estimated life for each appliance.

Garbage disposals are also changed when a countertop is replaced along with the sink and faucet as a proactive measure to prevent leaks.

49) Hoods

\$36,299

Hoods are comprised of an exhaust fan and light fixture and work in conjunction with the ranges/cooktops. This reserve component funds the replacement of hoods which are generally replaced in conjunction with the cooktop for functionality reasons (some are connected to the control panel for the range) and occasionally to standardize the

appearance (so that the cooktop and hood match). 20 years and older hood will be replaced at the request of the Mutual member.

Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 20 year estimated life for each appliance.

Funding of \$5,000 is also included for disbursements for residents who furnish their own hoods.

50) Kitchen/Bath Counters, Floors, Misc.

\$1,364,445

This reserve component funds the replacement of kitchen and bath countertops, shower pans, bathtub and shower surround tile, vinyl flooring, shower and tub enclosures, and mirrors. These components are reviewed and qualified for replacement in response to resident requests and during resale inspections. Replacements are made on a reactive basis; the reserves plan is based on replacement at the end of the estimated life.

This budget also includes provision for abatement of lead and asbestos containing materials associated with vinyl and tile replacement.

Kitchen Counters: Countertops are replaced due to worn laminate surfaces, swelling of wood substructure, and laminate separation from wood substructure. Countertops in manors are reviewed and qualified for replacement in response to resident requests and during resale inspections. The scope of work includes the replacement of countertop, the garbage disposal, and the sink along with the faucet. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 30 year estimated life.

Bath Counters: Countertops are replaced due to worn laminate surfaces, swelling of wood substructure, and laminate separation from wood substructure. Countertops in manors are reviewed and qualified for replacement in response to resident requests and during resale inspections. The scope of work includes the replacement countertop, the basin, along with the faucet. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 30 year estimated life.

Laundry Counters: Countertops are replaced due to worn laminate surfaces, swelling of wood substructure, and laminate separation from wood substructure. Countertops are currently replaced as-needed. The number of countertops in each laundry room ranges from 1 to 4 per laundry room. The replacements of the countertop will include the sink and faucet.

Kitchen Floors: Vinyl floors are replaced due to normal wear and tear, non-repairable curling, discoloration from the subsurface, or areas on the floor that are worn through the surface. Floors in manors are reviewed and qualified for replacement in response to resident requests and during resale inspections. The scope of work includes, disconnect and relocate appliances, abatement of the existing flooring materials, asbestos

clearance, and installation of the new vinyl flooring along with cove base and re-install appliances. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 25 year estimated life. This program assumes 50% of the planned units would require replacement annually.

Bath Floors: Vinyl floors are replaced due to normal wear and tear, non-repairable curling, discoloration from the subsurface, or areas on the floor that are worn through the surface. Floors in manors are reviewed and qualified for replacement in response to resident requests and during resale inspections. The scope of work includes removal of the toilet(s), abatement of the existing flooring material, asbestos clearance, and installation of new vinyl flooring along with cove base and re-installation of the toilet(s). Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 25 year estimated life.

Bath Mirrors: Bathroom mirrors are reviewed and qualified for replacement in response to resident requests and during resale inspections. The primary reason mirrors are replaced is de-silvering around the mirrors edges and/or when the mirror detaches from the wall or breaks. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the 30 year estimated life.

Bath Shower/Tub Enclosures: Shower and tub enclosures in manors are reviewed and qualified for replacement in response to resident requests and during resale inspections. Tub enclosures are replaced for several reasons. The glass shatters from tension on the frame or from closing the door too hard. The frames of these enclosures rust, develop hard water deposits, and develop scaling. These factors may compromise the integrity of the enclosure, causing leaks to form in the corners. The life of these enclosures varies dependent upon resident care and cleaning methods and is estimated at 25 years.

Bath Tile Replacements: Bathtub and shower surround tiles are replaced due to settlement cracking, loose wall tiles and moisture damage behind the tiles. This budget also includes provision for abatement of lead and asbestos containing materials associated with tile replacement, as the glazing on the shower tiles has been found to contain lead and the backing board on the shower walls has been found to contain asbestos. Each of those materials must be removed following appropriate abatement practices.

The planned expenditures are primarily based on additional abatement costs. Vinyl flooring allows for a maximum of 3 layers to be installed before complete removal with testing and abatement are required. It is estimated that a large number of kitchen and bathroom floors that reached their serviceable life, and have the maximum allowed number of layers, which will require abatement.

51) Ovens

\$111,716

The ovens within the Mutual include both standard ovens and self-cleaning ovens. Following current direction from the board, an oven 20 years and older will be replaced

at the request of the Mutual member. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the estimated life for each appliance.

Funding of \$32,000 is also included for disbursements for residents who furnish their own ovens.

52) Ranges

\$12,799

With the exception of rings, pans, and burners, it is often more cost effective to replace an older unit than it is to repair. Following current direction from the board, ranges 20 years and older will be replaced at the request of the Mutual member.

Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the estimated life for each appliance. A range 20 years and older will be replaced at the request of the Mutual member.

The planned expenditures are based on 13 ranges requiring replacement in 2021.

Funding of \$3,000 is also included for disbursements for residents who furnish their own ranges.

53) Refrigerators

\$229,892

Refrigerators are replaced upon age (if requested) or inability to repair. Following current direction from the board, a refrigerator 20 years and older will be replaced at the request of the Mutual member. Although actual replacements are made on a reactive basis, the reserves plan is based on replacement at the end of the estimated life for each appliance. Also many refrigerators are replaced on a pro-rated basis when a resident requests replacement prior to the end of the 20 year expected life.

Planned expenditures are based on 220 refrigerators requiring replacement in 2021.

Funding of \$51,000 is also included for disbursements for residents who furnish their own refrigerator.

54) Water Heaters & Permits

\$748,075

Residential Water Heaters: There are 6,323 manor water heaters in the Mutual. Reserves for water heaters are based on an estimated life of 10 years. The Mutual currently replaces water heaters on a proactive basis, replacing units during their tenth year in service.

Planned expenditures are based on the anticipated useful life and current estimated cost of materials and labor plus inflation.

The budget decrease is predicated on staff's completion of the backlog of the water heater replacement program in 2019.

Laundry Water Heaters: There were 344 laundry water heaters in the Mutual in 2016 when the existing 50 gallon water heaters were replaced with 172 - 20 gallon, high efficiency Rheem units. Next replacements start in the year 2026.

The small increase in budget is a contingency for failures. The manufacturer's warranty doesn't cover labor and miscellaneous parts.

55) Dryers - Laundry

\$35,872

Funding in this component is used to replace laundry room dryers upon failure or non-reparability. These industrially-used units suffer wear and tear primarily to the heating elements, thermostats and control panels.

Planned expenditures are based on 54 dryers needing replacement in 2021.

56) Washing Machines - Laundry

\$91,124

Funding in this component is used to replace washing machines in laundry rooms upon failure or non-reparability on a reactive basis. Washers are currently replaced with a front loading machine. Inventory is in the process of being reduced to 3 washers per laundry room, as units fail. Currently there are 118 machines that are past their useful life and have a high probability of failure.

Planned expenditures are based on 45 washing machines needing replacement in 2021.

RESERVE EXPENDITURES GENERAL SERVICES

This section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

57) Prior to Paint – Welding

\$9,546

The Mutual has a 10-year full exterior paint program. This budget item includes a contingency for railing welding repairs on the buildings scheduled for the 2021 exterior paint program.

58) Paving

\$71,067

General Maintenance & Street Repairs; Asphalt Repairs, Main Line Repair, Crack Filling: Funding for asphalt and concrete in General Services addresses the reactive component of roadway and sidewalk repairs. Areas are addressed throughout the year as they are identified to eliminate the liability associated with the long waiting required with the annual proactive program. All street asphalt is also inspected and minor repairs and crack filling work is performed when needed to keep the roadways safe.

Sweeping: Funding for street and CDS sweeping on an as needed basis based on routine inspections to ensure necessary cleanliness and upkeep of the pavement area.

59) Walls

\$30,400

This is a contingency for both perimeter and common wall replacements.

Funding is provided in this item to address common area walls, as well as the Mutual's perimeter walls. A contingency amount is included to address the repair or replacement of damaged common walls. This program assumes that an average of 1% of the walls would require repair every year.

RESERVE EXPENDITURES LANDSCAPE SERVICES

The Department of Landscape Services provides the following major functions:

60) Landscape Renovation **\$168,591**

Landscape renovation and modernization programs are included in the Landscape Modification budget and are designed to address specific areas of concern, as determined by collaboration between Staff and the Landscape Committee. These projects are funded through the Replacement Fund. Each program requires varying levels of time and materials, depending upon the site(s) and project(s) selected to be completed each year.

For 2021, the Staff recommends that \$99,518 for Slope Maintenance, \$50,000 for Turf Renovation and \$34,208 for Turf Reduction Irrigation Retrofit.

The 2021 Landscape Modification Budget has decreased by \$267,817, or 59% from the 2020 Budget due to reallocation of slope work to outside services and addition of improvement and restoration category.

61) Improvement and Restoration **\$316,330**

The landscape in the Community is aging and much of it is past its useful life. The Improvement and Restoration work center replaces aging and dead plantings as well as re-landscaping areas that are difficult to maintain and irrigate.

This is a new work center; some of this work had been previously performed by outside services.

62) Tree Maintenance **\$933,558**

Tree Maintenance crews, supplemented by contractors, perform routine tree trimming on approximately 29,000 trees within the Community. The service level is a five year rotating cycle based upon the specific trimming needs of each tree species. All pruning is performed in accordance with International Society of Arboriculture pruning techniques. The tree inventory is maintained using the Arbor Pro program. Starting in 2020, Staff has been supplemented by outside services to complete the scheduled maintenance cycle.

The United Mutual four-year average for tree trimming (2016-2019) is \$750,732. The 2021 Tree Maintenance Budget is over the five-year average by \$183,338, or 24%. This increase is due to the following factors:

- Annual increase in wage rates, including elimination of turnover factor
- New five-year species based trimming cycle, trimming every tree at least once in the five-year rotation
- Increased trimming volume; reduction of the tree size by 25 percent reducing potential damage to buildings, other trees, cars, etc. and liability issues.

this page intentionally left blank



DEFINITION OF FUNDS

RESERVE FUND

This fund was established at the original construction of the Mutuals. The purpose of the Reserve Fund is to provide for repair, restoration, replacement, or maintenance of structural elements and mechanical equipment within the Mutual including, but not limited to, replacement of designated appliances, roofs, paving, laundry equipment, walls, vertical lifts, and windows.

Year	Beginning Balance	Investment Income	Contributions*	Assessment PMPM	Planned Expenditures**	ENDING BALANCE
2020	\$ 17,256,213	\$ 287,757	\$ 11,835,000	\$ 152.02	\$ (11,209,453)	\$ 18,169,517
2021	\$ 18,169,517	\$ 332,319	\$ 11,535,000	\$ 152.02	\$ (14,808,966)	\$ 15,227,869
2022	\$ 15,227,869	\$ 259,752	\$ 13,380,600	\$ 176.35	\$ (17,824,923)	\$ 11,043,298
2023	\$ 11,043,298	\$ 215,814	\$ 15,521,496	\$ 204.56	\$ (15,950,366)	\$ 10,830,242
2024	\$ 10,830,242	\$ 229,691	\$ 18,004,935	\$ 237.29	\$ (16,632,671)	\$ 12,432,197
2025	\$ 12,432,197	\$ 262,038	\$ 18,374,037	\$ 242.16	\$ (17,000,529)	\$ 14,067,743

*2020 contribution includes a \$300,000 transfer from operating surplus.
 **Planned expenditures may differ from the contracted reserve study based on budget submitted and projections.

CONTINGENCY FUND

The Contingency Fund is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing for unanticipated significant expenditures not otherwise identified in the business plan. This fund may also be used for write-offs of uncollectible accounts according to original definition of the General Operating Fund. This fund is not required by Civil Code and is not included in the reserve plan calculations.

Year	Beginning Balance	Investment Income	Contributions*	Assessment PMPM	Planned Expenditures**	ENDING BALANCE
2020	\$ 1,095,494	\$ 15,400	\$ 1,158,760	\$ 10.00	\$ (908,792)	\$ 1,360,862
2021	\$ 1,360,862	\$ 27,062	\$ 0	\$ 0	\$ (15,540)	\$ 1,372,384
2022	\$ 1,372,384	\$ 31,552	\$ 75,876	\$ 1.00	\$ (16,000)	\$ 1,463,812
2023	\$ 1,463,812	\$ 34,457	\$ 151,752	\$ 2.00	\$ (16,500)	\$ 1,633,521
2024	\$ 1,633,521	\$ 39,124	\$ 227,628	\$ 3.00	\$ (17,000)	\$ 1,883,273
2025	\$ 1,883,273	\$ 45,591	\$ 303,504	\$ 4.00	\$ (17,500)	\$ 2,214,868

*2020 contribution includes a \$400,000 transfer from operating surplus.

this page intentionally left blank

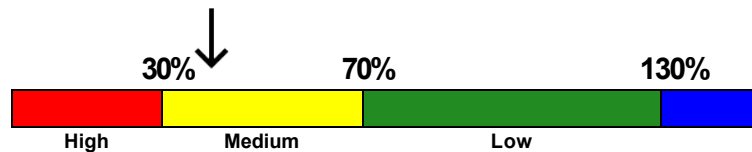
Executive Summary

Association:	United Laguna Woods Mutual	Assoc. #: 36560-1
Location:	Laguna Woods, CA	# of Units: 6,323
Report Period:	January 1, 2021 through December 31, 2021	

Findings/Recommendations as-of: January 1, 2021

Projected Starting Reserve Balance	\$18,169,517
Current Full Funding Reserve Balance	\$45,121,310
Average Reserve Deficit (Surplus) Per Unit	\$4,263
Percent Funded	40.3 %
Recommended 2021 "Annual Full Funding Contributions"	\$12,998,900
Alternate minimum contributions to keep Reserve above \$10,600,000	\$11,535,000
Most Recent Reserve Contribution Rate	\$11,535,000

Reserves % Funded: 40.3%



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 "No-Site-Visit" Reserve Study, and is based on a prior Report prepared by Association Reserves for your 2020 Fiscal Year. No site inspection was performed as part of this Reserve Study. This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Reserve Fund is between the 30% funded level and the 70% funded level at 40.3 % 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 \$12,998,900.

*The Alternative Contribution rate, also called Threshold Funding will keep the Reserve Funds above \$10,600,000. This figure for the Mutual is \$11,535,000.

To receive a copy of the full Reserve Study, contact the Association.

Executive Summary

36560-1

#	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	\$40,000
Cul de Sac Asphalt Resurface/Repairs and Replacements				
201	Asphalt - Resurface (2021)	25	0	\$346,000
201	Asphalt - Resurface (2022)	25	1	\$328,500
201	Asphalt - Resurface (2023)	25	2	\$361,500
201	Asphalt - Resurface (2024)	25	3	\$355,000
201	Asphalt - Resurface (2025)	25	4	\$338,000
201	Asphalt - Resurface (2026)	25	5	\$317,500
201	Asphalt - Resurface (2027)	25	6	\$317,500
201	Asphalt - Resurface (2028)	25	7	\$339,500
201	Asphalt - Resurface (2029)	25	8	\$300,000
201	Asphalt - Resurface (2030)	25	9	\$307,000
201	Asphalt - Resurface (2031)	25	10	\$332,000
201	Asphalt - Resurface (2032)	25	11	\$284,500
201	Asphalt - Resurface (2033)	25	12	\$358,000
201	Asphalt - Resurface (2034)	25	13	\$351,000
201	Asphalt - Resurface (2035)	25	14	\$303,500
201	Asphalt - Resurface (2036)	25	15	\$290,500
201	Asphalt - Resurface (2037)	25	16	\$293,000
201	Asphalt - Resurface (2038)	25	17	\$349,500
201	Asphalt - Resurface (2039)	25	18	\$251,000
201	Asphalt - Resurface (2040)	25	19	\$336,000
201	Asphalt - Resurface (2041)	25	20	\$297,500
201	Asphalt - Resurface (2042)	25	21	\$290,000
201	Asphalt - Resurface (2043)	25	22	\$365,000
201	Asphalt - Resurface (2044)	25	23	\$291,000
201	Asphalt - Resurface (2045)	25	24	\$300,000
201	Asphalt - Resurface (2046)	25	25	\$219,000
201	Asphalt - Resurface (2047)	25	26	\$269,500
201	Asphalt - Resurface (2048)	25	27	\$306,000
201	Asphalt - Resurface (2049)	25	28	\$316,000
201	Asphalt - Resurface (2050)	25	29	\$343,000
Roofs - Built-Up				
1302	Built-Up/PVC - Replace (2021)	1	0	\$830,000
1302	Built-Up/PVC - Replace (2022)	0	1	\$765,500
1302	Built-Up/PVC - Replace (2023)	0	2	\$714,000
1302	Built-Up/PVC - Replace (2024)	0	3	\$687,000
1302	Built-Up/PVC - Replace (2025)	25	4	\$697,500
1302	Built-Up/PVC - Replace (2026)	25	5	\$816,500
1302	Built-Up/PVC - Replace (2027)	25	6	\$661,000
1302	Built-Up/PVC - Replace (2028)	25	7	\$673,500
1302	PVC Cool Roof - Replace (2034)	25	13	\$968,000
1302	PVC Cool Roof - Replace (2035)	25	14	\$967,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1302 PVC Cool Roof - Replace (2036)	25	15	\$1,150,000
1302 PVC Cool Roof - Replace (2037)	25	16	\$1,601,000
1302 PVC Cool Roof - Replace (2038)	25	17	\$2,002,000
1302 PVC Cool Roof - Replace (2039)	25	18	\$1,787,000
1302 PVC Cool Roof - Replace (2040)	25	19	\$1,386,000
1302 PVC Cool Roof - Replace (2041)	25	20	\$970,000
1302 PVC Cool Roof - Replace (2042)	25	21	\$800,000
1302 PVC Cool Roof - Replace (2043)	25	22	\$508,000
1302 PVC Cool Roof - Replace (2044)	25	23	\$2,346,000
1302 PVC Cool Roof - Replace (2045)	25	24	\$823,500
1302 PVC Cool Roof - Replace (2046)	25	25	\$795,000
1302 PVC Cool Roof - Replace (2047)	25	26	\$534,000
1302 PVC Cool Roof - Replace (2048)	25	27	\$1,460,000
1302 PVC Cool Roof - Replace (2049)	25	28	\$1,480,000
1360 Emergency & Preventative Repairs	1	0	\$139,000
Roofs - Comp Shingle			
1308 Comp Shingle Roof - Replace (2023)	40	2	\$321,000
1308 Comp Shingle Roof - Replace (2041)	40	20	\$804,000
1308 Comp Shingle Roof - Replace (2042)	40	21	\$712,000
1308 Comp Shingle Roof - Replace (2043)	40	22	\$490,000
1308 Comp Shingle Roof - Replace (2044)	40	23	\$930,000
1308 Comp Shingle Roof - Replace (2045)	40	24	\$530,000
1308 Comp Shingle Roof - Replace (2046)	40	25	\$2,350,000
1308 Comp Shingle Roof - Replace (2047)	40	26	\$1,150,000
1308 Comp Shingle Roof - Replace (2048)	40	27	\$1,700,000
1308 Comp Shingle Roof - Replace (2049)	40	28	\$1,045,000
1308 Comp Shingle Roof - Replace (2050)	40	29	\$825,000
1308 Comp Shingle Roof - Replace (2051)	40	30	\$1,100,000
1308 Comp Shingle Roof - Replace (2052)	40	31	\$640,000
1308 Comp Shingle Roof - Replace (2053)	40	32	\$270,000
Roofs - Tile			
1311 Tile Roof - Replace (2044)	40	23	\$466,000
1311 Tile Roof - Replace (2046)	40	25	\$928,000
1311 Tile Roof - Replace (2047)	40	26	\$542,000
1311 Tile Roof - Replace (2048)	40	27	\$577,000
1311 Tile Roof - Replace (2049)	40	28	\$602,000
1311 Tile Roof - Replace (2050)	40	29	\$583,000
1311 Tile Roof - Replace (2051)	40	30	\$583,000
1311 Tile Roof - Replace (2052)	40	31	\$583,000
1311 Tile Roof - Replace (2053)	40	32	\$626,000
1311 Tile Roof - Replace (2054)	40	33	\$482,000
Infrastructure/Buildings			
151 Balcony Inspections	1	0	\$50,000
151 Damage Restoration	1	0	\$814,000
504 Metal Railings (bldg) - Par Replace	1	0	\$230,000
1330 Gutter/Downspouts - Partial Replace	1	0	\$98,300
1350 Skylights - Replace	1	0	\$104,000
1863 Fire Extinguisher Cabinets- Replace	30	9	\$180,000
2004 Smoke Alarms - Replace (2023)	10	2	\$72,300

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2004	Smoke Alarms - Replace (2024)	10	3	\$300,000
2004	Smoke Alarms - Replace (2025)	10	4	\$300,000
2006	Windows - Replace	1	0	\$90,000
2007	Sliding Screen Doors	1	0	\$29,600
2008	Vertical Lifts - R & R	20	1	\$1,508,000
Carport Siding Renovation				
1112	Carport Siding Renovations (2032)	35	11	\$101,000
1112	Carport Siding Renovations (2033)	35	12	\$138,000
1112	Carport Siding Renovations (2034)	35	13	\$132,000
1112	Carport Siding Renovations (2035)	35	14	\$153,000
1112	Carport Siding Renovations (2036)	35	15	\$162,000
1112	Carport Siding Renovations (2037)	35	16	\$139,000
1112	Carport Siding Renovations (2038)	35	17	\$158,000
1112	Carport Siding Renovations (2039)	35	18	\$162,000
1112	Carport Siding Renovations (2040)	35	19	\$103,000
1112	Carport Siding Renovations (2041)	35	20	\$54,000
1112	Carport Siding Renovations (2042)	35	21	\$112,000
Manor Components				
983	Heat Pumps - Replace	1	0	\$5,700
984	Wall Heater - Replace	1	0	\$3,800
3001	Cooktops - Replace	1	0	\$78,300
3002	Dishwashers - Replace	1	0	\$59,500
3003	Fixtures - Bath Basins	1	0	\$46,400
3004	Fixtures - Faucets	1	0	\$40,400
3005	Fixtures - Kitchen Sinks	1	0	\$55,200
3006	Fixtures - Toilets	1	0	\$21,200
3006	Fixtures - Toilets (2021)	1	0	\$7,000
3007	Garbage Disposals (2021-2030)	1	0	\$97,500
3008	Manor Hoods	1	0	\$39,500
3009	Bath Counters - Replace	1	9	\$226,000
3009	Kitchen Counters - Replace	1	0	\$432,000
3010	Bathroom Flooring - Wk Cntr #910	1	0	\$22,100
3010	Bathroom Flooring - Wk Cntr #917	1	0	\$55,300
3010	Kitchen Flooring - Wk Cntr #910	1	0	\$17,100
3010	Kitchen Flooring - Wk Cntr #917	1	0	\$34,600
3010	Kitchen/Bath Flooring - Abatement	1	0	\$328,000
3011	Bath Mirrors - Replace	1	0	\$33,000
3012	Bath Enclosure Doors - Replace	1	0	\$117,000
3013	Bathroom Tile - Replace& Abate	1	0	\$102,500
3014	Ovens - Replace	1	0	\$204,500
3015	Ranges - Replace	1	0	\$6,750
3016	Refrigerators - Replace	1	0	\$205,000
3017	Water Heaters - Replace	1	0	\$754,000
Lighting & Electrical				
340	Electrical Panels - Replace	1	0	\$25,000
340	Pushmatic Panels - Replace/Upgrade	1	0	\$425,000
340	Solar System Program Replacement	1	11	\$115,000
362	Walkway Lights - Additional New	1	0	\$52,000
362	Walkway Lights - Replace	1	0	\$52,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
364	Block Wall Lights - Replace	20	4	\$300,000
370	Building Wall Lights - Replace	20	4	\$750,000
375	Lighted Bldg Number Signs - Replace	20	0	\$50,000
378	Energy Consultant	1	0	\$75,000
Laundry Rooms				
332	Laundry Water Heaters 2021-2028	1	0	\$1,800
332	Laundry Water Heaters 2029-2049	1	8	\$8,400
800	Doors - Replace	1	0	\$4,000
908	Counter Tops - Replace	1	0	\$12,550
909	Laundry Sinks - Replace	25	2	\$72,200
951	Bathrooms - Refurbish	24	2	\$14,500
991	Washers - Replace	1	0	\$90,000
992	Dryers - Replace	1	0	\$30,000
1110	Interior Laundry - Repaint	10	2	\$110,000
Off Cycle Decking				
150	Off Cycle Deck Top Coat (2021)	1	0	\$68,200
150	Off Cycle Deck Top Coat (Annual)	1	1	\$105,000
152	Off Cycle Common Decks (2021)	1	0	\$54,700
152	Off Cycle Common Decks (Annual)	1	1	\$136,400
153	Off Cycle Balcony Resurface((2021)	1	0	\$8,100
153	Off Cycle Balcony Resurface(Annual)	1	1	\$136,400
Prior To Painting				
148	Lead Testing PTP (Annual)	1	0	\$5,000
149	Asbestos Testing PTP (Annual)	1	0	\$55,000
152	Full Cycle Decking Repairs (Annual)	1	0	\$205,000
153	Full Cycle Balcony Dry Rot (Annual)	1	0	\$12,000
1119	Full Cycle Dry Rot Repairs (Annual)	1	0	\$685,000
Interior & Exterior Painting				
150	Deck Top Coat Reseal (Annual)	1	0	\$50,000
1113	Metal Railings (building) - Repaint	1	0	\$130,000
1115	Building Exterior Paint - 2021	10	0	\$1,700,000
1115	Building Exterior Paint - 2022	10	1	\$1,550,000
1115	Building Exterior Paint - 2023	10	2	\$1,530,000
1115	Building Exterior Paint - 2024	10	3	\$1,600,000
1115	Building Exterior Paint - 2025	10	4	\$1,590,000
1115	Building Exterior Paint - 2026	10	5	\$1,580,000
1115	Building Exterior Paint - 2027	10	6	\$1,680,000
1115	Building Exterior Paint - 2028	10	7	\$1,560,000
1115	Building Exterior Paint - 2029	10	7	\$1,560,000
1115	Building Exterior Paint - 2030	10	8	\$1,730,000
1116	Exterior Paint Touch-Up	1	0	\$106,500
1119	Interior Paint Touch-Up	1	0	\$90,400
1901	Lead Testing and Abatement	1	0	\$5,000
1903	Lexan Bldg. Signs (2021) - Repl	1	0	\$51,500
1903	Lexan Bldg. Signs (Annual) - Repl	1	1	\$1,250
Walls, Fencing, Railings & Gates				
501	Walls - Perimeter Top Rail - R&R	1	0	\$165,000
502	Walls - Perimeter Block - R&R	1	0	\$8,100
503	Walls - Common Area Block - R&R	1	0	\$22,600

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
504	Metal Hand Railings (Grounds) - Rep	1	0	\$10,100
Grounds & Miscellaneous				
1007	Weather Station - Replace	15	12	\$1,800
1009	V-Ditch (Swales) - Repair	1	0	\$51,500
1020	Tree Maintenance (2021)	5	0	\$900,000
1020	Tree Maintenance (2022)	5	1	\$825,000
1020	Tree Maintenance (2023)	5	2	\$530,000
1020	Tree Maintenance (2024)	5	3	\$720,000
1020	Tree Maintenance (2025)	5	4	\$920,000
1022	Landscape Restoration - Annual	1	11	\$62,500
1022	Landscape Restoration (2021-2030)	5	3	\$250,000
1024	Slope - Renovations	1	0	\$100,000
1026	Turf Reduction & Irrigation	1	0	\$85,000
Building Structures				
1901	Lead Testing and Abatement	1	0	\$5,000
2001	Building Structures - Projects	1	0	\$135,000
2001	Building Structures Dry Rot Repairs	1	0	\$5,000
2002	Building Structures Maint Ops	1	0	\$300,000
2003	Building Structures Carpentry	1	0	\$195,000
2006	Building Foundations - Repair	1	0	\$43,800
Plumbing				
328	Plumbing (Annual) - Repair/Replace	1	0	\$636,600
328	Waste Lines - Repair	1	5	\$50,000
328	Waste Lines Epoxy Re-Line (2020-24)	1	0	\$2,300,000
328	Waste Lines Epoxy Re-Line (2025)	1	4	\$1,200,000
329	Copper Water Lines Re-Pipe	1	0	\$252,000
201 Total Funded Components				

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

30-Year Reserve Plan Summary (Alternate Funding Plan)

36560-1
NSV

Fiscal Year Start: 2021

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 Contrbns.	Loan or Special Assmts	Interest Income	Reserve Expenses
2021	\$18,169,517	\$45,121,310	40.3 %	Medium	\$11,535,000	\$0	\$332,319	\$14,945,700
2022	\$15,091,136	\$48,736,445	31.0 %	Medium	\$13,380,600	\$0	\$259,752	\$17,824,923
2023	\$10,906,565	\$48,883,783	22.3 %	High	\$15,521,496	\$0	\$215,814	\$15,950,366
2024	\$10,693,509	\$51,415,003	20.8 %	High	\$18,004,935	\$0	\$229,691	\$16,632,671
2025	\$12,295,464	\$52,300,378	23.5 %	High	\$18,374,037	\$0	\$262,038	\$17,000,529
2026	\$13,931,009	\$51,517,706	27.0 %	High	\$18,750,704	\$0	\$327,124	\$14,199,079
2027	\$18,809,759	\$54,051,814	34.8 %	Medium	\$19,135,094	\$0	\$426,752	\$14,469,227
2028	\$23,902,377	\$56,852,100	42.0 %	Medium	\$19,527,363	\$0	\$514,481	\$16,353,940
2029	\$27,590,280	\$58,288,243	47.3 %	Medium	\$19,927,674	\$0	\$609,161	\$14,748,561
2030	\$33,378,554	\$61,502,434	54.3 %	Medium	\$20,336,191	\$0	\$750,824	\$12,696,683
2031	\$41,768,887	\$67,160,758	62.2 %	Medium	\$20,753,083	\$0	\$901,179	\$14,996,024
2032	\$48,427,126	\$71,442,149	67.8 %	Medium	\$21,178,522	\$0	\$1,035,241	\$15,454,210
2033	\$55,186,679	\$75,676,174	72.9 %	Low	\$21,612,681	\$0	\$1,174,049	\$15,653,500
2034	\$62,319,909	\$80,372,209	77.5 %	Low	\$22,055,741	\$0	\$1,298,036	\$18,077,577
2035	\$67,596,109	\$83,268,791	81.2 %	Low	\$22,507,884	\$0	\$1,401,141	\$18,865,700
2036	\$72,639,435	\$86,013,663	84.5 %	Low	\$22,969,296	\$0	\$1,504,257	\$19,196,418
2037	\$77,916,569	\$89,090,597	87.5 %	Low	\$23,440,166	\$0	\$1,602,336	\$20,503,254
2038	\$82,455,817	\$91,521,862	90.1 %	Low	\$23,920,689	\$0	\$1,665,551	\$23,798,444
2039	\$84,243,614	\$91,258,327	92.3 %	Low	\$24,411,064	\$0	\$1,725,315	\$21,942,575
2040	\$88,437,418	\$93,543,527	94.5 %	Low	\$24,911,490	\$0	\$1,842,084	\$19,260,423
2041	\$95,930,570	\$99,324,348	96.6 %	Low	\$25,422,176	\$0	\$1,955,640	\$23,505,544
2042	\$99,802,841	\$101,590,501	98.2 %	Low	\$25,943,331	\$0	\$2,012,764	\$26,111,002
2043	\$101,647,934	\$101,945,932	99.7 %	Low	\$26,475,169	\$0	\$2,089,850	\$22,694,808
2044	\$107,518,145	\$106,556,767	100.9 %	Low	\$26,475,169	\$0	\$2,140,762	\$29,390,552
2045	\$106,743,524	\$105,157,155	101.5 %	Low	\$26,475,169	\$0	\$2,139,605	\$27,955,899
2046	\$107,402,399	\$105,963,524	101.4 %	Low	\$26,475,169	\$0	\$2,110,536	\$32,154,043
2047	\$103,834,061	\$103,263,383	100.6 %	Low	\$26,475,169	\$0	\$2,067,398	\$29,291,793
2048	\$103,084,834	\$104,247,544	98.9 %	Low	\$26,475,169	\$0	\$1,980,973	\$36,356,837
2049	\$95,184,140	\$98,825,939	96.3 %	Low	\$26,475,169	\$0	\$1,853,916	\$33,145,094
2050	\$90,368,131	\$97,416,737	92.8 %	Low	\$26,475,169	\$0	\$1,807,117	\$28,150,235

Budget Summary

36560-1
NSV

	Useful Life		2021 Rem. Useful Life		Estimated Replacement Cost in 2021	2021 Expenditures	01/01/2021 Fully Funded Balance	2021 Contributions
	Min	Max	Min	Max				
Concrete Repairs and Replacement	1	1	0	0	\$150,000	\$150,000	\$150,000	\$105,782
Cul de Sac Asphalt Seal Coat	1	1	0	0	\$40,000	\$40,000	\$40,000	\$28,209
Cul de Sac Asphalt Resurface/Repairs and Replacements	25	25	0	29	\$9,456,500	\$346,000	\$4,246,600	\$266,754
Roofs - Built-Up	0	25	0	28	\$25,561,500	\$969,000	\$7,991,580	\$1,315,957
Roofs - Comp Shingle	40	40	2	32	\$12,867,000	\$0	\$4,722,525	\$226,850
Roofs - Tile	40	40	23	33	\$5,972,000	\$0	\$1,750,675	\$105,288
Infrastructure/Buildings	1	30	0	9	\$3,776,200	\$1,415,900	\$3,422,340	\$1,103,328
Carport Siding Renovation	35	35	11	21	\$1,414,000	\$0	\$777,714	\$28,491
Manor Components	1	1	0	9	\$2,992,350	\$2,766,350	\$2,766,350	\$2,110,246
Lighting & Electrical	1	20	0	11	\$1,844,000	\$679,000	\$1,519,000	\$563,466
Laundry Rooms	1	25	0	8	\$343,450	\$138,350	\$306,066	\$113,710
Off Cycle Decking	1	1	0	1	\$508,800	\$131,000	\$131,000	\$358,813
Prior To Painting	1	1	0	0	\$962,000	\$962,000	\$962,000	\$678,416
Interior & Exterior Painting	1	10	0	8	\$16,514,650	\$2,133,400	\$9,570,400	\$1,440,505
Walls, Fencing, Railings & Gates	1	1	0	0	\$205,800	\$205,800	\$205,800	\$145,133
Grounds & Miscellaneous	1	15	0	12	\$4,445,800	\$1,136,500	\$2,686,860	\$795,566
Building Structures	1	1	0	0	\$683,800	\$683,800	\$683,800	\$482,225
Plumbing	1	1	0	5	\$4,438,600	\$3,188,600	\$3,188,600	\$3,130,162
					\$92,176,450	\$14,945,700	\$45,121,310	\$12,998,900



STAFF REPORT

DATE: August 20, 2020
FOR: Governing Documents Review Committee
SUBJECT: Financial Qualifications Policy
Amendment to Income Requirement

RECOMMENDATION

Approve the updated Financial Qualifications Policy amending the minimum annual income requirement.

BACKGROUND

Prospective Shareholders of units in United Laguna Woods Mutual (United) are required to meet minimum financial requirements for Membership as set forth in the Financial Qualifications Policy. All income and assets claimed must be verified by presenting documentation acceptable to the Board of Directors.

On February 13, 2018, the Board amended the Financial Qualifications Policy to increase the minimum income requirements for prospective Shareholders and transferees from \$36,000 to \$40,000; and ability to qualify with a guarantor was eliminated (Resolution 01-18-24).

On May 14, 2019, the Board amended the Financial Qualifications Policy to exclude community property for asset qualification purposes unless it is the marital community property of the parties applying for membership; exclude capital gains earnings as a source of income when calculating an applicant's annual income; and clarify the issues of rental property depreciation (Resolution 01-19-47).

On September 10, 2019, the Board adopted revisions to its Financial Qualifications Policy (Resolution 01-19-71). Primarily, the change strengthened the Guarantor's Agreement and renamed it "Personal Unconditional Continuing Guaranty and Security Agreement".

On August 11, 2020, the Board reviewed the proposed changes and referred the matter to the Governing Documents Review Committee for further discussion.

The Community Services Division coordinates the Membership process for Board approval. On average, the Division processes approximately 198 membership requests per year.

DISCUSSION

As an age-restricted development, United is attractive to newly retired and post retirement applicants. A segment of retired applicants do not generate at least \$40,000 in annual income. The proposed amendment to the Financial Qualifications Policy allows applicants to consider "attributable income" generated by traditional retirement accounts exclusive of accounts needed to satisfy the minimum asset requirement (Attachment 1).

The proposed amendment is a calculation, similar to that utilized by lenders to evaluate borrowers. The portion of an applicant's traditional retirement account assets attributable to the applicant's annual income is recognized as the greater of either:

1. The mandatory annual distributions from the applicant's retirement accounts **or**
2. The total amount of the applicant's retirement accounts multiplied by eighty percent (80%) and then dividing this product by twenty-five (25 years).

Select retirement accounts may not concurrently satisfy both the income and asset side of the qualification requirements. Only traditional retirement accounts may be calculated to generate "attributable income".

Additionally, the format has been changed to follow the same policy format as other policies to include purpose, terms and conditions, procedures, etc.

FINANCIAL ANALYSIS

None.

Prepared By: Pamela Bashline, Community Services Manager

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

Attachment 1: Financial Qualifications Policy

Attachment 2: Resolution

ENDORSEMENT (to Board)

Discuss & Consider the approval of the amended Financial Qualifications Policy.

Prospective Shareholders of units in United Laguna Woods Mutual (United) are required to meet minimum financial requirements for Membership as set forth in the Financial Qualifications Policy. All income and assets claimed must be verified by presenting documentation acceptable to the Board of Directors.

On February 13, 2018, the Board amended the Financial Qualifications Policy to increase the minimum income requirements for prospective Shareholders and transferees from \$36,000 to \$40,000; and ability to qualify with a guarantor was eliminated (Resolution 01-18-24).

On May 14, 2019, the Board amended the Financial Qualifications Policy to exclude community property for asset qualification purposes unless it is the marital community property of the parties applying for membership; exclude capital gains earnings as a source of income when calculating an applicant's annual income; and clarify the issues of rental property depreciation (Resolution 01-19-47).

On September 10, 2019, the Board adopted revisions to its Financial Qualifications Policy (Resolution 01-19-71). Primarily, the change strengthened the Guarantor's Agreement and renamed it "Personal Unconditional Continuing Guaranty and Security Agreement".

On August 11, 2020, the Board reviewed the proposed changes and referred the matter to the Governing Documents Review Committee for further discussion.

The Community Services Division coordinates the Membership process for Board approval. On average, the Division processes approximately 198 membership requests per year.

On August 20, 2020, the Governing Document Review Committee reviewed the Financial Qualifications Policy. The Committee discussed the Financial Qualification Policy. The Committee members made comments and asked questions.

Director Ardani made a motion to approve the amended policy. President Margolis seconded the motion.

By unanimous vote, the motion was carried.

this page intentionally left blank



Financial Qualifications Policy
Resolution 01-20-XX; Adopted October 13, 2020

I. Purpose

The purpose of this policy is to set forth guidelines by United Laguna Woods Mutual (United) necessary to protect the financial integrity of the corporation.

II. Definitions

- A. Shareholder – individual approved by the Board of Directors as a Member of the corporation. Also known as Member.
- B. Applicant – individual seeking approval by the Board of Directors as a member of the corporation.
- C. Financial Statement/Credit Information form – United's document to be completed by Applicant which summarizes age, income and asset qualifications being considered by the Board of Directors in keeping with the membership application process.
- D. Asset – a resource with economic value that an individual or business owns or controls with the expectation of future benefit; must be liquid, marketable or income producing.
- E. Equity – total assets minus total liabilities.
- F. Annuity funds – a long-term investment that is issued by an insurance company and is designed to help protect an individual from the risk of outliving one's income.
- G. Community property – property acquired during the marriage by either spouse is presumed to be owned by each spouse equally.
- H. Guarantor – individual who meets United's financial qualifications and guarantees to pay for the Member's debt and/or obligations if the Member defaults or fails to pay a debt and/or obligation to United; guarantor may guarantee only one unit within the Village.
- I. Personal Unconditional Continuing Guaranty and Security Agreement – Guaranty "contract" between prospective member and qualified individual whereby guarantor is responsible to pay any debt or obligation owed by the Member to United in the event of a failure by Member to pay same; non-revocable by guarantor.
- J. Indebtedness – includes the monthly carrying Charge payable by the Member to United, including all assessments, fines or other monetary charges levied in the name of United.
- K. Carrying Charges – monthly assessments estimated by United to meet its annual expenses, including but not limited to operating expenses, management and administration, property taxes, insurance, utilities, reserves, and repair and maintenance.

- L. Uniform Commercial Code (UCC) filing – provides for the filing of certain financing statements and other lien documents. Filing with the Secretary of State's office serves to perfect a security interest in named collateral and establish priority in case of debtor default or bankruptcy.
- M. Interim Dual Membership Agreement – a “contract” between a Member and United which allows the Member to temporarily own two co-ops.
- N. Community Rules – the Articles of Incorporation and Bylaws of United, the Occupancy Agreement, and any rules and regulations adopted by United. Any reference to the “Governing Documents” shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- O. Member – any person entitled to membership in United.

III. Conditions

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

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

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

A. ASSET REQUIREMENT

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

- 1. Acceptable assets will be those that are considered to be liquid, marketable or income producing. Only aged accounts (180 days) will be considered. Acceptable assets include, among others:
 - a. Equity in U.S. residential property
 - b. Savings accounts in U.S. financial institutions
 - c. Cash value life insurance
 - d. Certificates of deposit, money market accounts in U.S. financial institutions
 - e. IRA, SEP, 401(k) and Keogh accounts
 - f. US, state or municipal government bonds - valued at current market prices

- g. American traded investments (NYSE, Amex, OTC, NASDAQ, etc.) valued at current market prices
 - h. Mortgages and promissory notes, provided that interest is reported on the applicant's tax return
 - i. Equity in U.S. income producing real estate
2. Excluded from consideration are the following, among others:
- a. Mobile Homes
 - b. Recreational vehicles, boats and trailers
 - c. Vacant land
 - d. Automobiles
 - e. Artwork, jewelry, furs and collections such as coins, dolls, stamps and other similar items
 - f. Term life insurance
 - g. Annuity funds, which cannot be withdrawn in lump sum
 - h. Anticipated bequests or inheritances
 - i. Promissory Notes whose income is not reported on the prospective transferee tax return
 - j. Community property

B. INCOME REQUIREMENTS

- 1. Prospective Shareholders shall submit from a recognized Credit Reporting Agency (e.g. Equifax, TransUnion, Experian) a full credit report and FICO score dated within 60 days prior to the application submittal.
- 2. Prospective Shareholders and transferees must provide satisfactory verification of income of at least \$40,000 per year at the time of purchase.
- 3. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:
 - a. The mandatory annual distributions for the Applicant's retirement accounts; **or**
 - b. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:
$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$

Traditional retirement accounts may not concurrently satisfy both the income and asset side of the qualification requirements. Only traditional retirement accounts may be calculated to generate "attributable income".

4. Acceptable verifications include, among others:
 - a. The most recent Federal Tax returns
 - b. W - 2 Forms or paycheck stubs
 - c. Bank, credit union or investment account statements
 - d. Letters from bankers
 - e. Notices of annuities and Social Security payments
 - f. Pensions
 - g. Trust income
 - h. Disability income
 - i. Residential / commercial property rental income
5. Unacceptable income verifications include, among others:
 - a. Letters from employers, accountants, bookkeepers and attorneys
 - b. Income not reported on Federal income tax returns
 - c. Funds held outside US borders

C. GUARANTORS

United will permit the prospective shareholder who does not meet the financial requirements to have a guarantor.

1. The guarantor shall provide satisfactory verification of annual income of at least **\$90,000 and marketable or income producing assets of at least \$250,000 plus the manor purchase price.**
2. *Shareholder financial requirements for the occupying shareholder(s) when they have a guarantor:*
 - a. **Minimum annual income of \$24,000**
 - b. **Minimum verifiable liquid, marketable and/or income producing assets of \$75,000 at the close of escrow**
3. The income and assets of the guarantor are not a substitute for the minimum income and assets needed by the prospective shareholder(s) occupant(s).
4. In addition to these requirements, the guarantor shall be required, as set forth herein (Exhibit A) to identify assets from which the financial obligation may be satisfied and authorize UCC financing statements to be filed.
5. Guarantor and assets must be located in California.

6. A guarantor may only guarantee one unit in the Village.

D. OWNERSHIP OF MULTIPLE MEMBERSHIPS

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

E. FINANCIAL QUALIFICATION WAIVERS

1. Shareholders who purchase a replacement Unit do not have to re-qualify financially for Membership, if there is no change to the Membership vesting and the dual interim agreement is in effect.
2. Current members of one Mutual who wish to purchase in another Mutual are required to meet the financial requirements of the Mutual in which they are purchasing.
3. A former member may obtain a waiver of financial qualifications if the replacement Membership is purchased within 90 days of the closing of the sale of the previously owned Membership, and vesting in the new Unit is exactly the same as the vesting in the Unit previously owned.

F. DISCRETIONARY AUTHORITY

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

G. MEMBERSHIP

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

1. Written approval of Membership by the United Board of Directors;
2. Issuance of a Membership Stock Certificate;
3. The signing of an Occupancy Agreement; and
4. Upon close of escrow.

Upon Membership approval the Occupancy Agreement entitles the Member to occupy the Unit for three years, which is automatically

renewed for three-year terms per Article 4 of the Occupancy Agreement, unless terminated by transfer or United's non-renewal or termination by the Board of Directors.

IV. Procedure

Applicants must complete and submit all required forms and verification documents to the escrow firm handling the sales transaction. The required forms and verification documents include:

- the Membership Application with age and identity verification for each person on title;
- most recent signed tax returns for each person on title;
- Responsibility Agreement for Nonstandard Landscape;
- Responsibility Agreement for Alterations;
- Memorandum of Occupancy Agreement signed by each applicant;
- Golden Rain Foundation Trust Facility Fee form;
- Promissory Note;
- Financial Statement and Credit Information (income and asset verification for each person on title);
- Residency Restrictions acknowledgement;
- Occupancy Agreement signed by each proposed applicant;
- Addendum to Occupancy Agreement – Trustee Membership if applicable;
- Interim Dual Membership Agreement if applicable;
- original Membership Certificate or Lost Instrument Bond or Lender Payoff Demand; and
- Application for Co-occupancy Permit if applicable.

If a Guarantor is applying, the proposed Guarantor must also submit the most recent signed tax returns, Financial Statement and Credit Information (income and asset verification for each guarantor), Personal Unconditional Continuing Guaranty and Security Agreement (Exhibits A and B).

Upon receipt of the above documents and those required of seller and escrow firm, staff reviews documentation to ensure it is complete and evaluates the financial verifications in light of the corporation's membership requirements. A staff report recommending approval or denial of the applicant is prepared and attached to the membership packet for the Board's consideration and action.

EXHIBIT A



Personal Unconditional Continuing Guaranty and Security Agreement

The Parties

Member(s): _____ (collectively, the "Member")
Property Address: _____ (the "Property")
Guarantor: _____ ("Guarantor")

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 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 B ("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

Signature: _____ Dated: _____

Print Name: _____

Address: _____

Phone Number: _____ E-Mail: _____

Guarantor

Signature: _____ Dated: _____

Print Name: _____

Address: _____

Phone Number: _____ E-Mail: _____

Accepted

United Laguna Woods Mutual

Signature: _____ Dated: _____

Print Name: _____

Title: _____

United Laguna Woods Mutual

Signature: _____ Dated: _____

Print Name: _____

Title: _____

this page intentionally left blank

Exhibit B
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

this page intentionally left blank



Resolution 01-20-XX

Financial Qualifications Policy

WHEREAS, United Laguna Woods Mutual (“United”) is formed to provide housing to its Members on a mutual nonprofit basis;

WHEREAS, United is authorized to adopt, amend or repeal necessary or desirable rules and regulations, through its Board of Directors, to carry out the purposes of this Corporation;

WHEREAS, United recognizes that many retirees have built traditional retirement accounts during their lifetimes, in addition to acquiring other assets contributing to their total net worth;

NOW THEREFORE BE IT RESOLVED, October XX, 2020, that the Board of Directors of this Corporation hereby amends the Income Requirements section of the Financial Qualification Policy as attached to the official meeting minutes of this meeting; and

RESOLVE FURTHER, that Resolutions 01-19-71, 01-19-47, and 01-18-24, are hereby superseded and canceled;

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

SEPTEMBER Initial Notification

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

this page intentionally left blank



STAFF REPORT

DATE: September 8, 2020
FOR: Board of Directors
SUBJECT: 2021 Collection and Lien Enforcement Policy

RECOMMENDATION

Staff recommends approval of the 2021 Collection and Lien Enforcement Policy.

BACKGROUND

The proposed 2021 United Laguna Woods Mutual Collection and Lien Enforcement Policy outlines the procedures, policies, and practices employed by United Laguna Woods Mutual in enforcing lien rights or other legal remedies for default in payment of its assessments against its shareholders. The policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2020 as part of the Annual Policy Statement.

DISCUSSION

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

FINANCIAL ANALYSIS

None.

Prepared By: Betty Parker, Chief Financial Officer

ATTACHMENT(S)

ATT1: 2020 Collection and Lien Enforcement Policy
ATT2: Resolution

this page intentionally left blank



YEAR 2021~~0~~ COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

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

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

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

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

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

BASIC POLICIES AND PROCEDURES

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

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

Pursuant to United's Governing Documents, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies. Also following, pursuant to Paragraphs 3, 16 and 22, are United's collection policies and procedures for the collection of fines, fees, and chargeable services charged against Shareholders pursuant to the Governing Documents and current law:

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessments" in United's Bylaws, are referred to throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein. Note that the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board of Directors.

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

books and records of United unless otherwise required by law. However, it is the Shareholder's responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder's mailing address.

3. Late Charges; Interest. Assessments not received by the sixteenth (16th) day of the month will incur a late fee in the amount of Fifty Dollars (\$50.00), which amount is consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder's delinquent account is referred to United's collection agent for collections. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.

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

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law.

including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

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

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

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

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

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

10. Payment Under Protest. A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to, **Agenda Item # 12c**

an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**

this page intentionally left blank



NOTICE ASSESSMENTS AND FORECLOSURE

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

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

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

Any and all references to a "Unit" in this notice shall refer to a dwelling unit owned by United.

Any and all references to "property" and "shareholder's separate interest" in this notice refer to a leasehold interest and the right to exclusively occupy a Unit pursuant to an Occupancy Agreement and a membership certificate.

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

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

PAYMENTS

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

A shareholder may, but is not obligated to, pay under protest any disputed charge or sum levied by the Association (United), including, but not limited to, a monthly carrying charge, assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil

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

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

Formatted: Justified

MEETINGS AND PAYMENT PLANS

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

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



YEAR 2021 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

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

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

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

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

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

BASIC POLICIES AND PROCEDURES

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

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

Pursuant to United's Governing Documents, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies. Also following, pursuant to Paragraphs 3, 16 and 22, are United's collection policies and procedures for the collection of fines, fees, and chargeable services charged against Shareholders pursuant to the Governing Documents and current law:

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessments" in United's Bylaws, are referred to throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein. Note that the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board of Directors.

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

books and records of United unless otherwise required by law. However, it is the Shareholder's responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder's mailing address.

3. Late Charges; Interest. Assessments not received by the sixteenth (16th) day of the month will incur a late fee in the amount of Fifty Dollars (\$50.00), which amount is consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder's delinquent account is referred to United's collection agent for collections. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.

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

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law.

including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

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

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

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

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

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

10. Payment Under Protest. A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to,

an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**

this page intentionally left blank



NOTICE ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

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

PAYMENTS

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

A shareholder may, but is not obligated to, pay under protest any disputed charge or sum levied by the Association (United), including, but not limited to, a monthly carrying charge, assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil

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

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

MEETINGS AND PAYMENT PLANS

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

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



RESOLUTION 01-20-XX

2021 Collection & Lien Enforcement Policy

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

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

NOW THEREFORE BE IT RESOLVED, September 8, 2020, that the Board of Directors hereby adopts the 2021 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 2020 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.

this page intentionally left blank



STAFF REPORT

DATE: August 26, 2020
FOR: Maintenance and Construction Committee
SUBJECT: Cycle Change for Exterior Paint and Prior to Paint Programs

RECOMMENDATION

Adopt proposed Resolution 01-20-XX (Attachment 1) and amend the current exterior Prior-to-Paint and Paint programs from a 10-year cycle to a 15-year cycle, for the preparation and painting of all buildings, carports, and laundry structures, and extend the mid-cycle balcony and breezeway resurfacing (top coat) program from a 5-year cycle to a 7.5-year cycle.

BACKGROUND

United and Third Mutual have expressed a desire to consider the possible extension of the current 10-year paint cycle to a 15-year cycle, in order to maximize the potential of the high quality products being applied, as well as the upgraded surface preparation methodology implemented by VMS staff three years ago. The potential to capitalize on the latest products and practices is relevant if the quality and condition of the building envelop, and its structural components are not negatively impacted by increasing the cycle application. Staff has investigated the possible change and provides their analysis and recommendations herein. Deck topcoat applications, Reflective address number sign replacements, and lead testing and RRP (Renovation, Repair and Painting) activities are performed in conjunction with the Exterior Paint Program.

DISCUSSION

The revision from a 10-year to a 15-year paint and prior to paint program cycle and the change to a 7.5 year cycle for the Balcony and Breezeway Resurfacing (Top Coat) program will extend the length of time to complete a full paint cycle, as it reduces the amount of building structures planned per year. However, the extended cycles will still ensure that the Mutual fulfills its fiduciary responsibility to maintain both the structural integrity and the aesthetic appeal of its buildings, carports and laundry rooms.

When properly designed, built, and maintained, wood structures can last for hundreds of years. However, because of the organic nature of wood it is susceptible to various forms of decay when not protected from the elements. When fungus-favorable conditions are created by substandard design, and/or inadequate construction, and/or poor maintenance, wood structures may sustain deterioration that may be progressive, irreversible, and non-repairable. The primary focus of the prior to paint program is the elimination of dry rot which is a concern throughout Laguna Woods Village. It is essentially wood decay caused by certain species of fungi that digest parts of the wood which give the wood strength and stiffness. The previous

Managing Agent allowed the practice of patching dry rot instead of replacement. This allowed the wood rot to spread farther along the wooden components. With oversight of this program through VMS, staff put in place corrective measures to get the wood rot under control. The prior to paint crew ensures that dry rot is removed from walls, beams, breezeways, ramps, trim, fascia, etc. The process of completely removing rotted wood from the structure will extend the life of the building as well as the paint applied to it. Staff is confident that extending the prior to paint cycle will have minimal effect on community's efforts to reduce dry rot on Mutual buildings.

When dry rot is discovered between the 15-year program cycles, whether it be from an exterior building penetration, architectural features exposed to the elements or the deterioration of the moisture barrier behind the stucco, the Mutual has an annually funded General Maintenance Exterior Carpentry Division to address needed repairs. If a resident, staff member or contractor notices potential dry rot they will contact Resident Services who then creates a dry rot inspection ticket for our General Maintenance crew. Simple dry rot repairs will be taken care of immediately, regardless of the building's order in the prior to paint cycle. If the repairs are extensive, the Projects Division will take over so the General Maintenance crew can focus their priorities on service orders and other inspections.

Staff has contacted nearby communities to discuss their paint programs and found that most of the communities do not have a formal paint policy, and their program, if any, was subject to their available reserve funds while being routinely delayed. While we were unable to find empirical data closely matching the unique Southern California climate of warm, dry summers and mild, wet winters, we did contact the experts from both Mutual's paint suppliers, Life Paint & PPG Paints. After several discussions with their team they felt confident that their paint products and the application method we have in place would not result in any premature paint failures during the 15-year cycle. Both paint manufacturers, with a combined industry experience of 192 years have agreed to extend the warranty on their current exterior paint products to 15 years. The written confirmation for the paint and resurfacing top coat products from United Mutual's paint supplier, Life Paint, are included as Attachments 2 & 3. This is an excellent time to revise the program to a 15-year cycle with very little risk.

The United Mutual paint and prior to paint programs consist of 15,741,601 square feet of building surfaces. Using a 15-year cycle we can theorize that approximately 1/15th of the Mutual will be completed each year, which is a reduction of 524,720 square feet per year from the previous 10-year program. Our expectations are that costs will moderately fluctuate from year to year based on a buildings square footage, but overall there will be significant savings to the Mutual.

These program policy revisions will not affect the current level of exterior maintenance services for dry rot repairs, deck repairs, and exterior painting for the remainder of 2020. Due to the furlough of the paint crew and the halt of all non-essential services, the majority of buildings on the 2020 schedule will not be completed this year. If the Board approves the program cycle changes, staff suggests that they take effect at the beginning of the 2021 fiscal year. This will allow staff to reorganize the program schedules to include buildings not completed in 2020.

FINANCIAL ANALYSIS

Based on the 2019 expenditures and productivity of the Exterior Paint and Prior to Paint programs, our estimation is that modifying the paint and prior to paint programs to a 15-year cycle with a 7.5 year Top Coat cycle will save the mutual \$385,775 on average per year, or approximately \$5.8 million over the next 15-yr cycle (Attachment 4: Cost Savings Analysis).

Prepared By: Christopher Naylor, Senior Management Analyst

Reviewed By: Ernesto Munoz, P.E., Maintenance and Construction Director

ATTACHMENT(S)

Attachment 1: Proposed Resolution 01-20-XX

Attachment 2: Life Paint Warranty Letter – Standard Exterior Paint (June 20, 2020)

Attachment 3: Life Paint Warranty Letter – Top Coat (July 6, 2020)

Attachment 4: Cost Savings Analysis

ENDORSEMENT (to Board)

1. Cycle Change for Exterior Paint and Prior to Paint Programs

United and Third Mutual have expressed a desire to consider the possible extension of the current 10-year paint cycle to a 15-year cycle, in order to maximize the potential of the high quality products being applied, as well as the upgraded surface preparation methodology implemented by VMS staff three years ago. The potential to capitalize on the latest products and practices is relevant if the quality and condition of the building envelope, and its structural components are not negatively impacted by increasing the cycle application. Deck topcoat applications, Reflective address number sign replacements, and lead testing and RRP (Renovation, Repair and Painting) activities are also performed in conjunction with the Exterior Paint Program.

The United Mutual paint and prior to paint programs consist of 15,741,601 square feet of building surfaces. Using a 15-year cycle we can theorize that approximately 1/15th of the Mutual will be completed each year, which is a reduction of 524,720 square feet per year from the previous 10-year program. Our expectations are that costs will moderately fluctuate from year to year based on a buildings square footage, but overall there will be significant savings to the Mutual.

These program policy revisions will not affect the current level of exterior maintenance services for dry rot repairs, deck repairs, and exterior painting for the remainder of 2020. Due to the furlough of the paint crew and the halt of all non-essential services, the majority of buildings on the 2020 schedule will not be completed this year. If the Board approves the program cycle changes, staff suggests that they take effect at the beginning of the 2021 fiscal year. This will allow staff to reorganize the program schedules to include buildings not completed in 2020.

Discussion ensued regarding SB326 inspections; warranty extension and costs; paint supplier contract; material and labor rate cost savings; additives to paint products for water resistance; mid-cycle dry rot issues due to rain or other moisture intrusion; specifications for the current paint product; and warranty coverage.

A motion was made to recommend the Board adopt proposed Resolution 01-20-XX and amend the current exterior Prior-to-Paint and Paint programs from a 10-year cycle to a 15-year cycle, for the preparation and painting of all buildings, carports, and laundry structures, and extend the mid-cycle balcony and breezeway resurfacing (top coat) program from a 5-year cycle to a 7.5-year cycle.

By a vote of 4/1/0 (Director Bastani opposed), the motion carried.

ATTACHMENT 1: Proposed Resolution 01-20-XX

RESOLUTION 01-20-XX

Cycle Change for Exterior Paint, PTP & Resurfacing Programs

WHEREAS, the Board expressed a desire to extend the current Prior-to-Paint and Exterior Paint programs from a 10-year cycle to a 15-year cycle, for the dry rot preparation and painting of all buildings, carports, and laundry structures; and

WHEREAS, the balcony and breezeway resurfacing (top coat) mid-cycle program will also be extended from a 5-year program to a 7.5-year program cycle to coincide with buildings on the 15-year exterior paint program; and

WHEREAS, this program change will allow the Mutual to realize an annual savings for programs that have a broader life cycle; and to maximize the potential of the high quality products being applied, as well as the upgraded surface preparation methodology implemented by VMS; and

WHEREAS, the product warranties for the exterior paint and resurfacing sealant, as well as the recommended application practices, will increase the long-term condition of the building envelope, and its structural components, without being negatively impacted by the extended cycles; and

NOW THEREFORE BE IT RESOLVED, on October 13, 2020, the Board of Directors of this Corporation hereby adopts a 15-year cycle change for the prior to paint and exterior paint programs, and a 7.5-year cycle change for the resurfacing program; and

RESOLVED FURTHER, that the program cycle change will take effect with the 2021 fiscal year; and

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

SEPTEMBER Initial Notification

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

this page intentionally left blank

Attachment 2: Life Paint Warranty Letter – Exterior Paint Product



LIFE PAINT CORP.
12927 Sunshine Avenue
P.O. Box 2488
Santa Fe Springs, CA 90670-0488
(XXX) XXX-XXXX
Fax (XXX) XXX-XXXX
www.lifepaint.com

June 20, 2020

Ernesto A. Munoz, P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

We'd like to begin this correspondence with grateful recognition to Laguna Woods Village for the opportunity to provide them products and services for over 30 years.

The answer to your question concerning an extension of our warranty covering our Life Paint exterior wall coatings would be yes. Given the quality of the Life Paint product you are currently using coupled with the conscientious expertise of your painting crew we would have no problem extending our current warranty to 15 years.

Please be aware that while our coating's integrity and protection will endure throughout this lengthened period normal wear and aging will occur. There may be color changes and the loss of gloss that is typical as coatings age. Also, in our observations of color trends, it is pretty clear that consumers' color appetites change more often than every 15 years which I'm sure you already know. Repainting the community, it seems, may sometimes come from an aesthetic determination rather than just maintenance.

Please let us know if you would like us to extend our warranty to 15 years. We will be happy to provide you with a sample for your review. As always we are ready to be there to attend to whatever your community needs.

Yours truly,
Michael S. de la Vega
Life Paint
VP Operations

Attachment 3: Life Paint Warranty Letter – Top Coat



LIFE PAINT CORP.
12927 Sunshine Avenue
P.O. Box 2488
Santa Fe Springs, CA 90670-0488
(XXX) XXX-XXXX
Fax (XXX) XXX-XXXX
www.lifepaint.com

July 6, 2020

Ernesto A. Munoz, P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

Thank you for reaching out to us regarding the warranty for our Life Deck Acrylic Color Seal #10-774-WS-2G Beige with Skid-Tex Top Coat. I understand that you would like us to increase our warranty covering this product from 5 years to 7.5 years. Because our 10 Series Color Seal is manufactured using the most durable formulation and is applied by your experienced applicators we will be able to extend our warranty to 7.5 years for the normal application to balconies, decks and walkways.

As a matter of fact, we will offer this extended warranty to all Mutuals; United Laguna Woods, Third Laguna Hills and The Towers Mutual 50 since it is used by each.

Please be aware that the 10 Series coating is not a waterproofer on its own. It is however an integral part of some of our Life Deck waterproofing systems.

We are looking forward to the resumption of your painting program and are ready to assist. Feel free to contact Maury Jessner or me for any future needs.

Yours truly,
Michael S. de la Vega
Life Paint
VP Operations

ATTACHMENT 4 – Cost Savings Analysis

	<i>Programs</i>	
	<i>Exterior Paint</i>	<i>Prior to Paint</i>
<i>Savings in Wages</i>	\$211,978	\$109,717
<i>Savings in Material</i>	\$42,091	\$21,989
<i>Sub Total Savings Per Program</i>	<i>\$254,069</i>	<i>\$131,706</i>
<i>Total Savings per Year</i>	<i>\$385,775</i>	

this page intentionally left blank

Financial Report

Preliminary as of July 31, 2020



INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$24,918
Non-assessment Revenue	\$1,301
Total Revenue	\$26,219
Total Expense	\$22,552
Net Revenue/(Expense)	\$3,667

Financial Report

Preliminary as of July 31, 2020



OPERATING ONLY INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$17,747
Non-assessment Revenue	\$619
Total Revenue	\$18,366
Total Expense ¹	\$17,666
Operating Surplus	\$700

1) excludes depreciation

Financial Report

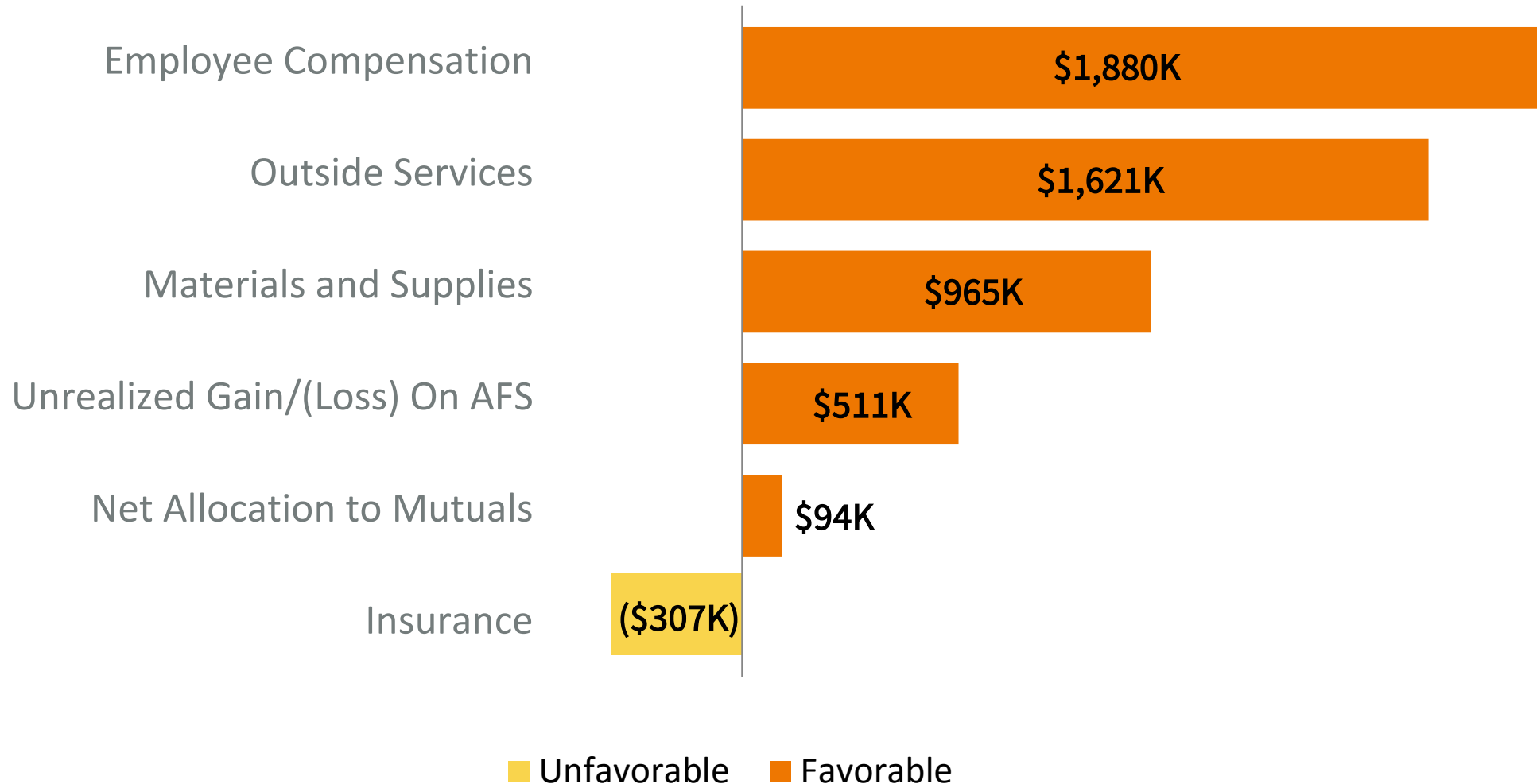
Preliminary as of July 31, 2020



INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE B/(W)
Assessment Revenue	\$24,918	\$24,595	\$323
Non-assessment Revenue	\$1,301	\$1,046	\$255
Total Revenue	\$26,219	\$25,641	\$578
Total Expense	\$22,552	\$26,752	\$4,200
Net Revenue/(Expense)	\$3,667	(\$1,111)	\$4,778

Financial Report

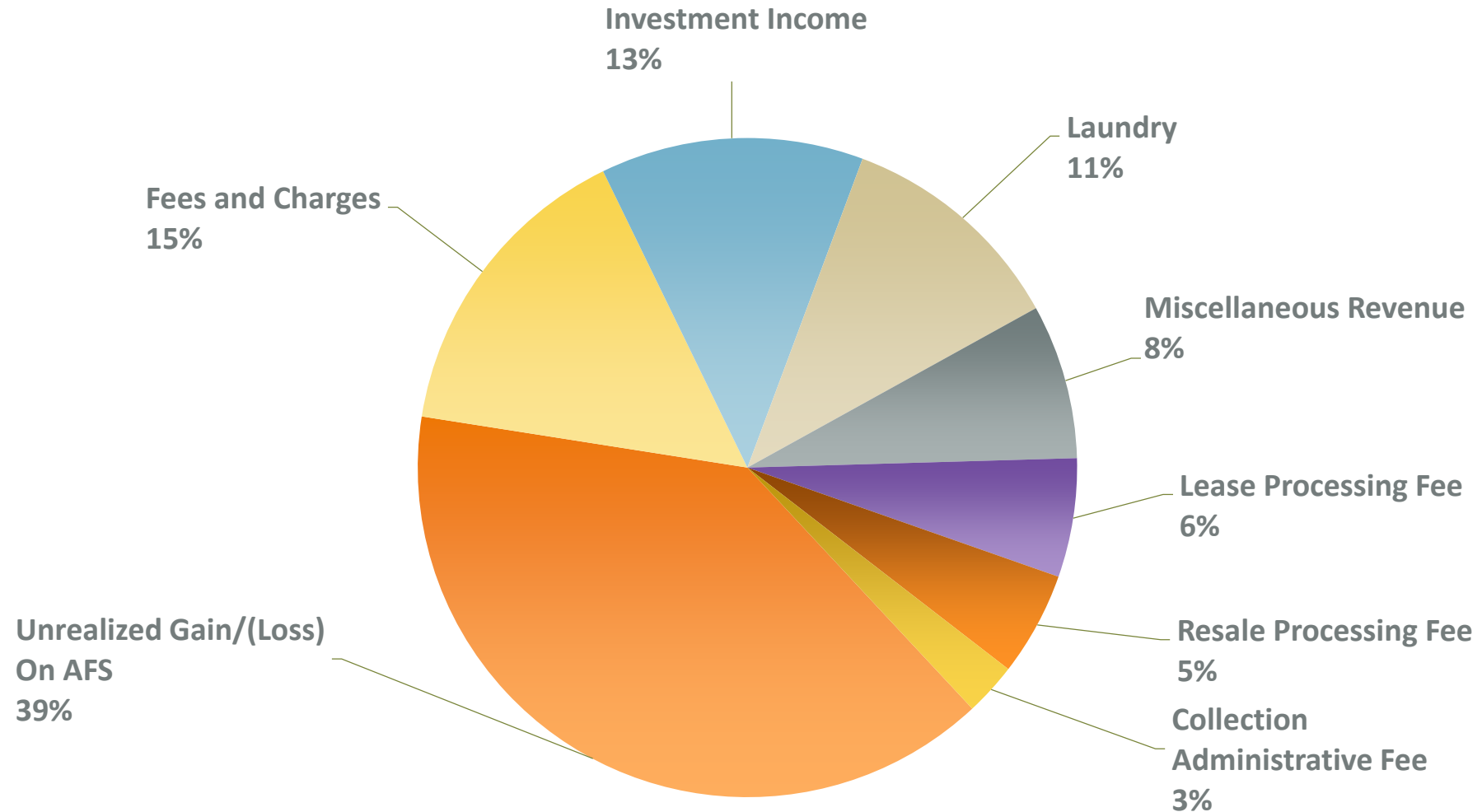
Preliminary as of July 31, 2020



Financial Report

Preliminary as of July 31, 2020

Total Non Assessment Revenues \$1,301,006

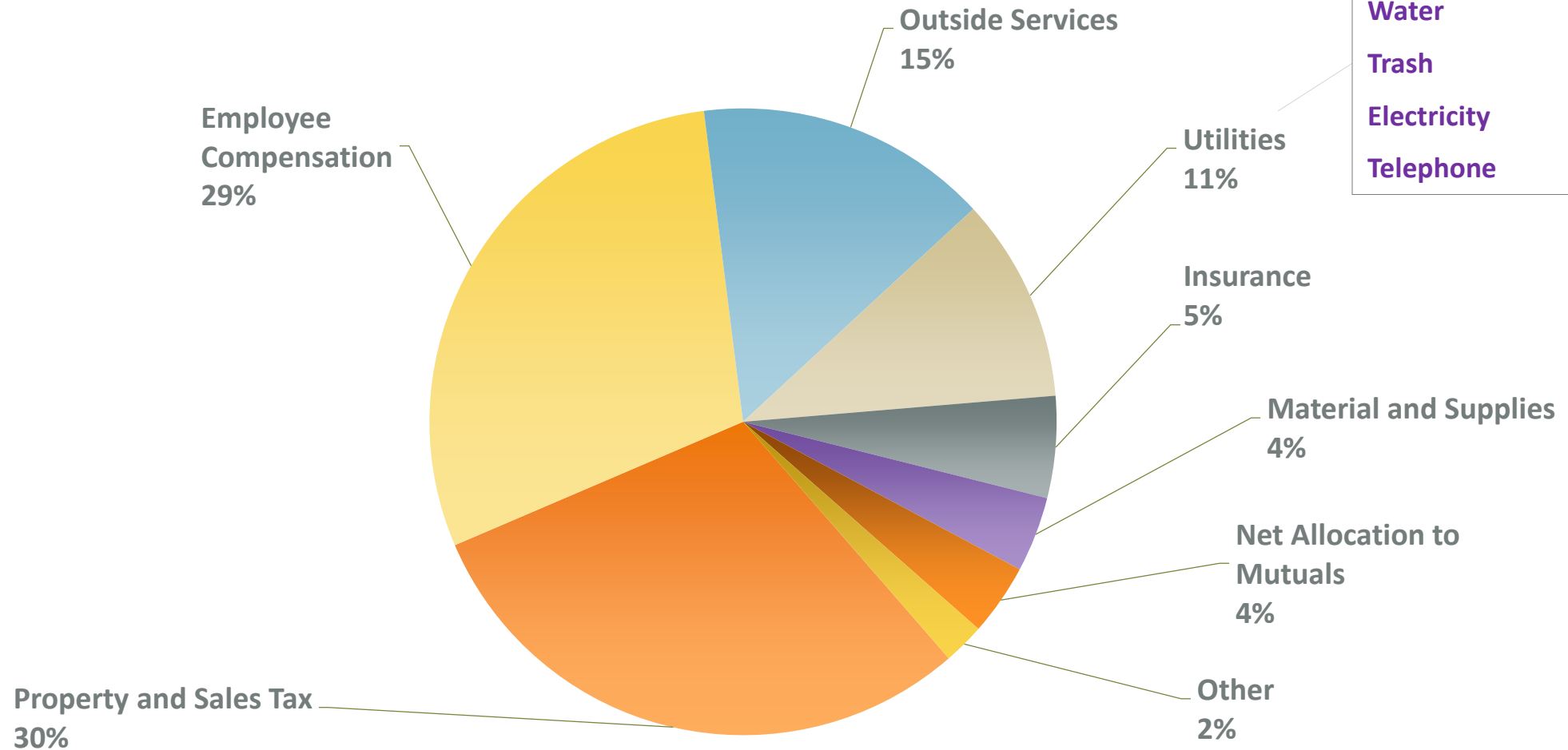


Financial Report

Preliminary as of July 31, 2020



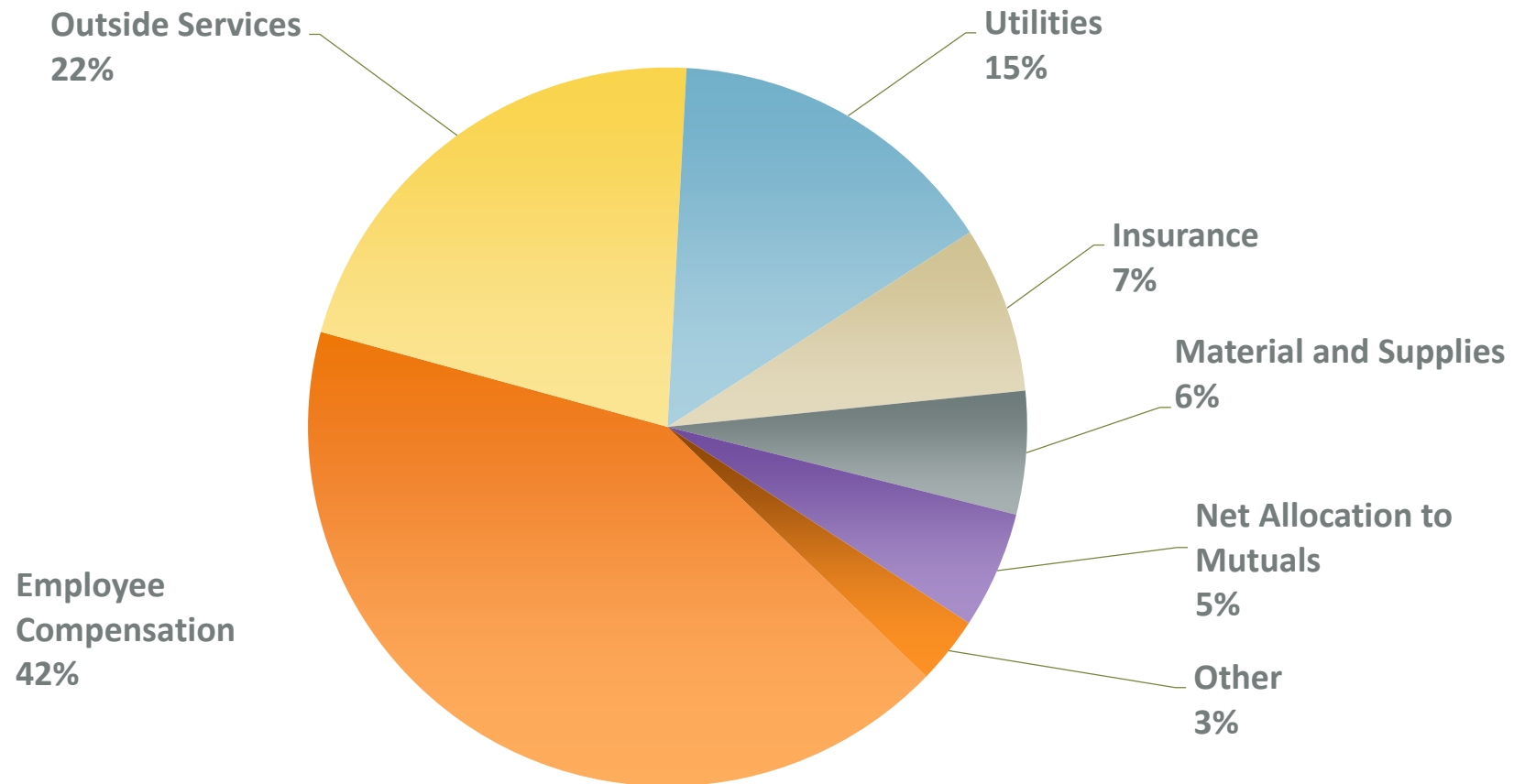
Total Expenses \$22,551,449



Financial Report

Preliminary as of July 31, 2020

Total Expenses Excluding Property and Sales Tax \$15,797,918



Financial Report

Preliminary as of July 31, 2020

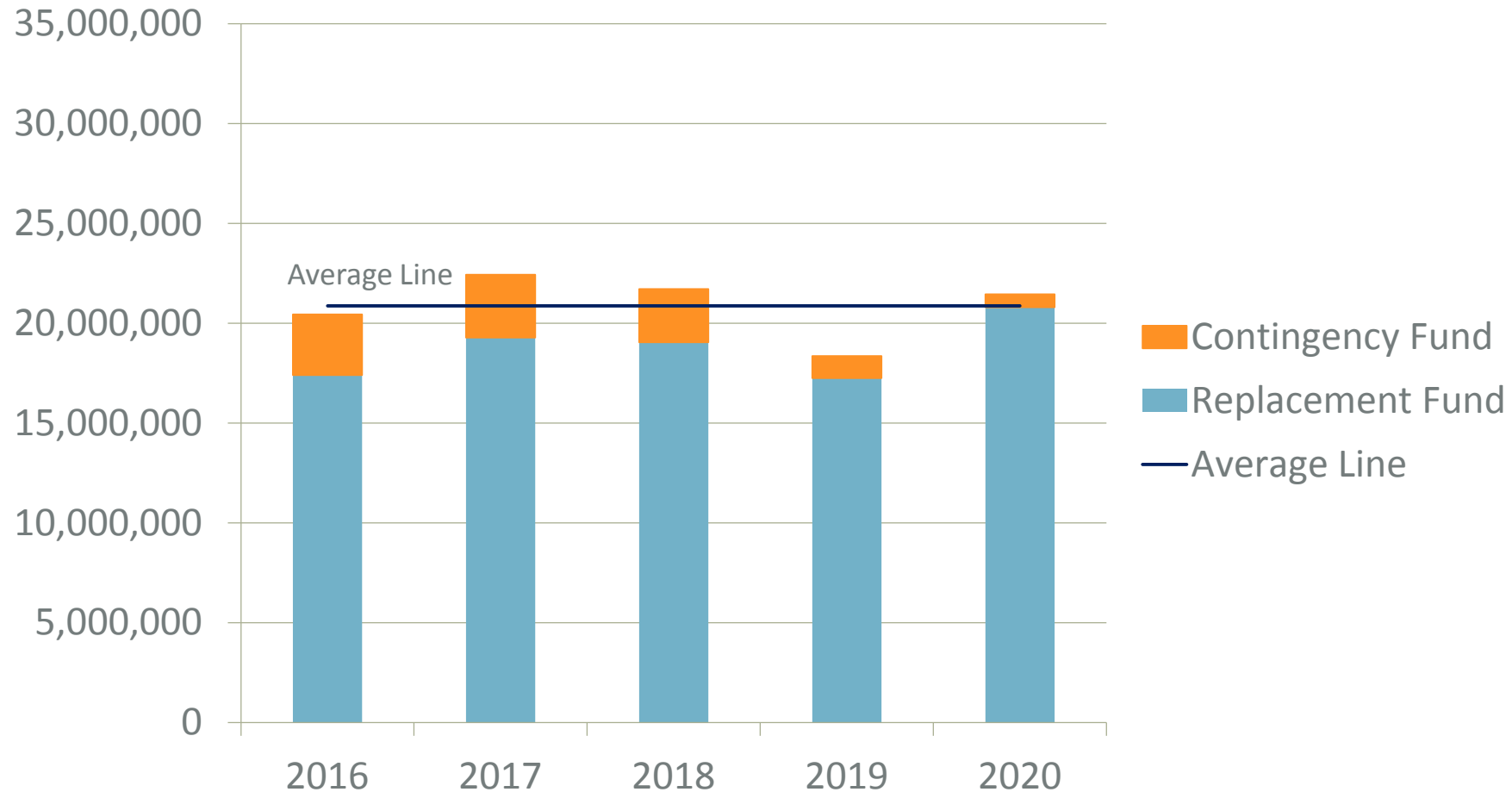


NON OPERATING FUND BALANCES (in Thousands)	CONTINGENCY	RESERVE
Beginning Balances: 1/1/20	\$1,107	\$17,256
Contributions & Interest	483	7,370
Expenditures	(942)	(3,827)
Current Balances: 7/31/20	\$648	\$20,799

Financial Report

Preliminary as of July 31, 2020

FUND BALANCES – United Mutual



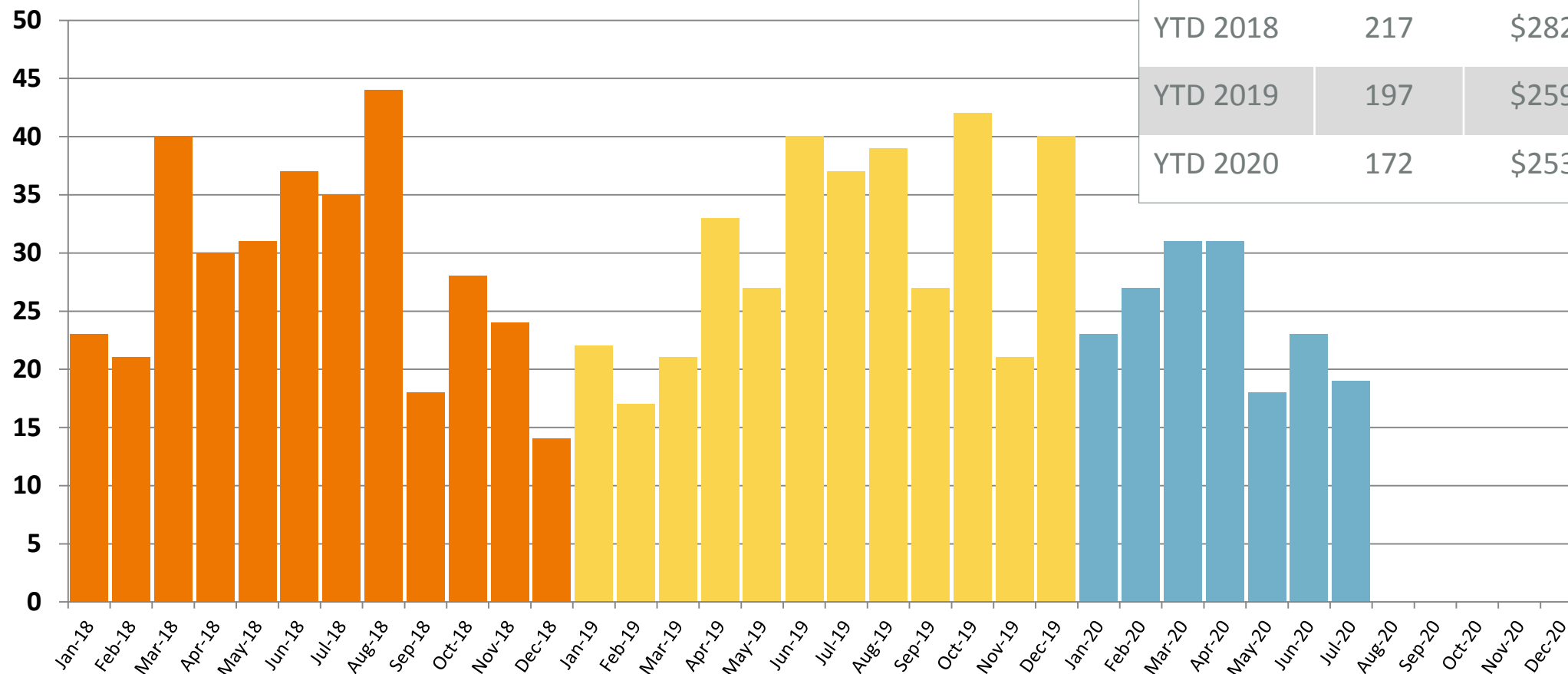
Financial Report

Preliminary as of July 31, 2020



RESALE HISTORY – United Mutual

UNITS



	NO. OF RESALES	AVG. RESALE PRICE
YTD 2018	217	\$282,194
YTD 2019	197	\$259,541
YTD 2020	172	\$253,453

Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

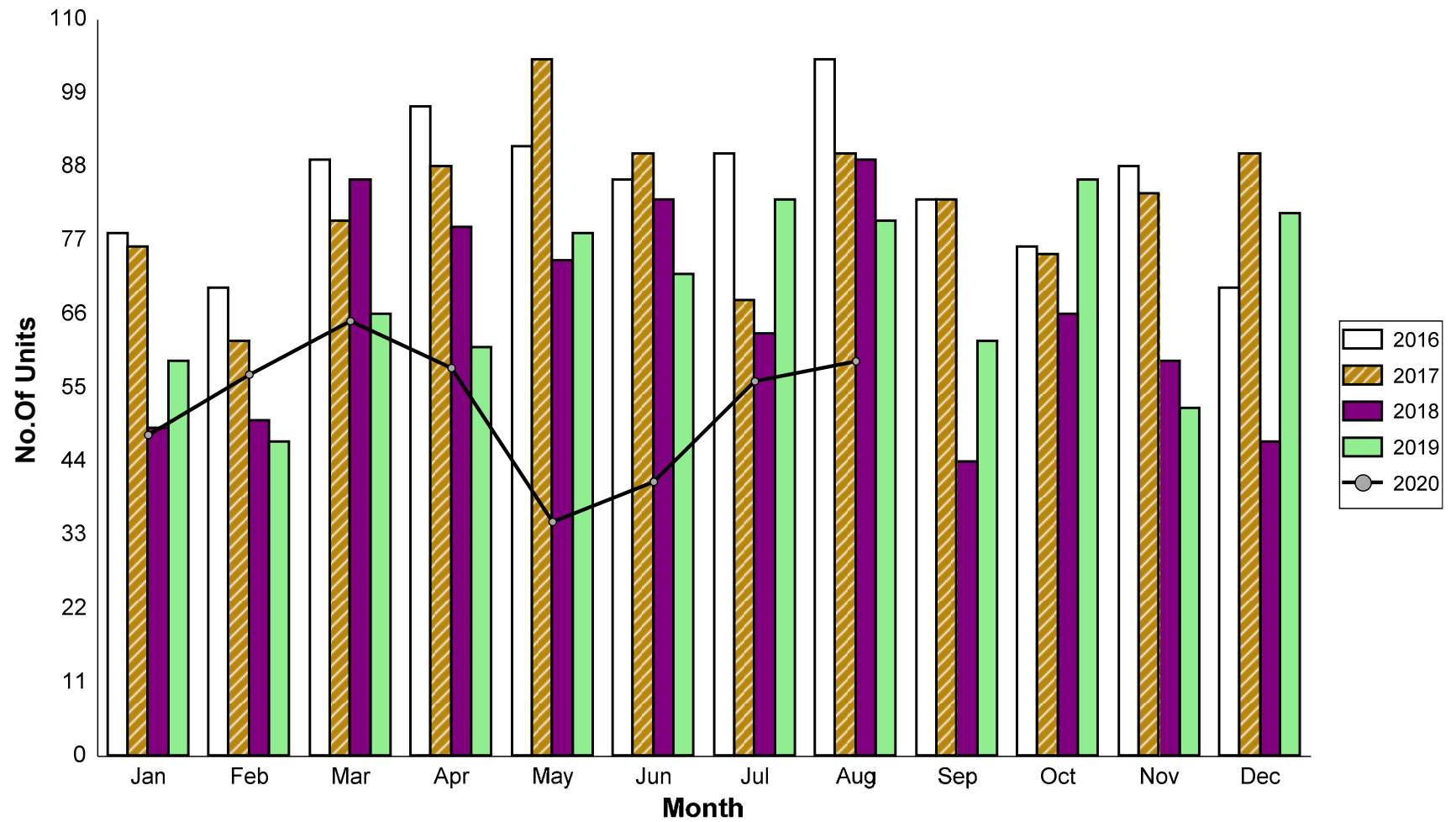
REPORT PERIOD

August, 2020

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	48	59	\$16,125,300	\$18,540,250	\$335,944	\$314,242
February	57	47	\$18,886,210	\$14,770,050	\$331,337	\$314,256
March	65	66	\$21,969,916	\$23,445,712	\$337,999	\$355,238
April	58	61	\$18,200,321	\$20,041,551	\$313,799	\$328,550
May	35	78	\$10,277,500	\$23,975,536	\$293,643	\$307,379
June	41	72	\$12,315,399	\$21,298,290	\$300,376	\$295,810
July	56	83	\$20,514,748	\$27,170,573	\$366,335	\$327,356
August	59	80	\$21,522,228	\$26,206,000	\$364,784	\$327,575
September		* 62		* \$20,171,980		* \$325,355
October		* 86		* \$26,648,300		* \$309,864
November		* 52		* \$18,653,350		* \$358,718
December		* 81		* \$27,517,600		* \$339,723
TOTAL	419.00	546.00	\$139,811,622	\$175,447,962		
MON AVG	52.00	68.00	\$17,476,453	\$21,930,995	\$330,527	\$321,301

* Amount is excluded from percent calculation

Resales - 5 Year Comparison



Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

United

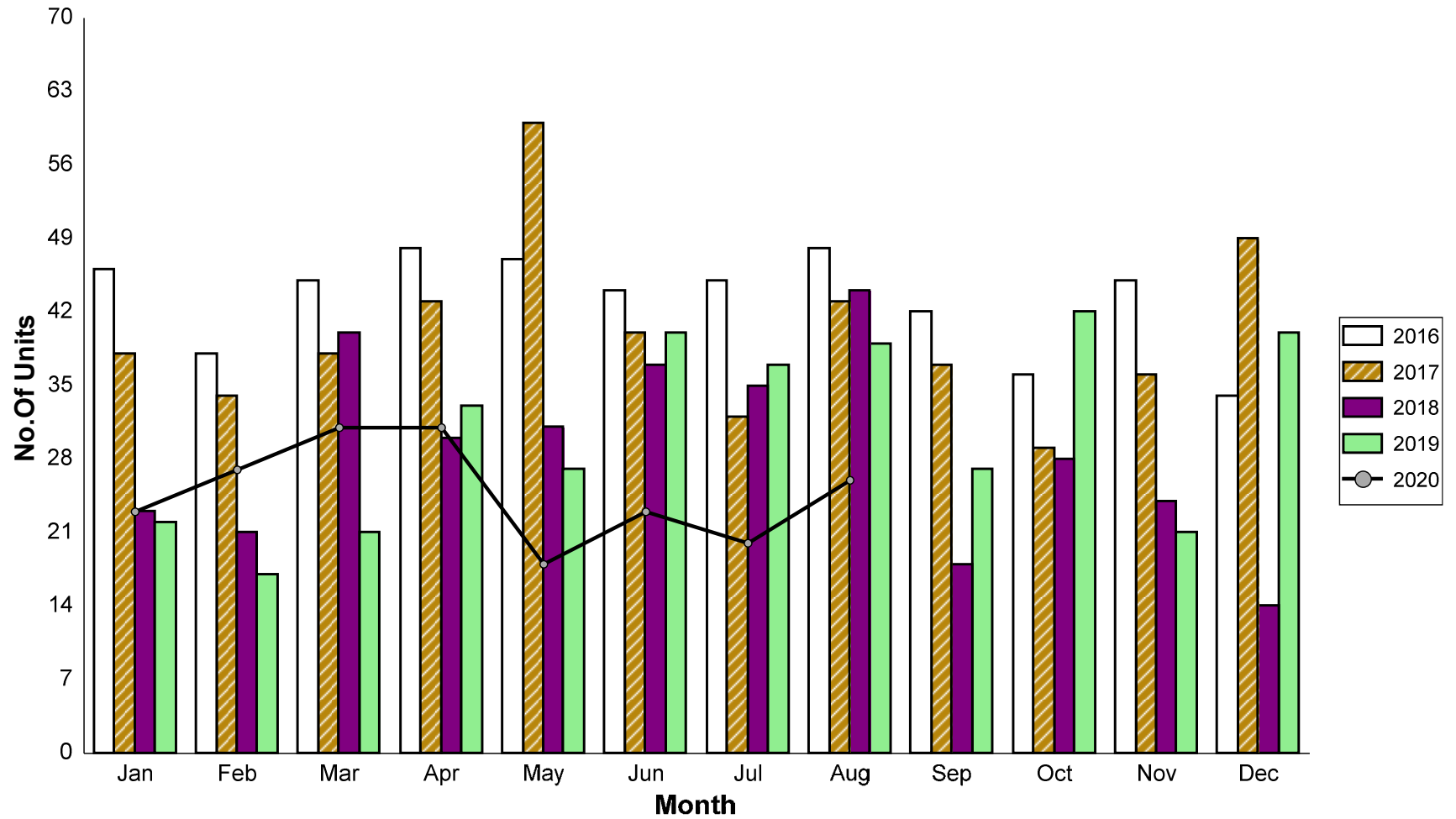
August, 2020

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	23	22	\$6,100,300	\$5,282,150	\$265,230	\$240,098
February	27	17	\$6,375,200	\$4,256,150	\$236,119	\$250,362
March	31	21	\$7,863,500	\$6,355,000	\$253,661	\$302,619
April	31	33	\$7,209,488	\$9,292,051	\$232,564	\$281,577
May	18	27	\$4,523,500	\$6,380,503	\$251,306	\$236,315
June	23	40	\$6,174,899	\$10,297,790	\$268,474	\$257,445
July	20	37	\$5,274,500	\$9,189,800	\$263,725	\$248,373
August	26	39	\$6,909,300	\$10,018,600	\$265,742	\$256,887
September		*		\$7,328,900		* \$271,441
October		*		\$10,220,400		* \$243,343
November		*		\$5,065,500		* \$241,214
December		*		\$9,175,800		* \$229,395
TOTAL	199.00	236.00	\$50,430,687	\$61,072,044		
MON AVG	24.00	29.00	\$6,303,836	\$7,634,006	\$254,603	\$259,209
% CHANGE - YTD	-15.7%		-17.4%		-1.8%	

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

Resales - 5 Year Comparison



Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

United

August, 2020

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	23	22	\$6,100,300	\$5,282,150	\$265,230	\$240,098
February	27	17	\$6,375,200	\$4,256,150	\$236,119	\$250,362
March	31	21	\$7,863,500	\$6,355,000	\$253,661	\$302,619
April	31	33	\$7,209,488	\$9,292,051	\$232,564	\$281,577
May	18	27	\$4,523,500	\$6,380,503	\$251,306	\$236,315
June	23	40	\$6,174,899	\$10,297,790	\$268,474	\$257,445
July	20	37	\$5,274,500	\$9,189,800	\$263,725	\$248,373
August	26	39	\$6,909,300	\$10,018,600	\$265,742	\$256,887
September		*		\$7,328,900		* \$271,441
October		*		\$10,220,400		* \$243,343
November		*		\$5,065,500		* \$241,214
December		*		\$9,175,800		* \$229,395
TOTAL	199.00	236.00	\$50,430,687	\$61,072,044		
MON AVG	24.00	29.00	\$6,303,836	\$7,634,006	\$254,603	\$259,209
% CHANGE - YTD	-15.7%		-17.4%		-1.8%	

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

Monthly Resale Report United Mutual

PREPARED BY
Community Services Department

Aug-20

Period	Month	NUMBER OF REALES				TOTAL SALES VOLUME IN \$\$				AVG RESALE PRICE			
		2020	2019	2018	2017	2020	2019	2018	2017	2020	2019	2018	2017
1	January	23	22	23	38	\$6,100,300	\$5,282,150	\$6,014,390	\$8,968,930	\$265,230	\$240,098	\$261,495	\$236,024
2	February	27	17	21	35	\$6,375,200	\$4,256,150	\$6,059,250	\$8,512,700	\$236,119	\$250,362	\$288,536	\$243,220
3	March	31	21	40	38	\$7,863,500	\$6,355,000	\$11,156,600	\$9,580,000	\$253,661	\$302,619	\$278,915	\$252,105
4	April	31	33	30	43	\$7,209,488	\$9,292,051	\$8,824,600	\$10,177,429	\$232,564	\$281,577	\$294,153	\$236,684
5	May	18	27	31	60	\$4,523,500	\$6,380,503	\$8,735,000	\$15,888,800	\$251,306	\$236,315	\$281,774	\$264,813
6	June	23	40	37	40	\$6,220,399	\$10,297,790	\$11,021,400	\$10,744,150	\$270,452	\$257,445	\$297,876	\$268,604
7	July	20	37	35	32	\$5,274,500	\$9,189,800	\$9,541,300	\$7,887,100	\$263,725	\$248,373	\$272,609	\$246,472
8	August	26	39	44	43	\$6,909,300	\$10,018,600	\$11,285,100	\$11,310,367	\$265,742	\$256,887	\$256,480	\$263,032
9	September	0	27	18	37	\$0	\$7,328,900	\$4,632,500	\$9,461,900	\$0	\$271,441	\$257,361	\$255,727
10	October	0	42	28	29	\$0	\$10,220,400	\$8,556,100	\$7,898,500	\$0	\$243,343	\$305,575	\$272,362
11	November	0	21	24	37	\$0	\$5,065,500	\$6,194,000	\$9,793,900	\$0	\$241,214	\$258,083	\$264,700
12	December	0	40	14	49	\$0	\$9,175,800	\$3,368,300	\$12,579,440	\$0	\$229,395	\$240,593	\$256,723
TOTAL		199	236	261	329	\$50,476,187	\$61,072,044	\$72,637,640	\$83,069,476				
MON AVG		25	30	33	41	\$6,309,523	\$7,634,006	\$9,079,705	\$10,383,685	\$254,850	\$259,210	\$278,980	\$251,369
% CHANGE-YTD		-15.7%	-9.6%	-20.7%	-8.9%	-17.3%	-15.9%	-12.6%	3.3%	-1.7%	-7.1%	11.0%	12.8%

% Change calculated (This Year - Last Year)/Last Year
Percent calculation only includes YTD figures in black.



MONTHLY LEASING REPORT

Report Period:
August-2020

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	174	362	615	562	22	20	33	0
February	39	41	173	360	613	565	20	26	36	0
March	36	39	173	368	616	567	64	26	29	4
April	15	30	177	361	583	549	31	22	38	3
May	9	20	177	357	563	553	41	18	47	3
June	14	25	166	379	584	574	23	41	31	4
July	18	24	170	383	595	572	20	31	51	3
August	18	23	175	378	594	583	33	25	39	5
September										
October										
November										
December										
Monthly Average	23.0	30.8	173.1	368.5	595.4	565.6	31.8	26.1	38.0	2.8
Percentage Leased	594 / 6323 = 9.4%									

* Short-term lessees extending stay until safe to return home or make a change to current living arrangements.

New Leases = Units Sublet

this page intentionally left blank



OPEN MEETING

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

Thursday, August 20, 2020 – 1:30 p.m.

VIRTUAL MEETING

Laguna Woods Village Community Center
24351 El Toro Road, Laguna Woods, CA 92637

MEMBERS PRESENT: Andre Torng - Chair, Sue Margolis, and Neda Ardani

MEMBERS ABSENT: None

ADVISORS PRESENT: None

ADVISORS ABSENT: Bevan Strom

OTHERS PRESENT: Dick Rader

STAFF PRESENT: Francis Gomez, Pamela Bashline, Siobhan Foster, Paul Nguyen, and Debbie Ballesteros

CALL TO ORDER

Andre Torng, Chair, called the meeting to order at 1:47 p.m.

ACKNOWLEDGEMENT OF PRESS

The Media was not present.

APPROVAL OF THE AGENDA

President Margolis made a motion to approve the agenda as submitted. Director Ardani seconded the motion.

By unanimous vote the motion carried.

Without objection, the Committee agreed to take items out of order.

APPROVAL OF MEETING REPORTS

President Margolis made a motion to approve the July 16, 2020 meeting report as presented. Director Ardani seconded the motion.

By unanimous vote the motion carried.

CHAIR'S REMARKS

Chair Torng discussed the Operating Rules that are included in the agenda packet and that rules related to Alterations and Landscape have been moved to their own packet. He explained the process of collecting and consolidating the rules in one area as he would like.

MEMBER COMMENTS ON NON-AGENDA ITEMS

Stevie Majid (2052-A) wants to know the reason why FICO scores are required on Occupancy applications and repeated applications are needed for renters.

Jenny Frimmer (881-A) had a question about the last meeting pertaining to rebates.

RESPONSE TO MEMBER COMMENTS ON NON-AGENDA ITEMS

Pamela Bashline, Community Services Manager, responded to Ms. Majid. Director Torng and Mr. Rader responded to Ms. Frimmer's.

REPORTS

Occupancy Agreement Update

The Committee tabled the matter to the next meeting.

Guide to Operating Rules Update

Francis Gomez, Operations Manager, provided an update on the Operating Rules. The Committee members made comments and asked questions. President Margolis commended staff on satisfying the objective provided by the Committee.

Without objection, Chair Torng will meet with staff off line to discuss further objections regarding the Operating Rules and possible cost associated in implementing of same.

ITEMS FOR DISCUSSION AND CONSIDERATION

Financial Qualifications Policy

Ms. Bashline presented the Financial Qualifications Policy. The Committee members made comments and asked questions.

Director Ardani made a motion to approve the amended policy. President Margolis seconded the motion.

By unanimous vote, the motion was carried.

Operating Rules Review

Chair Torng discussed issues and concerns with the operating rules. There was no action taken from the Committee on this item.

Code of Conduct

The Committee tabled this discussion to the next meeting.

Committee Member Comments

Chair Torng requested that Guarantors be added to Future Agenda Items.

Future Agenda Items

- Roles, responsibilities and protocols
- Mission, vision, and strategic directives
- Review GRF Donation Policy (Andre Torng)
- Discuss standardizing Village-wide working groups which aren't specific to certain Mutual a uniformed structure and scope of work
- Requirements for heirs to become members
- Committee Advisor Qualification Procedure and Policy
- Establish Legal Support Requirement Resolution

Date of next Meeting

The next meeting is scheduled for Thursday, September 17, 2020 at 1:30 p.m. via virtual meeting.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 3:31 p.m.

DRAFT

Andre Torng, Chair
United Laguna Woods Mutual

this page intentionally left blank

OPEN MEETING

REPORT OF THE REGULAR MEETING OF THE GOLDEN RAIN FOUNDATION COMMUNITY ACTIVITIES COMMITTEE

Thursday, August 13, 2020 – 1:30 p.m.
Virtual GoToMeeting

MEMBERS PRESENT: Bunny Carpenter-Acting Chair, Ryna Rothberg, Juanita Skillman, Andre Torng, Yvonne Horton, Annie McCary, Cush Bhada, Jon Pearlstone, Dennis Boudreau

MEMBERS ABSENT: Janey Dorrell, Ed Tao

OTHERS PRESENT: Elsie Addington, Sue Stephens

STAFF PRESENT: Siobhan Foster, Brian Gruner, Betty Parker, Jennifer Murphy, and Jackie Kupfert

Call to Order

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

Acknowledgement of Media

There was no press present.

Approval of Agenda

A motion was made, and by consensus, the agenda was approved.

Approval of Committee Report for June 11, 2020

A motion was made, and by consensus, the report was approved.

Chair's Remarks

Chair Carpenter provided instructions for all residents to view the meeting online how to provide comments before and during the meeting. Chair Carpenter updated the committee on the Equestrian Ad Hoc Committee progress which includes: a marketing article in the next Village Breeze; residents will have the opportunity to sign up for the bi-monthly newsletter following a 6-month eblast to the community; interviews of boarders; Sue Hemberger is diligently working on new riding schedules and the Adopt-A-Horse program to help cover expenses and this proposed program will be brought to CAC once the details are complete; an Equine Assisted Learning program is being researched and Chair Carpenter and Director Brown are going to visit a center soon for review; Mr. Kurt Wiemann, Field Operations Director, is working with Waste Management to reduce fees to \$0 at the Equestrian Center (a cost savings of approximately \$70,000 annually). Chair Carpenter thanked the Ad Hoc Committee for their continued enthusiasm.

Report of the Recreation and Special Events Director

Mr. Gruner stated many staff from the guard gate facilities have moved back to assist with the facility operations at the pools, lawn bowling, tennis, golf and pickleball/paddle tennis. Many are also working in other areas such as at the gates and assisting the coin distribution at Clubhouse 5 and the Performing Arts Center for those residents that have coin operated washers.

Mr. Gruner stated staff continues to follow the conditional modified operation procedures and the 4 phase approach of re-opening as approved. We are currently still in phase 2. He restated the following approved phases: Phase 1 was the opening of the golf course and driving range; Phase 2 included the opening of tennis, pickleball, paddle tennis, lawn bowling, swimming and the introduction of outdoor fitness programs; Phase 3 would include indoor programs such as arts/crafts, fitness, archery, lectures and small club events; Phase 4 would include full operation with large events returning. Staff completed new operational procedures for outdoor fitness programs as well as indoor, but indoor programs are still prohibited. Mr. Gruner urgently reminded everyone that our community is high risk and that proceeding with caution is highly important. He stated how very fortunate we are as cases are low in Laguna Woods Village up to this point and staff hopes to continue this low rate.

Mr. Gruner stated pool phone reservation problems occurred where the system was simply overwhelmed due to the call volume. A new online system, Kourts, is to be launched on August 27 to ease the phone reservation system. Residents will be able to make reservations online for tennis, paddle tennis, pickleball. Mr. Gruner stated the July 4th golf cart parade was very successful with about 90 participants and staff is looking to incorporate this for the 2021 July 4th celebration. Staff met with a planning committee and will meet again in October. Drive-thru movies will be hosted on August 21 and 22 at the employee parking lot. A comprehensive staff meeting occurred on August 13 to ensure staff is up to date on all new policies and procedures. A club president's letter is being sent via email today to provide updates on club paperwork, reservations and fees.

Facility updates: Garden Centers remain open with active gardening. All plots are rented at this time. Staff continues to monitor weeding and is focused on general maintenance of plots and Garden Center supplies. The veggie pod area is complete at Garden Center 2 which is for those with disabilities and who may not want a large plot. Golf will have an online scheduling system soon as tee times are full each day with over 400 rounds per day. Staff is actively recruiting for an Equestrian Center Supervisor and is hopeful to have this person begin in late September. Four horses, Baby, Blaze, Moonstar and Brandy, have been deemed not suitable for the riding program. Moonstar will be retired at Sunny Oasis Pasture facility and Baby and Blaze will be euthanized per the veterinarian recommendation. Due to the close proximity of riders and staff when mounting riders, staff is hopeful to resume riding operations with restrictions to residents only and after the new Equestrian Supervisor starts. Mr. Gruner stated the following updates at the Equestrian Center: the arena footing has been improved and is being monitored; staff forklift and tractor training has been completed; rat abatement has begun in house; the mounting blocks have been redone. The Tennis Center renovation project is almost complete with the HVAC system going in now, however the building cannot open until pandemic is over. A walk-through at the Performing Arts Center will be held soon to review safety/ADA requirements. Pool 4 has been opened to accommodate more swimmers with no lane lines. Pools 2 and 5 remain open and all pools have available space on many days.

Director Bhada inquired as to availability and pricing of the drive-in movie tickets. Mr. Gruner responded stated tickets are available for purchase by calling 949-597-4282 and are \$10 per car. PAC/CH5 is hosting coin distribution for residents that have coin operated washers.

Member Comments (*Items Not on the Agenda*)

Residents were called to speak on the following: more Recreation sponsored outdoor activities and outdoor fitness; better and more movies on Village TV; dedicated Zoom account for residents; Clubhouse 7 storage renovation/club storage.

Chair Carpenter inquired as to club storage at Clubhouse 7. Mr. Gruner stated the Clubhouse 7 storage renovation project was pulled from the budget. Ms. Murphy stated in January all groups were asked to remove their items from storage. The COVID-19 pandemic caused the clubhouse closure before clubs could be contacted allowing them to return their items to storage. Ms. Murphy will contact Ms. Cooley, Clubhouse 7 Supervisor to complete this task.

Chair Carpenter stated agenda item #14 will address proposed outdoor activities. Director Rothberg stated the Towers has been hosting outdoor activities during the pandemic.

CONSENT

Director Bhada inquired as to separating utilities and telephone expenses from water, gas, etc. and inquired as to trash collection as part of the facility expense. Mr. Gruner stated trash is included in the utilities. Director Horton stated staff is working on permits to reduce waste at the Equestrian Center. Director Pearlstone inquired as to review a formal budget financial analysis of all costs at all facilities for the last three years and to coordinate with the Finance Department. Mr. Gruner stated staff will comply with committee direction. Director Pearlstone stated he would like to review the same type of report done for the Equestrian Center. Director Torng concurred with Director Pearlstone and would like to review exceptions that are extremely high or low.

A motion was made, and by consensus, the consent calendar was approved.

REPORTS

Amendment to GRF Recreation Department Policy - Ms. Murphy stated recommendation that the board of directors approve the proposed amendments to the Golden Rain Foundation (GRF) Recreation and Special Events Department Policy and Procedures.

Director Torng stated the addition of compliance should be added to A.6 and would like clarification of resident classes versus Emeritus classes regarding D.1.b. Ms. Murphy clarified the classes section is in regards to Emeritus only and that Compliance and Security work hand in hand, so Compliance investigates. She stated staff may add "Compliance" in the policy. Director Torng stated A.10 states 80% resident membership. Ms. Murphy stated it was previously 10% and will be adjusted to 20% non-resident registered club members.

Discussion ensued.

Motion was made to approve the proposed amendments to the GRF Recreation and Special Events Department Policy and Procedures with recommended edits.

Motion passed unanimously.

Outdoor Fitness Equipment - Mr. Gruner stated the recommendation that the board of directors approve a supplemental appropriation in the amount of \$120,000 to be funded from the equipment fund for the purchase and installation of an outdoor fitness center on the outside perimeter of the annex open space at Clubhouse 2.

Mr. Gruner presented the survey results and stated there are currently no appropriated funds for this project.

Discussion ensued.

Staff was directed to add Director Skillman and Director McCary to the outdoor fitness equipment sub-committee.

Motion was made to send this item back to the Recreation Department for review of location, alternative equipment and pricing quotes.

Motion passed unanimously.

ITEMS FOR DISCUSSION AND CONSIDERATION

Equestrian Financial Report - Chair Carpenter stated the boarding fees have gone up every year. There has been a loss of boarders at the Equestrian Center, but we have approximately four new boarders coming in. This report is to discuss how costs are allocated based upon the revenue versus expenses. Chair Carpenter inquired as to boarding fees, salaries and wages, waste removal and pest control fees. Mr. Gruner stated the waste removal fee will be eliminated and Landscape is taking over rat abatement and Recreation will be billed the same rate as the outside vendor which is \$120 per month. Chair Carpenter inquired as to staff uniforms. Mr. Gruner stated staff is allocated shirts and safety shoes. Director Horton stated staff does not wear the uniforms. Mr. Gruner will speak with staff to ensure they are wearing the proper uniform.

Members were called to speak regarding the following: the entire agenda packet was not available for review; total amount the Equestrian Center is short; the riding program still being closed.

Discussion ensued.

2021 Estimated Equestrian Fees - Ms. Parker presented the 2021 Estimated Equestrian Fees. The new cost sharing percentage effective June 1, 2020 is 70%, up from 65%. The entire Equestrian budget has allocations applied for the calculations of fees; wages are allocated by task and there is a per horse allocation. The current boarder fee is \$243 per month with a proposed increase to \$285 per month in 2021. Ms. Parker stated pricing policies vary within Recreation which may be altered per GRF Board direction. Chair Carpenter stated the Equestrian boarder fee should be reviewed. Director Bhada inquired as to occupancy of the stables. Mr. Gruner stated due to the riding program utilizing GRF horses, there would be approximately 25 boarded horses. Ms. Murphy stated we have 19 boarded horses with 8 available stalls.

Director Pearlstone spoke regarding the Equestrian budget. He stated this is 6% of total activities cost and only .3% of total GRF budget which will have zero impact on our assessments. Staff is not

working on insurance, maintenance and construction and not evaluating the multi-million dollar issues at Golf due to the extensive discussion on the savings of \$25,000 at the Equestrian Center. A clear list of objectives should be presented to CAC and GRF. Chair Carpenter concurred and inquired as to changing from percentage of shared cost to a fixed boarding fee and services at the Equestrian Center assisting with covering costs. Mr. Gruner stated new Equestrian Supervisor would be evaluating the current operation for revenue opportunities.

Discussion ensued.

Ms. Parker will send an email of the presentation to staff for dissemination.

Garden Center Operating Rules - Mr. Gruner presented the proposed changes to the Garden Center Operating Rules.

Chair Carpenter suggested the following changes:

Under J, please add #6, "When a garden plot becomes vacant, all improvements made to the plot become the property of GRF. Other gardeners are not allowed to remove items from the plot."

Under G.12, please replace the final sentence to read "Failure to do so may result in loss of permit." Chair Carpenter requested the removal of any mention of giving away of plot without staff involvement.

Please change Division to Department throughout the document.

Discussion ensued.

Director Torng will work with Recreation staff on Chinese translation.

Motion was made to approve the Garden Center Operating Rules with noted adjustments per Chair.

Motion passed unanimously.

Proposed Outdoor Activity List - Mr. Gruner stated the proposed outdoor activities list with the addition of the following: drive-up concert, fitness challenge boot camp and spin class. Chair Carpenter inquired as to using Clubhouse 2 patio for spin classes. Padding would need to be installed per Mr. Gruner.

Chair Carpenter stated six members of the Pacific Symphony would be willing to perform for free. She suggested the Equestrian Center, Clubhouse 1 or Clubhouse 2 with safety restrictions. Staff requested Chair Carpenter send the Pacific Symphony information to Ms. Murphy. Chair Carpenter inquired as to the limitations on an outdoor concert as the sports that are open are less restrictive. Director Horton stated straw bales are already at Equestrian Center for spacing. Director Skillman stated Clubhouse 2 has a parking problem and GRF policy states no more than 15 people at a gathering. She suggested Village TV record any concert to be watched in resident's homes for safety. Chair Carpenter stated she was looking for events to get residents outdoors. Director Torng inquired as to it being a VMS activity or spontaneous concert and inquired as to a line dance show. He inquired as to if it is considered a gathering of 15 or more if attendees are sitting six feet apart. Mr. Gruner stated this would be a GRF event with preregistration and limitations. Director Pearlstone stated dramatic changes were made at Aliso Creek to ensure safety and agrees with

Director Skillman. He stated the policy is open for revision and it may be safer to host these outdoor concerts within Laguna Woods Village.

A resident was called to speak regarding outdoor equipment; outdoor fitness classes and length of time to reopen. Mr. Gruner stated the infrastructure for pool reservations was severely restrictive and this prohibits the roll out of other facility openings. The online reservation system may allow staff to open other facilities. More swim lanes have opened, Pool 4 opened and both of these eased the swim reservation issues. Director Pearlstone inquired as to outdoor ping pong. Mr. Gruner stated this is an option, but would require the purchase of different tables. Ms. Murphy stated only four to five instructors are willing to return to teaching. Chair Carpenter stated an inquiry was received regarding re-opening an outside path near the golf course. Staff will review with Tom McCray and Sean Cincotta and it will be added to CAC agenda under Items for Discussion and Consideration in September. Mr. Gruner stated staff will try to open some activities by September 1. Advisor Boudreau stated the golf path is an internal part of the golf course with golf cart usage and hitting golf balls near the path.

ITEMS FOR FUTURE AGENDAS

Budget and Financial Analysis

CONCLUDING BUSINESS

Committee Member Comments

Director Pearlstone directed staff to create financials for all activities for budget management in the form of a similar report for all facilities and work centers and put the agenda items under Items for Discussion and Consideration.

Director Skillman stated the problem with all these activities are those who do not want to follow the rules set forth. She is also concerned about injury on outdoor fitness equipment.

Director Horton stated a friend who plays pickleball inquired about staff checking those for reservation confirmation and wearing of masks for participants. She stated staff doesn't wear masks consistently. She inquired into the name of the Equestrian Center Supervisor candidate. Mr. Gruner stated that information cannot be discussed as the recruitment is ongoing.

Director McCary reminded everyone that September will be influenza season and we could look at a longer period of quarantine. All must be cautious as we move forward with new activities.

Advisor Boudreau stated Liz Schied at the Equestrian Center is doing a wonderful job.

Director Bhada thanked everyone for an entertaining meeting and received an email regarding the outstanding job with regards to Liz Schied at the Equestrian Center.

Date of Next Meeting

The next regular meeting of the GRF Community Activities Committee will be held at 1:30 p.m. via the GoToMeeting platform on Thursday, September 10, 2020.

Adjournment

There being no further business, the Chair adjourned the meeting at 4:41 p.m.

A handwritten signature in cursive script that reads "Bunny Carpenter". The signature is written in black ink and is positioned above a horizontal line.

Bunny Carpenter, Chair

this page intentionally left blank



OPEN MEETING

**REGULAR MEETING OF THE GOLDEN RAIN FOUNDATION
LANDSCAPE COMMITTEE**

Wednesday, August 12, 2020 – 1:30 P.M.

VIRTUAL MEETING

**Laguna Woods Village Community Center
24351 El Toro Road**

COMMITTEE MEMBERS PRESENT: Chair - Yvonne Horton, Bert Moldow, Lynn Jarrett, Manuel Armendariz, Elsie Addington

COMMITTEE MEMBERS ABSENT: Andre Torng, Reza Karimi

OTHERS PRESENT: Bunny Carpenter, Juanita Skillman

ADVISORS PRESENT: None.

STAFF PRESENT: Kurt Wiemann, Eve Morton, Maribel Flores

REPORT

1. Call to Order

Chair Horton called the meeting to order at 1:32 p.m.

2. Acknowledgement of Media

No press was present.

3. Approval of the Agenda

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

4. Approval of Meeting Report of February 12, 2020

Director Armendariz made a motion to approve the Meeting Report. Director Jarrett seconded. The committee was in unanimous support.

5. Committee Chair Remarks

None.

6. Department Head Update

Mr. Wiemann reported that there has been concern about the monkey puzzle trees in the creek area. They produce tree pods there that are quite large. They only drop every other year. It would be very difficult to remove the pods from the trees

and very expensive. He has placed signs there to warn residents of the falling seed pods. Their size is 18 inches by 24 inches.

The Landscape Department has been buying new equipment which was budgeted. They are looking into the possibility of using electric battery powered tools to reduce noise and pollution. Some of the electric tools tested in the past aren't as powerful as the gas-powered tools. Technology should come along in a few years where electric tools may work as well as gas-powered tools.

Consent:

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

None.

Reports:

None

Items for Discussion and Consideration:

7. Request for Tree Removal – 3024-A (Bissiri) and 3024-B (Hollie) --Three California Pepper Trees located between the rear of building 3024 and the Tennis Courts at Clubhouse 7

Director Moldow made a motion to accept staff's recommendation and approve removal of all three trees; staff will pay to remove the decaying tree and the requesting residents will pay to remove the other two trees. Director Armendariz seconded. The committee was in unanimous support.

8. Discuss Cost of Upgrading Landscaping at the Gates

Mr. Wiemann reported that most of the work to upgrade landscaping at the gates may be worked on by the new planting crew so an outside contractor will not be needed for this work. To increase accountability and service levels, he has reorganized the Landscape Department and the planting crew is part of that reorganization. Landscaping improvements have already taken place at three of the gates. He reported that staff will be able to work on most of the other gate landscaping in 2021.

There is now also an irrigation specialist on the planting crew which is helping to streamline irrigation issues.

9. Update on the Creek

Mr. Wiemann reported that there was a preliminary inspection last week of the mitigation site at the creek. The rule is that the Village must keep any non-native weeds at the creek to just five percent. He is hoping to be done with mitigation next year. He has petitioned the departments that oversee the creek to allow us to remove some of the cattails. According to the mitigation rules, staff is allowed to trim the cattails only in the summer months.

Creating a native turtle pond is an option being considered which would allow the Village to open some of the area by the bridge and a couple of other sections upstream. Mitigation credits are extremely expensive so are not really an option. There are five governmental agencies who govern the creek.

10. Update on Manure Disposal from the Stables

After staff was ordered by AQMD officials that we could no longer use our existing tub grinder and were waiting delivery of the new tub grinder, we were cited for having too much mulch in the mulch yard. However, we are now clear of that citation. The mulch yard looks great. We are now able to grind tree stumps so are no longer paying approximately \$30K per year to pay someone else to grind them. The Village produces about 2,500 cubic yards of green waste per month. The tree trimmers also dump into our mulch yard. Staff will be dispersing a lot of mulch this fall and winter.

Regarding the manure disposal at the Equestrian Center; initial conversations with the County was a “no” but we told them we could handle it. However, we need to revise our permit to do so. Also, an odor management plan will need to be put into place. We don’t plan on using the manured mulch around the units. It will only be used for other areas such as the horse trails, clubhouses, slopes, and in the Nursery.

Chair Jarrett stated that she will be showing a video of the tub grinder in action on her TV6 spot next week.

Items for Future Agendas:

Concluding Business:

11. Member Comments (Items Not on the Agenda)

The Community Center is closed and this will be a virtual meeting which Members may view on the Village website under Residents>Governance>Board Meeting Videos. Member comments will be read during the meeting and the committee will respond. Members can request to speak via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee meeting in the subject line of the email or call 949-268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.

None.

12. Response to Member Comments

None.

13. Committee Member Comments

Director Armendariz stated that perhaps a fence should be put around the monkey puzzle trees at the creek which drop the heavy pods. Staff was asked to put together the cost to fence in those trees and bring that report to the next meeting.

Mr. Wiemann stated that the fence needs to be at three feet tall as to not be a tripping hazard.

14. Date of Next Meeting – TBD

15. Adjournment at 2:14 p.m.

~~Y. Horton~~
[Yvonne Horton \(Aug 25, 2020 12:06 PDT\)](#)

Yvonne Horton, Chair



OPEN MEETING

THE GOLDEN RAIN FOUNDATION MEDIA AND
COMMUNICATIONS COMMITTEE MEETING
Monday, August 17, 2020 at 1:30 p.m.
Laguna Woods Village Community Center
Virtual Meeting
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

MEMBERS PRESENT: Chair Sue Stephens, Directors Elsie Addington, Bunny Carpenter, Lynn Jarrett, Annie McCary and Juanita Skillman; Advisors Tom Nash and Carmen Pacella

MEMBERS ABSENT: Director Ryna Rothberg; Advisor Frank Tybor

OTHERS PRESENT: None

STAFF PRESENT: Eileen Paulin, Chuck Holland, Jackie Kupfert, Susan Logan-McCracken, Paul Ortiz and Ellyce Rothrock

1. **Call to Order**
Meeting was called to order at 1:29 p.m.
2. **Acknowledgement of Media**
None
3. **Approval of the Agenda**
Approved
4. **Approval of Meeting Report from June 15, 2020**
Approved
5. **Chair's Remarks**
Director Sue Stephens introduced herself and discussed her professional background and experience. She thanked VMS Director of Media and Communications Eileen Paulin and her staff for helping to acclimate her to the GRF Media and Communications Committee.
6. **Member Comments (Items Not on the Agenda)**
None
7. **Director's and Staff Responses to Member Comments**
None

REPORTS:

8. Media and Communications Report – Director Eileen Paulin

Ms. Paulin addressed post office issues with delivering the Village Breeze, which did mail.

Ms. Paulin mentioned that the June/July Employee Newsletter was published and distributed. She commended feature articles on adjusting to working at home during the pandemic and on Paul Ortiz' 40-year history with the company.

Ms. Paulin encouraged residents to register for power outage alerts.

Ms. Paulin discussed the emergency resolution that passed requiring face masks and to email questions about it to info@lagunawoodsvillage.com.

Ms. Paulin thanked all the people and organizations who generously donated masks to the Village.

Ms. Paulin reported on the success of the medical roundtable, that TV6 is continuing to broadcast six days each week and that open rates are good.

9. Broadband Update – Director Eileen Paulin

Ms. Paulin stated that internet subscriber counts are the highest they have been to date.

Ms. Paulin stated that there have been no major contract renewals for channels since the last GRF Media and Communications Committee meeting.

Ms. Paulin discussed cable costs.

ITEMS FOR DISCUSSION AND CONSIDERATION:

Update on The Broadband Group (TBG) consulting project: Ms. Paulin reported that the project with TBG is on schedule. TBG will be doing a site inspection this Thursday.

Update on Third Mutual CC&R voting project: Ms. Paulin discussed Third's CC&Rs initiative. The mutual is working with the Lew Edwards consulting group, Directors Annie McCary, Robert Mutchnick and Third Board of Directors President Steve Parsons for the upcoming elections.

Inform committee of communication protocol for COVID-19 related messages: Ms. Paulin discussed the protocol for COVID-related messages, mentioning TV6 and the message boards.

Virtual New Resident Orientations: Ms. Paulin announced that new resident orientations are returning virtually; docent tours remain on hold.

Village Breeze Editorial Board meeting: VMS Media and Communications Supervisor Ellyce Rothrock announced that the Village Breeze editorial board meeting will be held Monday, August 31, at 1:30 p.m. The purpose of this meeting is to share feedback and impressions on content and design.

Ms. Paulin commended the strong participation in the August/September issue's haiku contest as well as the overall content.

Review of for-profit phonebook publishers distributing in the Village policy: Ms. Paulin discussed with the committee the phone book that is published and delivered to the Village and whether that should continue.

Director Lynn Jarrett stated the map in the Village Breeze lessens the need for the phone book.

Director McCary stated that she would not miss the phone book.

Director Juanita Skillman suggested not distributing the phone book during the pandemic and responding that we will get back to the publisher after the pandemic.

Chair Stephens suggested distributing the phone books from the administration building but not while the building is closed during the pandemic.

Ms. Paulin suggested distributing the phone books from City Hall. Chair Stephens and Director Skillman concurred.

Advisor Carmen Pacella stated that the phone book is not needed in the Village anymore and that residents don't want their information public if it is distributed at City Hall. He also mentioned that the Village Breeze map eliminates the need for the map that is in the phone book.

Chair Stephens asked if private phone numbers are included and if residents could opt out. Ms. Paulin responded that residents might forget to opt out.

Director Skillman stated that residents are not automatically included if they don't have a land line.

Discussion: Advisor Tom Nash stated that if the phone books already have been printed and are ready to distribute, we should follow through. Ms. Paulin responded that one of the publishers has not printed them yet.

Chair Stephens asked if this should go to the staff at City Hall to decide. Ms. Paulin and VMS TV Services Manager Paul Ortiz suggested City Hall as a stepping point.

Director Elsie Addington stated that the phone book should be continued.

ITEMS FOR FUTURE AGENDAS:

CONCLUDING BUSINESS:

13. Committee Member Comments

Director Skillman mentioned that U.S. Census workers are due to come into the Village in the next month for those residents who did not complete the form online or via mail.

Director Skillman suggested communicating to the residents that as soon as they receive their ballots to fill them out and place them in the collection box outside City Hall.

Director Skillman mentioned that Assembly Bill 3182 would hurt residents' leasing and renting capabilities.

Director Skillman clarified that Third's vote on CC&Rs needs a two-thirds vote of the quorum and not of the membership.

As an alternative to docent tours, Director Skillman suggested the orientation videos on the website, as they cover a lot of what the docent tours covered for new residents.

Director Bunny Carpenter discussed the importance of communicating why we cannot give refunds on assessments. She mentioned that insurance dues have increased and that we are absorbing that cost. Director Skillman reiterated that we are legally obligated to not refund unused dues.

Director Addington discussed that she is working on an article that will discuss how the surplus may be used to offset operating expenses and benefit residents.

Ms. Paulin stated that she is working with the Census groups to get further information to the residents.

Ms. Paulin referred to CEO Jeff Parker's statement regarding giving refunds.

Ms. Paulin recommended the locked box at City Hall for election ballots.

Ms. Paulin recommended residents use the electronic link in a piece the department is sending out regarding AB 3182. That link is important to recording resident votes.

Ms. Paulin mentioned some of the virtual tours are on the website.

Ms. Paulin announced that MemorialCare offered to underwrite the wellness route between the Village and the MemorialCare/Saddleback campus.

Director McCary welcomed Chair Stephens and commended her on the meeting.

14. Date of Next Meeting – September 21, 2020, at 1:30 p.m.

15. Adjournment
3 p.m.


Sue Stephens, Chair
Media and Communications Committee



REPORT OF THE REGULAR MEETING OF THE
GOLDEN RAIN FOUNDATION OF LAGUNA WOODS
SECURITY AND COMMUNITY ACCESS COMMITTEE

The Regular Meeting of the Security and Community Access Committee was held on Monday, August 24, 2020 at 1:30 p.m. 24351 El Toro Road, Laguna Woods, California.

MEMBERS PRESENT: Don Tibbetts – Chair, Neda Ardani, Cash Achrekar, Cush Bhada, and John Dalis

MEMBERS ABSENT: None

ADVISORS PRESENT: Frank Tybor

ADVISORS ABSENT: Larry Cunningham

OTHERS PRESENT: John Frankel, Dick Rader, and Bunny Carpenter

STAFF PRESENT: Carlos Rojas, Brian Gruner, and Debbie Ballesteros

CALL TO ORDER

Don Tibbetts, Chair, called the meeting to order at 1:30 p.m.

ACKNOWLEDGEMENT OF PRESS

The Media was not present.

APPROVAL OF AGENDA

By way of consensus, the Committee approved the agenda as presented.

APPROVAL OF MEETING REPORT

By way of consensus, the Committee approved the February 24, 2020 meeting report as amended.

CHAIRMAN'S REMARKS

Chair Tibbetts welcomed everyone back since the last meeting was in February. He explained that it was Chief Moy's last meeting and Chief Rojas' first meeting.

MEMBER COMMENTS ON NON-AGENDA ITEMS

None

RESPONSE TO MEMBER COMMENTS ON NON-AGENDA ITEMS

None

REPORTS

Gate Access Update

Carlos Rojas, Chief of Security, updated the Committee on Gate Access Project. He informed them that Gate 11 has been completed. Chief Rojas stated that so far the gate arms have been working well in the Community. This gate was the final gate needed to be completed to conclude the Gate Access Project.

Disaster Preparedness Task Force Report

Chief Rojas explained that the Security Director serves as the Chair of the Disaster Preparedness Task Force (DPTF) per the Resolution. He stated that his emphasis will be on becoming brilliant at the basics, focusing on the fundamentals of disaster preparedness. He informed the Committee that he is working on the emergency supplies that are located in different areas of the Village. His project before the next DPTF meeting will be what supplies we have, what supplies we need, and get rid of the items that no longer are in working order.

RV Update

Chief Rojas informed the Committee that right now, there are 11 spaces available for RV Lot A and none for RV Lot B. He explained that there have been no issues with the RV lots.

Noteworthy Incidents

Chief Rojas presented noteworthy incidents. He explained that earlier this year, there were several vehicles that were stolen. Most of them were found to have had the keys left inside the vehicle. Marketing sent out a Community wide message regarding the break ins, since then there has not been any more stolen vehicles.

Security Statistics

Chief Rojas reported on the statistics for the Security Department that includes foot patrols, notice of violations, crimes, traffic collisions, RV lots, Social Services and the Compliance Division. Reports are attached to the official minutes of this meeting.

Chief Rojas went through reports and explained certain statistics to the Committee. The Committee commented and asked questions.

ITEMS FOR DISCUSSION AND CONSIDERATION

Emergency Equipment Update

Chief Rojas updated the Committee on the Emergency Equipment. He explained that the items were ordered. However, at the moment we are waiting for the approval from the Towers to allow the receiver to be placed on there. The Committee commented and asked questions.

Mandatory Security Officers at Specialty Events

Chief Rojas presented the Mandatory Security Officers at Specialty Events. The Committee commented and asked questions.

Director Bhada made a motion to approve the Mandatory Security Officers at Specialty Events. The motion died for a lack of a second.

By consensus, the Committee directed Staff to update the Staff Report with additional information and bring back to the next meeting.

ITEMS FOR FUTURE AGENDAS

- To be determined

CONCLUDING BUSINESS

Committee Member Comments

Director Cash stated that he wanted to commend Brian Gruner, Recreation and Special Events Director, for a great job on the Drive In Movie they recently had.

DATE OF THE NEXT MEETING

The next meeting is scheduled for Monday, October 26, 2019, at 1:30 p.m. in a virtual meeting.

ADJOURNMENT

There being no further business to come before the Committee, Chair Tibbetts adjourned the meeting at 2:14 p.m.

Don Tibbetts

[Don Tibbetts \(Aug 25, 2020 22:25 PDT\)](#)

Don Tibbetts, Chair

this page intentionally left blank