



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

**Tuesday, October 13, 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. September 8, 2020 – Regular Open Session
  - b. September 14, 2020 – Special Open Meeting (To Fill Vacancy)
- 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](mailto:meeting@vmsinc.org) to request to speak.***
- 7. Responses to Open Forum Speakers**
  - a. Director Ardani –gave an update to the Open Forum comments from the September 8, 2020 board meeting.
- 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. Review the United Sub-Leasing and Transfer of Trust Documents Approved in August, 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 August 2020, and such review is hereby ratified.
- b. Entertain a Motion to Approve the Revised Financial Qualifications Policy – Amendment to Income Requirement (**SEPTEMBER Initial Notification—28-day notification for Member Review and Comment to Comply with Civil Code §4360 has been satisfied**)
- c. Entertain a Motion to Approve 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—28-day notification for Member Review and Comment to Comply with Civil Code §4360 has been satisfied**)

**12. New Business**

- a. Entertain a Motion to Approve a Reclassification of \$510,877 from the Contingency Fund to the Reserve Fund for Damage Restoration Construction Expense Incurred from January 1, 2020 to August 31, 2020
- b. Resolution to Update United Committee Appointments

**13. Committee Reports**

- a. Report of the Finance Committee / Financial Report – Director Gilmore. The Committee met on September 29, 2020; next meeting October 27, 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 September 17, 2020; next meeting October 15, 2020 at 9:30 a.m. as a virtual meeting.

- c. Report of Member Hearings Committee – Director Liberatore. The Committee met on September 24, 2020; next meeting October 22, 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 October 15, 2020, 1:30 p.m. as a virtual meeting.
- f. Report of the Landscape Committee – Director Armendariz. The Committee met on October 8, 2020; next meeting December 10, 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](mailto:n.ardani@yahoo.com).

#### **14. GRF Committee Highlights**

- a. Report of the GRF Finance Committee – Director Gilmore. The Committee met in September 23, 2020; next meeting October 21, 2020, 1:30 p.m. as a virtual meeting
- b. Report of the Community Activities Committee – Director Addington. The Committee met on October 8, 2020; next meeting November 23, 2020, 1:30 p.m. as a virtual meeting.
  - (1) GRF Equestrian Center Ad Hoc Committee – Director Torng. Next meeting August 25, 2020; next meeting October 27, 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 Ardani. The Committee met on September 21, 2020; next meeting October 19, 2020, 1:30 p.m. as a virtual meeting.
  - f. Report of the Mobility and Vehicles Committee – Director Addington. The Committee met on October 7, 2020; next meeting December 2, 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 Ardani. The Hearings were held on September 16, 2020; next hearings will be held October 21, 2020, at 9:00 a.m. as a virtual meeting.
  - i. Report of the Disaster Preparedness Task Force – Director Achrekar. The Task Force met on September 29, 2020; next meeting November 24, 2020 at 9:30 a.m. as a virtual meeting.
  - j. Report of the GRF Bylaw Ad Hoc Committee—Director Margolis. The Committee met on September 16, 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) September 8, 2020—Regular Closed Session*

*(b) September 22, 2020—Special 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**



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

**Tuesday, September 8, 2020, 9:30 a.m.  
Open Session, Virtual Meeting  
24351 El Toro Road, Laguna Woods, California**

Directors Present: Sue Margolis, Carl Randazzo, Juanita Skillman, Brian Gilmore, Anthony Liberatore, Cash Achrekar, Andre Torng, Elsie Addington, Manuel Armendariz, Neda Ardani, Reza Bastani (arrived late)

Directors Absent: None

Staff Present: Jeff Parker, CEO; Siobhan Foster, COO; Betty Parker-CFO, Becky Jackson, Kurt Wiemann, Ernesto Munoz, Steve Hornuth, Grant Schultz and Cheryl Silva

Others Present: VMS: Dick Rader

**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 Achrekar made a motion to approve the agenda. Director Randazzo seconded the motion.

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

**4. Approval of Minutes**

a. August 11, 2020—Regular Open Session

Director Skillman made a motion to approve the minutes of August 11, 2020, Regular Open Session as amended. The motion was seconded by Director Armendariz and passed without objection.

## **5. Report of the Chair**

President Margolis commented about the 2021 budget and the increase in property insurance. She thanked Siobhan Foster-COO for her outstanding assistance to the United Board.

## **6. Open Forum**

Members made comments regarding the following:

- A Member demanded that the assessments be decreased;
- A Member commented that the assessments should be reduced;
- A Member asked why the assessments were increased;
- A Member is asking for an assessment rebate because of the COVID-19 shut-down;
- A Member suggested that the assessment be decreased because of COVID-19 savings.
- A Member asked why the Board Room is still closed.

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

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

- Regarding the installation of a road reflector, the project complete and members satisfied;
- Regarding the quarter shortage, temporary distribution of coins at Clubhouse 3 & 5.

## **8. Update from VMS – VMS Director Rupert was absent and no report was given.**

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 COVID-19 continues to decrease. The State of California has gone to a color coded stage and Orange County has moved to the next to lower category because the seven-day testing positivity rate is less than 5%. Orange County reported 49,258 confirmed COVID-19 cases, 313 reported as of September 4, 2020. City of Laguna Woods reported 49 cases.
- He reported that the assessments will stay at a zero increase for 2021.
- The 2020 asphalt paving program is set to be completed during the month of September. The map for the areas to be worked on is posted on the website.
- Racket Sports and Pool reservations can now be done online through the Recreation department.
- Census takers will start door-to-door visits for the 2020 Census.
- City Hall will serve as a vote center and will have a ballot drop-off box.

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

## **10. Consent Calendar**

**10a. Recommendation from the Finance Committee:**

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

**RESOLUTION 01-20-56**  
**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.

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

**RESOLUTION 01-20-57**  
**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.

- 10b.** Review the United Sub-Leasing and Transfer of Trust Documents Approved in June, 2020, and such review is hereby ratified.

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

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

#### **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 July 2020, and such review is hereby ratified.

Director Armendariz made a motion to receive the financial review for the month of July 2020. The motion was seconded by Director Tornø and the motion passed by a vote of 10-1-0 (Directors Armendariz opposed).

- 11b. (1)** Entertain a Motion to Approve the 2021 United Business Plan

#### **RESOLUTION 01-20-58**

#### **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.

Director Skillman made a motion to approve the resolution to approve the 2021 United Business Plan. The motion was seconded by Director Addington.

Discussion ensued among the directors.

Betty Parker-CFO answered questions from the board.

President Margolis called for a roll-call vote and the motion passed by a vote of 8-3-0 (Directors Bastani, Torng and Armendariz opposed).

(2) Entertain a Motion to Approve the 2021 United Reserves Funding Plan

**RESOLUTION 01-20-59**  
**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.

Director Skillman made a motion to approve the resolution to approve the 2021 United Reserves Funding Plan. The motion was seconded by Director Addington.

Discussion ensued among the directors.

Betty Parker-CFO answered questions from the board.

President Margolis called for the vote and the motion passed by a vote of 8-2-1 (Directors Armendariz, Torng 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**, October 13, 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.

AUGUST Initial Notification—Referred Back to Committee—September Reintroduced  
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

Last month the board sent the resolution back to committee for re-evaluation.

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 Armendariz.

Discussion ensued among the directors.

President Margolis called for the vote to introduce the resolution for 28-day review and the motion passed by a vote of 9-2-0 (Director Addington, Liberatore opposed).

- 12b.** Entertain a Motion to Approve a Separate Reserve Checking Account for United Laguna Woods Mutual

**RESOLUTION 01-20-60**

**Separate Deposit Checking Account for United Laguna Woods Mutual**

**WHEREAS**, Resolution U-97-49 established a banking relationship with Bank of America;

**NOW THEREFORE BE IT RESOLVED**, September 8, 2020, that the Board of Directors of this Corporation hereby authorizes the opening of a separate United Mutual bank account for the reserve fund;

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

Director Gilmore made a motion to approve opening a separate checking account to deposit and disburse reserve funds for United Laguna Woods Mutual. The motion was seconded by Director Armendariz.

Steve Hormuth-Controller reviewed the procedure to separate reserve checking accounts for United Laguna Woods Mutual.

The board discussed and considered the procedure to separate reserve checking accounts for United Laguna Woods Mutual.

President Margolis called for the vote and the motion passed by a vote of 9-2-0 (Director Addington, Liberatore opposed).

- 12c.** Entertain a Motion to Approve 2021 Collection and Lien Enforcement Policy

Director Skillman gave a synopsis of the following resolution:

**RESOLUTION 01-20-61**

**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.

Director Skillman made a motion to approve the 2021 Collection and Lien Enforcement Policy. Director Achrekar seconded the motion and the motion passed without objection.

**12d. 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**

Director Randazzo gave a synopsis of the following resolution:

**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

Director Randazzo made a motion to introduce a resolution to change the exterior paint and prior-to-paint programs from 10-year cycle to a 15-year cycle for 28-day review. Director Armendariz seconded the motion.

Discussion ensued among the directors.

Ernesto Munoz, Maintenance and Construction Director, answered questions from the board.

President Margolis called for the vote and the motion passed by a vote of 9-2-0 (Director Liberatore, Addington opposed).

### **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 met on August 25, 2020; next meeting will be September 29, 2020, 1:30 p.m. as a virtual meeting.

- 13b.** 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.
- 13c.** Report of the Communications Committee – Director Skillman commented about the Village Breeze; next meeting TBA.
- 13d.** Report of Member Hearings Committee – Director Liberatore gave a report from the last Member Hearings. The Committee met on August 27, 2020; next meeting September 24, 2020 at 9:00 a.m. as a virtual meeting.
- 13e.** Report of the Governing Documents Review Committee – Director Tornø gave a report from the last Committee meeting. The Committee met on August 20, 2020; next meeting will be September 17, 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 on July 22, 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 on August 26, 2020; next meeting October 28, 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 GRF Finance Committee – Director Gilmore gave highlights from the last Committee meeting. The Committee met on August 19, 2020; next meeting will be October 21, 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 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.
- 14c.** Report of the GRF Landscape Committee – Director Armendariz. The Committee met on August 12, 2020; next meeting TBA.
- 14d.** Report of the GRF Maintenance & Construction Committee – Director Randazzo gave highlights from the last Committee meeting. The Committee met on August 12, 2020; next meeting will be October 14, 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. The committee met on September 2, 2020; next meeting TBA.

- 14e. Report of the Media and Communication Committee – Director Skillman gave highlights from the last Committee meeting. The Committee met virtually on August 17, 2020; next meeting will be September 21, 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 on August 24, 2020; next meeting October 26, 2020 at 1:30 p.m. as a virtual meeting.
- 14h. Laguna Woods Village Traffic Hearings – Director Addington. The hearings were held virtually on August 19, 2020; next hearings September 16, 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.
- 14j. GRF Bylaw Ad Hoc Committee – Director Margolis. The Committee met on September 3, 2020; next meeting September 9, 2020, at 2:00 p.m.

#### **15. Future Agenda Items--none**

#### **16. Director's Comments**

- Director Skillman commented AB3182 passed the legislature and we need to contact our governor to veto this bill because it restricts our ability to limit lease/rentals in our community.
- Director Liberatore commented about inventory of the warehouse items.
- Director Bastani commented about dry-rot issues. He requested a cost-benefit analysis for sealing the top and bottom portion of walls with flex seal; or similar material to stop dry rot. He also requested a report on VMS senior staff compensation.
- Director Armendariz thanked four directors for their efforts on the board.
- Director Ardani asked if Resident Advisory Committee could be done virtually.
- Director Addington agrees that AB3182 is not a good bill for our community.

- Director Achrekar would like to start a realtor information meeting to go over the requirements for our community. He is in favor of having outdoor exercise equipment in the community.
- Director Torng commented about not creating fear in the community. Discussed the savings in the current budget caused by the decrease in employee compensation. Commented about committee meeting minutes. He requested a name change for Media and Communication Committee.

**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 11:55 a.m. into the Closed Session.

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

*During the August 6, 2020, Special Closed Session, the Board:*

*Approval of Agenda*

*Discussed Conflict of Interest Matters*

*During the August 7, 2020, Special Closed Session, the Board:*

*Approval of Agenda*

*Discussed Contractual Matters*

*During the August 14, 2020, Special Closed Session, the Board:*

*Approval of Agenda*

*Discussed Contractual Matters*

*During the August 18, 2020, Regular Closed Session, the Board:*

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

*(a) July 15, 2020—Special Closed Meeting*

*(b) July 21, 2020 – Regular Closed Session*

*(c) July 24, 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 August 21, 2020, Special Closed Meeting, the Board:*

*Approval of Agenda*

*Discussed Contractual Matters*

*During the August 27, 2020, Special Closed Meeting, the Board:*


*Approval of Agenda*

*Discussed Contractual and Legal Matters*



**18. Adjourn**

The meeting was adjourned at 2:00 p.m.

  
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Juanita Skillman, Secretary of the Board  
United Laguna Woods Mutual

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

September 14, 2020 at 1:30 p.m.  
24351 El Toro Road, Laguna Woods, California  
On-Line Virtual Meeting

The Special Meeting of the United Laguna Woods Mutual, a California non-profit mutual benefit corporation, met on Monday, September 14, 2020, at 1:30 p.m. as a virtual meeting to fill a vacancy on the VMS Board.

The following members were present at the meeting:

**Directos Present:** Sue Margolis, Carl Randazzo, Andre Torng, Manuel Armendariz, Elsie Addington, Neda Ardani, Reza Bastani, Anthony Liberatore, Cash Achrekar and Juanita Skillman

**Directors Absent:** Brian Gilmore

**Staff Present:** Jeff Parker-CEO, Siobhan Foster-COO, Chuck Holland, Cheryl Silva, and Grant Schultz

**Others Present:** Geron Gray, Norman Kahn, and Abdol Riahi

**1) Call to Order**

Sue Margolis, President of the United Board of Directors, chaired the meeting and called the meeting to order at 1:30 p.m.

President Margolis stated that the purpose of this United Board Special meeting was to vote to fill one (1) vacancy on the VMS Board term to conclude in 2021 at the Annual Election.

**2) Approval of the Agenda**

Director Bastani made a motion to approve the agenda as presented. Director Randazzo seconded the motion.

The motion to approve without objection.

**3) Introduction of Candidates**

President Margolis, introduced the candidates:

Geron Gray  
Norman Kahn  
Abdol Riahi  
Juanita Skillman

**Interview of Candidates**

President Margolis allowed each candidate 2 minutes to give an opening statement. Each candidate was given 2 minutes to give a response to each question. Each candidate was given 3 minutes to give a closing statement.

**Explanation of Voting Procedures for Ballot Measure**

The purpose of this United Board Special meeting is to vote to fill one (1) vacancy on the VMS Board. United Board should vote for one (1) candidate on the prepared ballot forms to fill the term concluding in 2021 at the Annual Election

**4) Entertain a Motion to Commence Balloting**

United Board Members will have 30 minute to complete and return the prepared ballot forms to the Corporate Secretary in front of the Community Center.

Director Achrekar made a motion to commence balloting. Director Torng seconded the motion and the motion passed without objection.

**5) Recess for the Purpose of Voting on Prepared Ballot Forms**

President Margolis recessed the meeting at 2:21 p.m.

**6) Reconvene the United Board Special Meeting**

Vice President Randazzo reconvened the meeting at 2:51p.m.

**7) Entertain a Motion to Cease Balloting**

Director Torng made a motion to cease balloting. Director Achrekar seconded the motion and the motion passed without objection.

**8) Counting and Tabulation of Votes**

Cheryl Silva, Corporate Secretary and Grant Schultz, Assistant Corporate Secretary, recorded the votes.

**9) Announcement of New United/VMS Board Member**

Cheryl Silva, Corporate Secretary read and certified the ballot results as follows:



Special Open Meeting  
United Laguna Woods Mutual  
Page 4 of 4

September 14, 2020

**10) Director Comments**

- Several directors congratulated Juanita Skillman on her election to the VMS Board.

**11) Adjournment**

There being no further business, Vice President Randazzo adjourned the meeting at 3:00 p.m.

DocuSigned by:

*Sue Margolis*

Sue Margolis, President of the Board  
United Laguna Woods Mutual



## SUBLEASE REVIEW CONFIRMATION CHECKLIST

By way of Resolution 01-20-52, the United Laguna Woods Mutual Board of Directors 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 they have reviewed select sublease applications for the period ending September 30, 2020.

- ☒ Shareholder effective date
- ☒ Sublease application
- ☒ Sublease agreement or addendum/extension
- ☒ Credit report, FICO score
- ☒ Background check
- ☒ Emergency/CodeRED 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 *Anthony M. Liberatoro*

Print name Anthony M. Liberatoro

Title DIRECTOR

Date 10/02/2020

UNITED LAGUNA WOODS MUTUAL

Signature *Elsie Addington*

Print name Elsie Addington

Title Director

Date 10/02/2020



## MEMBERSHIP TRUST TRANSFER REVIEW CONFIRMATION CHECKLIST

By way of Resolution 01-20-52, the United Laguna Woods Mutual Board of Directors 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 they have reviewed select membership trust transfer applications for the period ending September 30, 2020.

- ☒ Staff report
- ☒ Financial qualifications met
- ☒ Attorney opinion letter
- ☒ Membership certificate, death certificate (if applicable)
- ☒ Credit report, FICO score
- ☒ Background check
- ☒ Emergency/CodeRED form
- ☒ Criminal record
- ☒ Age verification

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

UNITED LAGUNA WOODS MUTUAL

Signature *Anthony M. Libcaphor*

Print name ANTHONY M. LIBCAPHOR

Title DIRECTOR

Date 10/02/2020

UNITED LAGUNA WOODS MUTUAL

Signature *Elsie Addington*

Print name Elsie Addington

Title Director

Date 10/2/2020





## STAFF REPORT

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**DATE:** October 13, 2020  
**FOR:** Governing Documents Review Committee  
**SUBJECT:** Financial Qualifications Policy  
Amendment to Income Requirement

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### **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.

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**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: \_\_\_\_\_

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**Exhibit B**  
**Secured Collateral**

| <b>Asset(s)<br/>Asset location in California<br/><br/>(i.e., Bank account, Bank<br/>Account Number, Name of bank;<br/>or Real property, Real property<br/>address)</b> | <b>Guarantor Name</b> | <b>Ownership Interest</b> |
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## **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 13, 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

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

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## STAFF REPORT

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**DATE:** October 13, 2020  
**FOR:** Maintenance and Construction Committee  
**SUBJECT:** Cycle Change for Exterior Paint and Prior to Paint Programs

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### **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 1/15<sup>th</sup> 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

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

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**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](http://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](http://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**

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

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## STAFF REPORT

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**DATE:** October 13, 2020  
**FOR:** Board of Directors  
**SUBJECT:** Damage Restoration Reclassification

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### **RECOMMENDATION**

Staff recommends the board approve a reclassification of \$510,877 from the Contingency Fund to the Reserve Fund for damage restoration construction expenses incurred from January 1, 2020 to August 31, 2020. Furthermore, damage restoration construction expenses will be coded to the Reserve Fund for the remainder of the year.

### **BACKGROUND**

The Maintenance and Construction Department provides restoration services from damages resulting from plumbing leaks, plumbing stoppages, rain leaks, 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. Expenses can be broken down into two general categories: 1) general cleanup, including dry down, environmental testing, abatement & misc. repairs; and 2) reconstruction. To date, these expenses have been budgeted and charged to the Contingency Fund (previously the General Operating Fund).

The Contingency Fund is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing funding for unanticipated significant expenditures not otherwise identified in the business plan.

The Reserve 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. To date, the Reserve Fund has not been used for invoices classified as damage restoration.

During the 2021 Business Planning meetings, the Board asked that costs related to the reconstruction or replacement of mutual owned components be moved from the Contingency Fund to the Reserve Fund to better fit the purpose of the funds. Beginning in 2021, the Business Plan includes funding for damage restoration cleanup from the Operating Fund and damage restoration construction from the Reserve Fund -- Building Structures.

On September 29, 2020 the United Finance Committee recommended the Board approve the proposed reclassification of \$510,877 from the Contingency Fund to the Reserve Fund for damage restoration construction expenses incurred from January 1, 2020 to August 31, 2020.

## **DISCUSSION**

In 2020, expenses related to damage restoration were coded to the Contingency Fund. Staff reviewed each damage restoration invoice from January 1, 2020 to August 31, 2020 that was coded to the Contingency Fund and identified \$510,877 of expense that related to reconstruction (see Attachment 1). Based on the purpose of the Reserve Fund, Staff recommends a reclassification of construction related expenses from the Contingency Fund to the Reserve Fund.

## **FINANCIAL ANALYSIS**

The 2021 Business Plan includes projected fund balances that assume the reclassification of 2020 reconstruction expense from the Contingency Fund to the Reserve Fund. Furthermore, damage restoration reconstruction expenses will be coded to the Reserve Fund for the remainder of the year. With these directives, the Board elected to eliminate the Contingency Fund contribution in 2021.

| <i>Year</i> | <i>Beginning Balance</i> | <i>Investment Income</i> | <i>Contributions*</i> | <i>Assessment PMPM</i> | <i>Planned Expenditures<sup>ack</sup></i> | <i>ENDING BALANCE</i> |
|-------------|--------------------------|--------------------------|-----------------------|------------------------|---|-----------------------|
| 2020        | \$ 1,095,494             | \$ 15,400                | \$ 1,158,760          | \$ 10.00               | \$ (908,792)                              | \$ 1,360,862          |
| <b>2021</b> | <b>\$ 1,360,862</b>      | <b>\$ 27,062</b>         | <b>\$ 0</b>           | <b>\$ 0</b>            | <b>\$ (15,540)</b>                        | <b>\$ 1,372,384</b>   |
| 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.

**Prepared By:** Jose Campos, Financial Services Manager

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

## **ATTACHMENT(S)**

**ATT1 – 2020 Contingency Fund Expenditures, through August**

**ATT2 - Resolution**



**Attachment 1**

**2020 Contingency Fund Expenditures**

|          | Total Expenditure   | Reconstruction      | Cleanup             |
|----------|---------------------|---------------------|---------------------|
| January  | \$90,958.51         | \$48,456.66         | \$42,501.85         |
| February | 145,514.67          | 97,195.65           | 48,319.02           |
| March    | 187,131.66          | 102,092.90          | 85,038.76           |
| April    | 159,927.66          | 95,241.36           | 64,686.30           |
| May      | 154,846.18          | 31,931.59           | 122,914.59          |
| June     | 187,130.36          | 102,231.13          | 84,899.23           |
| July     | 12,702.70           | 10,797.96           | 1,904.74            |
| August   | 24,876.54           | 22,929.48           | 1,947.06            |
| Total    | <b>\$963,088.28</b> | <b>\$510,876.73</b> | <b>\$452,211.55</b> |

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**RESOLUTION 01-20-XX**

**Reclassification of Expenditures for Damage Restoration  
Construction Expense**

**WHEREAS**, the purpose of the Reserve Fund is to provide for repair, restoration, replacement, or maintenance of structural elements and mechanical equipment within the Mutual;

**WHEREAS**, the Contingency Fund is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing funding for unanticipated significant expenditures not otherwise identified in the business plan; and

**WHEREAS**, to date, the Reserve Fund has not been used for invoices classified as damage restoration.

**RESOLVED**, October 13, 2020 that the Board of Directors of this Corporation hereby authorizes Reclassification of \$510,877 from the Contingency Fund to the Reserve Fund for Damage Restoration Construction Expense Incurred from January 1, 2020 to August 31, 2020.

**RESOLVED FURTHER**, future damage restoration construction expenses will be coded to the Reserve Fund.

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

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**Resolution 01-20-xx**  
**United Laguna Woods Mutual Committee Appointments**

**RESOLVED**, October 13, 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 Mehrain, ~~Janey Dorrell~~, Walt Ridley, ~~Juanita Skillman~~

**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

**Budget Ad Hoc Committee**

Brian Gilmore, Chair

Manuel Armendariz

Carl Randazzo

Reza Bastani

Andre Torng

**Insurance Ad Hoc Committee (new)**

Cash Achrekar (Chair)

Anthony Liberatore

Carl Randazzo

Andre Torng

Manuel Armendariz

Advisor: Diane Fortner, Jon Pearlstone

**Governing Documents Review Committee**

Andre Torng, Chair

Sue Margolis

Neda Ardani

~~Non-voting Advisors: Bevan Strom~~

**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

~~Cash Achrekar~~

**New Resident Orientation**

Per Rotation List

**Resident Advisory Committee**

Neda Ardani, Chair

Cash Achrekar

Andre Torng

~~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~~

**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 01-20-53, adopted August 11, 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.

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**Resolution 01-20-xx**  
**Golden Rain Foundation Committee Appointments**

**RESOLVED**, October 13, 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 Committee**

~~Juanita Skillman~~

Andre Tornng

Elsie Addington, ~~Alternate~~

**Equestrian Center Ad Hoc Committee**

Andre Tornng (United)

**GRF Finance**

Sue Margolis

Brian Gilmore

Manuel Armendariz, Alternate

**Purchasing Ad Hoc Committee (new)**

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**

Manuel Armendariz

Carl Randazzo

Sue Margolis, Alternate

**PAC Renovation Task Force**

Carl Randazzo

~~Juanita Skillman~~

Reza Bastani

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

Andre Torng, Alternate

**GRF Bylaw 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 01-20-54, adopted August 11, 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.

## Financial Report

Preliminary as of August 31, 2020



| INCOME STATEMENT<br>(in Thousands) | ACTUAL   |
|------------------------------------|----------|
| Assessment Revenue                 | \$28,478 |
| Non-assessment Revenue             | \$1,385  |
| Total Revenue                      | \$29,863 |
| Total Expense                      | \$25,691 |
| Net Revenue/(Expense)              | \$4,172  |

1

## Financial Report

Preliminary as of August 31, 2020



| OPERATING ONLY<br>INCOME STATEMENT<br>(in Thousands) | ACTUAL   |
|--|----------|
| Assessment Revenue                                   | \$20,282 |
| Non-assessment Revenue <sup>1</sup>                  | \$727    |
| Total Revenue  | \$21,009 |
| Total Expense <sup>2</sup>                           | \$20,232 |
| Operating Surplus                                    | \$777    |

1) Excludes Unrealized Gain/(Loss)

2) Excludes depreciation

2

## Financial Report

Preliminary as of August 31, 2020

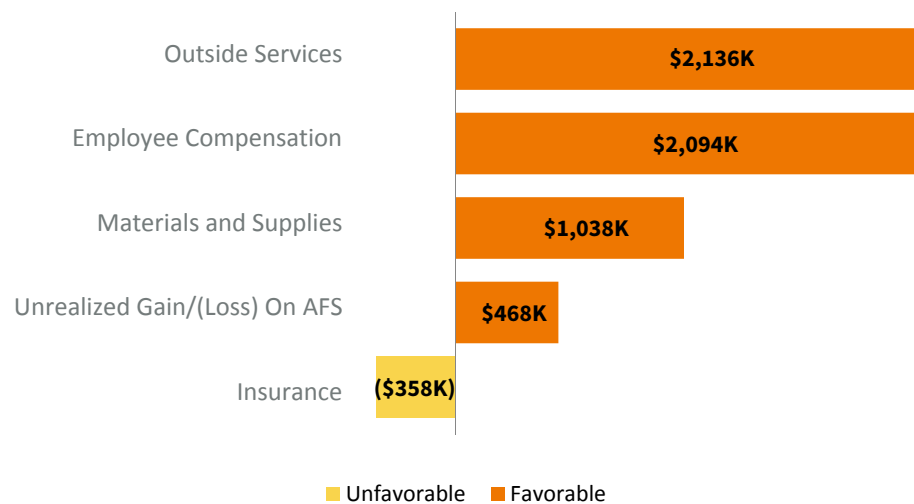


| INCOME STATEMENT<br>(in Thousands) | ACTUAL   | BUDGET    | VARIANCE<br>B/(W) |
|------------------------------------|----------|-----------|-------------------|
| Assessment Revenue                 | \$28,478 | \$28,109  | \$369             |
| Non-assessment Revenue             | \$1,385  | \$1,195   | \$190             |
| Total Revenue                      | \$29,863 | \$29,304  | \$559             |
| Total Expense                      | \$25,691 | \$30,625  | \$4,934           |
| Net Revenue/(Expense)              | \$4,172  | (\$1,321) | \$5,493           |

3

## Financial Report

Preliminary as of August 31, 2020



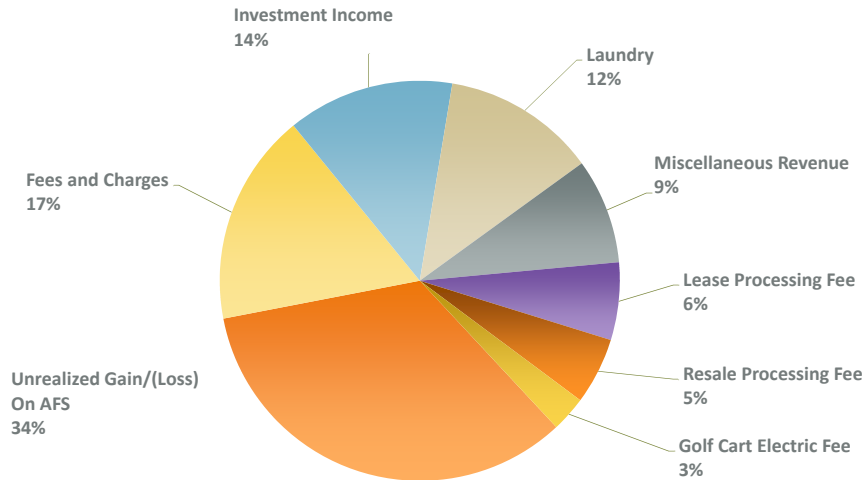
4

# Financial Report

Preliminary as of August 31, 2020



## Total Non Assessment Revenues \$1,385,413



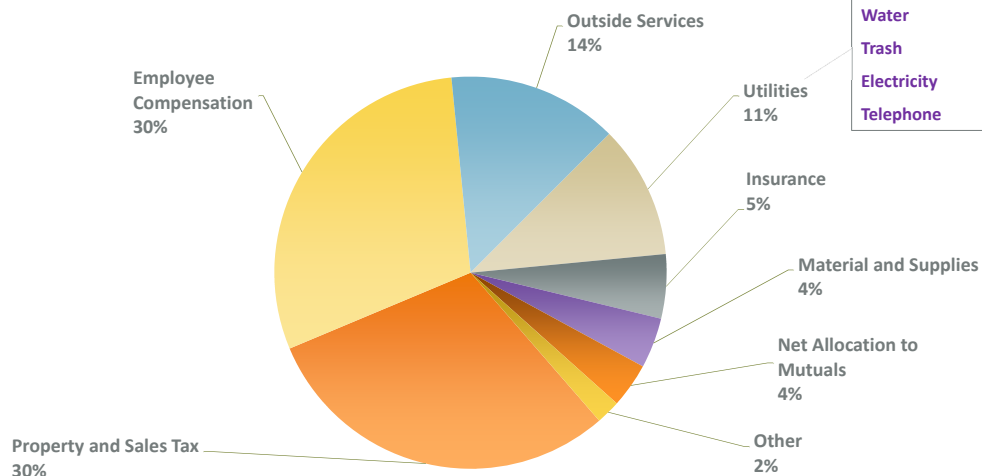
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# Financial Report

Preliminary as of August 31, 2020



## Total Expenses \$25,690,605



|             |             |
|-------------|-------------|
| Sewer       | \$1,192,441 |
| Water       | \$1,284,178 |
| Trash       | \$288,320   |
| Electricity | \$54,873    |
| Telephone   | \$448       |

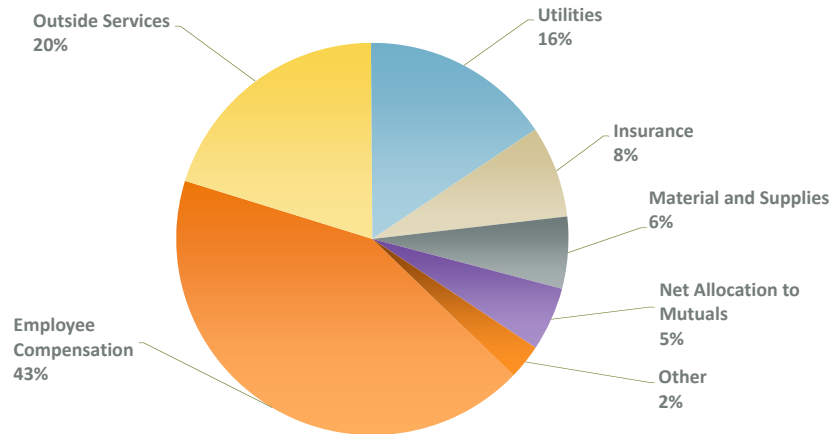
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## Financial Report

Preliminary as of August 31, 2020



### Total Expenses Excluding Property and Sales Tax \$17,964,484



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## Financial Report

Preliminary as of August 31, 2020



| NON OPERATING FUND BALANCES<br>(in Thousands) | CONTINGENCY | RESERVE  |
|---|-------------|----------|
| Beginning Balances: 1/1/20                    | \$1,107     | \$17,256 |
| Contributions & Interest                      | 561         | 8,294    |
| Expenditures                                  | (967)       | (4,360)  |
| Current Balances: 8/31/20                     | \$701       | \$21,190 |

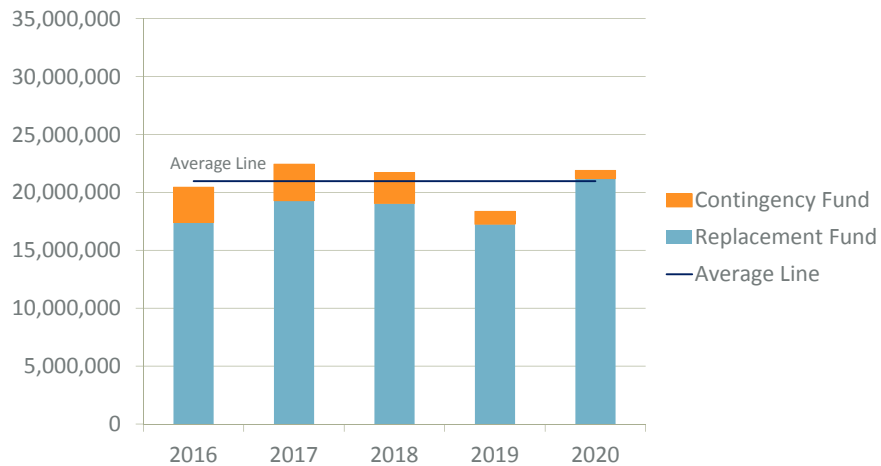
8

## Financial Report

Preliminary as of August 31, 2020



### FUND BALANCES - United Mutual



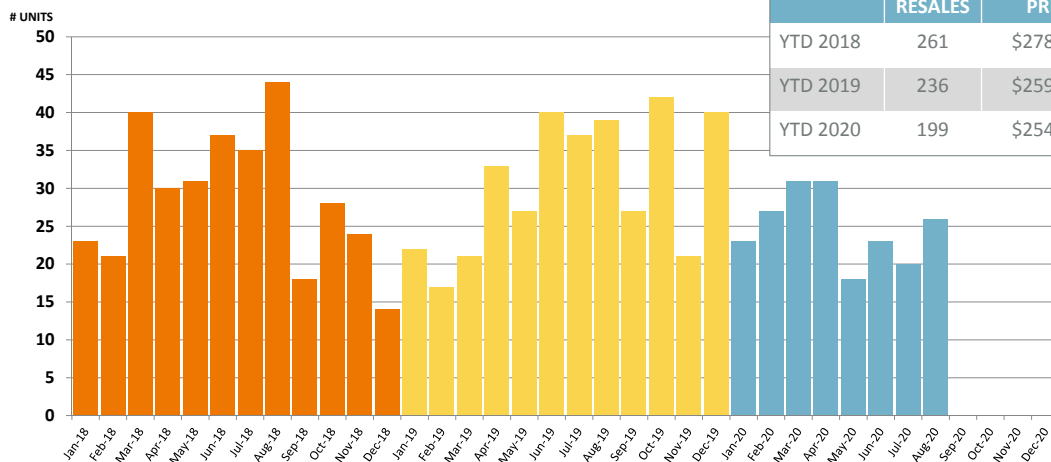
9

## Financial Report

Preliminary as of August 31, 2020



### RESALE HISTORY - United Mutual



|          | NO. OF<br>RESALES | AVG. RESALE<br>PRICE |
|----------|-------------------|----------------------|
| YTD 2018 | 261               | \$278,980            |
| YTD 2019 | 236               | \$259,210            |
| YTD 2020 | 199               | \$254,603            |

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**United Laguna Woods Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**8/31/2020**  
(\$ IN THOUSANDS)

|                                 |  | CURRENT MONTH |                |              | YEAR TO DATE   |                  |                | PRIOR YEAR     | TOTAL            |
|---------------------------------|--|---------------|----------------|--------------|----------------|------------------|----------------|----------------|------------------|
|                                 |  | ACTUAL        | BUDGET         | VARIANCE     | ACTUAL         | BUDGET           | VARIANCE       | ACTUAL         | BUDGET           |
| <b>Revenues:</b>                |  |               |                |              |                |                  |                |                |                  |
| <b>Assessments:</b>             |  |               |                |              |                |                  |                |                |                  |
| 1                               | Operating                                  | \$2,535       | \$2,489        | \$46         | \$20,282       | \$19,913         | \$369          | \$18,698       | \$29,869         |
| 2                               | Additions to restricted funds              | 1,024         | 1,024          |              | 8,196          | 8,196            |                | 8,245          | 12,294           |
| 3                               | <b>Total assessments</b>                   | <u>3,560</u>  | <u>3,514</u>   | <u>46</u>    | <u>28,477</u>  | <u>28,109</u>    | <u>369</u>     | <u>26,943</u>  | <u>42,163</u>    |
| <b>Non-assessment revenues:</b> |  |               |                |              |                |                  |                |                |                  |
| 4                               | Merchandise sales                          | 1             | 2              | (1)          | 5              | 13               | (8)            | 4              | 20               |
| 5                               | Fees and charges for services to residents | 38            | 45             | (7)          | 237            | 360              | (123)          | 382            | 540              |
| 6                               | Laundry                                    | 25            | 23             | 2            | 171            | 180              | (9)            | 174            | 270              |
| 7                               | Investment income                          | 19            | 32             | (13)         | 186            | 257              | (71)           | 300            | 385              |
| 8                               | Unrealized gain/(loss) on AFS investments  | (43)          |                | (43)         | 468            |                  | 468            | 239            |                  |
| 9                               | Miscellaneous                              | 45            | 48             | (4)          | 318            | 386              | (68)           | 371            | 579              |
| 10                              | <b>Total non-assessment revenue</b>        | <u>84</u>     | <u>150</u>     | <u>(65)</u>  | <u>1,385</u>   | <u>1,196</u>     | <u>190</u>     | <u>1,469</u>   | <u>1,794</u>     |
| 11                              | <b>Total revenue</b>                       | <u>3,644</u>  | <u>3,663</u>   | <u>(19)</u>  | <u>29,863</u>  | <u>29,304</u>    | <u>559</u>     | <u>28,412</u>  | <u>43,957</u>    |
| <b>Expenses:</b>                |  |               |                |              |                |                  |                |                |                  |
| 12                              | Employee compensation and related          | 1,005         | 1,219          | 214          | 7,646          | 9,740            | 2,094          | 9,446          | 14,548           |
| 13                              | Materials and supplies                     | 190           | 263            | 72           | 1,066          | 2,104            | 1,038          | 2,263          | 3,141            |
| 14                              | Utilities and telephone                    | 442           | 404            | (38)         | 2,820          | 2,853            | 33             | 2,768          | 4,326            |
| 15                              | Legal fees                                 | 15            | 29             | 15           | 171            | 233              | 62             | 136            | 350              |
| 16                              | Professional fees                          | (3)           | 10             | 13           | 46             | 96               | 49             | 114            | 122              |
| 17                              | Equipment rental                           |               | 1              | 1            | 11             | 11               |                | 17             | 17               |
| 18                              | Outside services                           | 203           | 717            | 515          | 3,612          | 5,748            | 2,136          | 5,008          | 8,638            |
| 19                              | Repairs and maintenance                    | 2             | 4              | 2            | 18             | 31               | 14             | 23             | 47               |
| 20                              | Other Operating Expense                    | 6             | 16             | 11           | 71             | 134              | 63             | 115            | 201              |
| 21                              | Income taxes                               |               | 2              | 2            |                | 17               |                | 3              | 25               |
| 22                              | Property and sales tax                     | 973           | 926            | (47)         | 7,726          | 7,408            | (318)          | 7,382          | 11,112           |
| 23                              | Insurance                                  | 177           | 125            | (51)         | 1,360          | 1,002            | (358)          | 847            | 1,504            |
| 24                              | Investment expense                         |               | 3              | 3            | 5              | 24               | 19             | 19             | 37               |
| 25                              | Uncollectible Accounts                     | (1)           | 5              | 6            | 4              | 40               | 35             | 29             | 60               |
| 26                              | (Gain)/loss on sale or trade               |               | (1)            | (1)          | 55             | (5)              | (60)           | 1              | (8)              |
| 27                              | Depreciation and amortization              | 17            | 17             |              | 132            | 132              |                | 139            | 198              |
| 28                              | Net allocation to mutuals                  | 114           | 131            | 17           | 946            | 1,056            | 111            | 806            | 1,584            |
| 29                              | <b>Total expenses</b>                      | <u>3,139</u>  | <u>3,873</u>   | <u>734</u>   | <u>25,691</u>  | <u>30,625</u>    | <u>4,934</u>   | <u>29,115</u>  | <u>45,902</u>    |
| 30                              | Excess of revenues over expenses           | <u>\$505</u>  | <u>(\$210)</u> | <u>\$715</u> | <u>\$4,172</u> | <u>(\$1,320)</u> | <u>\$5,493</u> | <u>(\$703)</u> | <u>(\$1,945)</u> |





## Statement of Revenues & Expenses - Preliminary Variance Explanations as of August 31, 2020

### SUMMARY

United financial results were better than budget by \$5,493K as of August 31, 2020, primarily due to timing of programs and program adjustments related to the COVID-19 pandemic. Explanations for categories with significant variances are found below.

### REVENUE

- ▶ **Operating Assessments** [Line 1](#) \$369K  
Favorable variance resulted from an increase in revenue for property taxes and supplemental property taxes; offsetting expense is shown on line 22.
- ▶ **Fees and Charges for Services to Residents** [Line 5](#) – (\$123K)  
Unfavorable variance resulted from less revenue than budgeted for chargeable appliance replacements; fewer members requested early replacement and some members requested a one-time disbursement instead of appliance replacement. Variance was furthered by non-essential interior component replacement programs put on hold due to COVID-19 pandemic.
- ▶ **Investment Income** [Line 7](#) (\$71K)  
Unfavorable variance is primarily due to less revenue being generated from Discretionary investment dividends as opposed to interest bearing Discretionary investment bonds. The investment strategy change from individual bond and treasury bill holdings to index funds was initiated after 2020 budgets were approved. The interest generated from bond holdings within the current index funds is reinvested by the index fund manager growing the value of the investment, with the growth reflected in line 8.
- ▶ **Unrealized gain/(loss) on AFS Investments** [Line 8](#) \$468K  
Favorable variance due to reporting of Unrealized Gain on Available for Sale Investments. A monthly entry is made to reflect investment market conditions, which fluctuate.
- ▶ **Miscellaneous Revenue** [Line 9](#) (\$68K)  
Unfavorable variance due to fewer fees collected during facility closures since mid-March, including resident violations and late fees. Unfavorable variance furthered by less resale processing fees, due to fewer resales. The budget assumed 236 sales YTD; however 199 manors were sold through the reporting period.

### EXPENSE

- ▶ **Employee Compensation and Related** [Line 12](#) \$2,094K  
Favorable variance resulted from staff furloughs. Several employees were furloughed primarily in M&C departments due to the ongoing COVID-19 pandemic. Monthly variance is expected to flatten as furloughed employees returned to work in August.



## Statement of Revenues & Expenses - Preliminary

### Variance Explanations as of August 31, 2020

Additionally, United used fewer hours than anticipated for M&C programs such as Plumbing. The budget included hours to replace 632 manor water heaters; however, only 238 water heaters were replaced through the reporting period. Additional savings occurred in general plumbing and tree trimming due to outsourcing; creating savings in labor hours.

► **Materials and Supplies** [Line 13](#) \$1,038K

Favorable variance resulted in several areas of operation due to timing of expenditures and reprioritization of water heater replacements as noted above. Non-essential replacement programs such as interior components, appliances, carpentry, and paint were put on hold due to the COVID-19 pandemic thru July. Work restarted in August.

► **Legal Fees** [Line 15](#) \$62K

Favorable variance resulted due to lower expenditures to date than anticipated. The budget for legal fees is a contingency, which fluctuates from year to year.

► **Outside Services** [Line 18](#) \$2,136K

**Waste Line Remediation** \$809K

Favorable variance resulted from timing and work being put on hold due to COVID-19 pandemic. On June 10th the M&C Committee directed staff to move forward with this project for buildings where the shareholders have agreed to the remediation work.

**Roof Replacement** \$276K

Favorable variance resulted from timing and work placed on hold thru June due to the COVID-19 pandemic. Seven buildings totaling 70,091 SF are scheduled for roofing replacement this year. Through August 31st, 5 of the 7 buildings were completed.

**Countertops/Floors/Shower Enclosures** \$266K

Favorable variance resulted from work being put on hold due to COVID-19 pandemic. Work restarted in August.

**Landscape Modification** \$232K

Favorable variance due to timing of scheduled work compared to budget spread; slope maintenance work began in March. Additionally, Landscape revitalization and turf reduction were postponed due to the COVID-19 pandemic.

**Paving** \$206K

Although budget is spread evenly throughout the year, paving programs such as asphalt overlay and seal coat are scheduled from August through October. Parkway concrete replacement began in July. Drainage repair work at cul-de-sac 4 was completed. This program will have a favorable variance until program completion.



**Statement of Revenues & Expenses - Preliminary**  
Variance Explanations as of August 31, 2020

**Electrical Systems \$171K**

Favorable variance resulted from work being put on hold due to COVID-19 pandemic. Work resumed on August 18 in units where the shareholder has authorized the contractor to enter.

**Wall Replacement \$130K**

Although budgeted throughout the year, replacement of barbed wire on perimeter walls will not begin until October. Work is expected to be completed by December. Staff was directed to install a total length of 300 linear feet of fence, including the small area behind the trails on Moulton Pkwy.

Offset:

**Tree Maintenance (\$170K)**

Although annual tree trimming is budgeted to be performed by in-house staff, work is done by an outside vendor.

**Plumbing Service (\$148K)**

More outsourced plumbing work was required than anticipated. Certain aspect of work, such as excavating work deeper than 3.5 feet, pipe restoration on complex situations, and afterhours support is outsourced.

► **Other Operating Expense Line 20 \$63K**

Favorable variance resulted due to the closure of facilities on March due to the COVID-19 pandemic; primarily attributable to uniforms, postage, training, and mileage & meals.

► **Property and Sales Tax Line 22 (\$318K)**

Unfavorable variance resulted due to higher supplemental property taxes than anticipated. Assessment base from the County Tax Assessor has increased as average sales price trends upward. Offsetting revenue found on Line 1.

► **Insurance Line 23 (\$358K)**

Unfavorable variance due to higher premiums at 10/1/19 renewal for property and casualty insurance. Insurance premium increases were implemented after 2020 budget was finalized. Significant changes in market conditions, catastrophic losses including wildfires in California, and a non-renewal situation required a new layered program structure to achieve the existing limits in a tight market.

► **(Gain)/loss on sale or trade Line 26 (\$60K)**

Unfavorable variance due to realized investment loss, which partially offsets some of the unrealized gains reflected in line 8, above.



**Statement of Revenues & Expenses - Preliminary**  
Variance Explanations as of August 31, 2020

- ▶ **Net Allocation to Mutuals** [Line 28](#) \$111K  
Favorable variance due to less interdepartmental allocations than anticipated.



OPEN MEETING

**FINANCE COMMITTEE MEETING  
REPORT OF THE REGULAR OPEN SESSION**

Tuesday, September 29, 2020 – 1:30 p.m.  
Virtual Meeting

**MEMBERS PRESENT:** Brian Gilmore – Chair, Sue Margolis, Carl Randazzo, Manuel Armendariz, Elsie Addington

**OTHERS PRESENT:** Andre Torng  
VMS: Juanita Skillman, Cynthia Rupert, Dick Rader

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Betty Parker, Dan Yost, Steve Hormuth, Jose Campos, Christopher Swanson

**Call to Order**

Director Gilmore chaired the meeting and called it to order at 1:30 p.m.

**Acknowledge of Media**

It was noted that the virtual meeting would be recorded and placed on the website due to a scheduling conflict with the Board room.

**Approval of Agenda**

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

**Approval of the Regular Meeting Report of August 25, 2020**

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

**Chair Remarks**

Director Gilmore requested a copy of the property valuation report.

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

None

**Department Head Update**

Betty Parker, CFO, provided an overview of several ongoing projects.

### **Review Preliminary Financial Statements dated August 31, 2020**

The committee reviewed the preliminary financial statements and requested a change to the format of the investment schedule totals. A request was also made for the addition of an explanatory footnote to the irrigation water usage chart.

Director Margolis made a motion to add an equity position in the investment portfolio. Discussion ensued and the motion was withdrawn.

Staff will provide an updated year-end projection and forecast of operating surplus based on the September 30, 2020 financials.

Director Gilmore requested United's investment advisor, SageView, to provide an update on why a change was made in discretionary investments from commercial bonds to treasury bills.

Director Margolis responded to the committee's insurance discussion stating the insurance increase would be communicated to United residents during a televised budget meeting in October.

### **Contingency Fund Classifications**

The Committee reviewed a staff report regarding the reclassification of moisture intrusion expenses from the Contingency Fund to the Replacement Fund for certain remediation work.

A motion was made and carried unanimously to recommend the Board approve at their next open board meeting a reclassification of \$510,876.73 from the Contingency Fund to the Replacement Fund through the reporting period of August 31, 2020. Furthermore, such future expenditures will be coded to the Replacement Fund.

The Committee discussed the history of the Contingency Fund and the potential for a separate Disaster Fund to be used for emergency purposes only.

### **Reserve Expenditure Category**

The Committee reviewed a staff report outlining the process of charging labor expenses to reserve. Discussion ensued on a range of topics and questions were addressed. Continuous updates will be provided at United finance committee meetings. No action was taken.

### **Update on Reserve Bank Account**

Ms. Parker noted that the creation of reserve bank account is in progress. Discussion ensued. At the next GRF Finance Meeting, banking fees will be reviewed.

### **Update on Insurance Renewal**

The committee discussed the October 1 annual insurance renewal and requested this item remain on the monthly agenda for discussion at the Finance Committee meetings.

### **Update on AP Invoice Approval Process**

Steve Hormuth, Controller, noted that a new cover sheet for invoice review and approval is in progress.

### **Update on Budget Ad-Hoc Committee**

Director Margolis commented on forming the committee, creating standard operating procedures, and identifying a committee chair. Betty Parker will represent VMS, Inc.

### **Future Agenda Items**

Insurance Program  
Reserve Bank Account  
Reserve Expenditures  
Budget Ad-Hoc Committee  
Disaster Fund Creation

### **Member Comments**

Director Gilmore commented on the lateness of the meeting.

### **Date of Next Meeting**

Tuesday, October 27, 2020 at 1:30 p.m.

### **Recess to Closed Session**

The meeting recessed to closed session at 4:27 p.m.

***DRAFT***

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Brian Gilmore, Chair

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# Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

REPORT PERIOD

September, 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      | 63            | 62        | \$22,132,600               | \$20,171,980   | \$351,311        | \$325,355   |
| October        |               | * 86      |                            | * \$26,648,300 |                  | * \$309,864 |
| November       |               | * 52      |                            | * \$18,653,350 |                  | * \$358,718 |
| December       |               | * 81      |                            | * \$27,517,600 |                  | * \$339,723 |
| <b>TOTAL</b>   | 482.00        | 608.00    | \$161,944,222              | \$195,619,942  |                  |             |
| <b>MON AVG</b> | 53.00         | 67.00     | \$17,993,802               | \$21,735,549   | \$332,836        | \$321,751   |

\* Amount is excluded from percent calculation



# Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

REPORT PERIOD

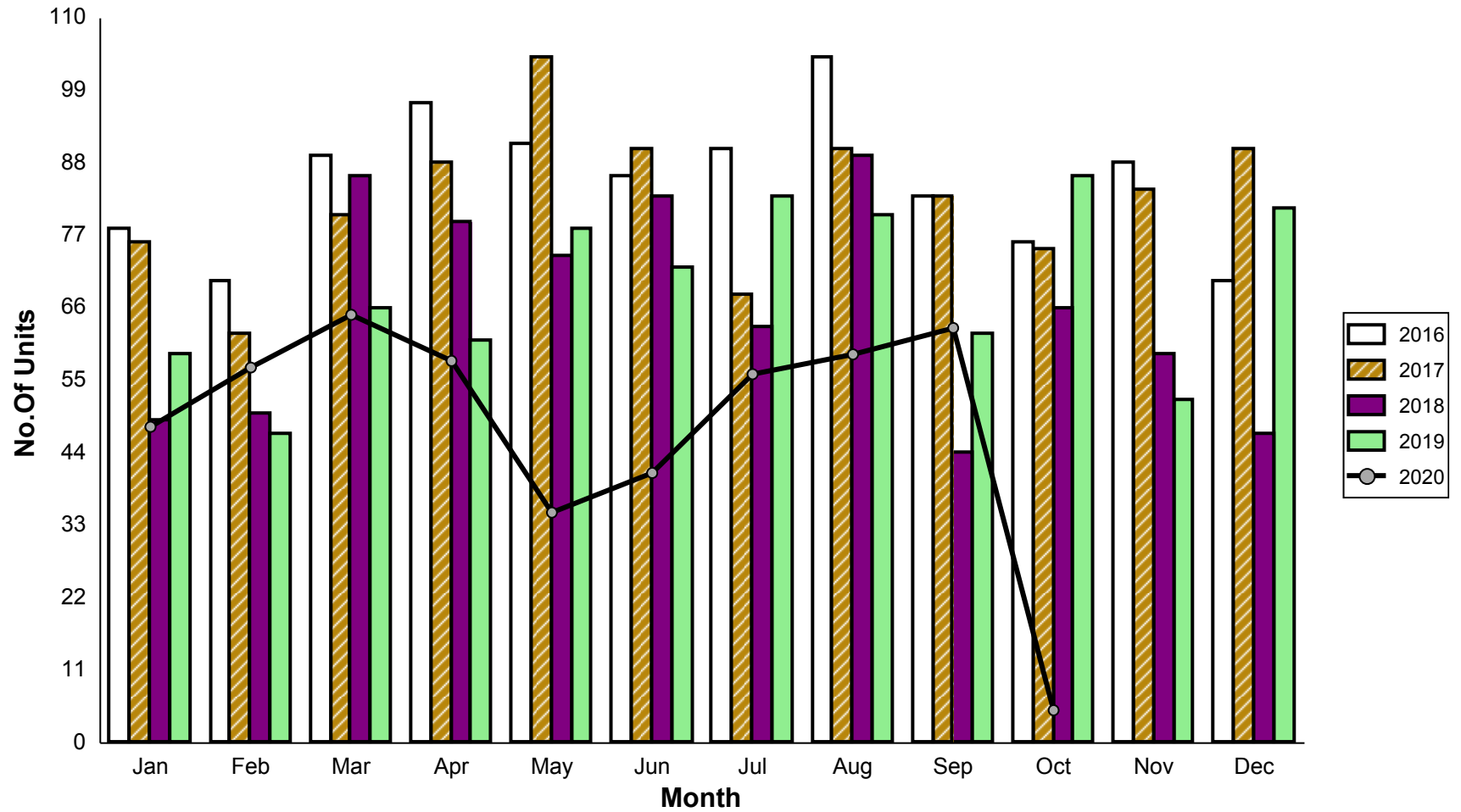
September, 2020

| 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   |
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| December  |               | * 81      |                            | * \$27,517,600 |                  | * \$339,723 |
| TOTAL     | 482.00        | 608.00    | \$161,944,222              | \$195,619,942  |                  |             |
| MON AVG   | 53.00         | 67.00     | \$17,993,802               | \$21,735,549   | \$332,836        | \$321,751   |

\* Amount is excluded from percent calculation

Year to date totals now include Mutual Fifty

## Resales - 5 Year Comparison



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# Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

United

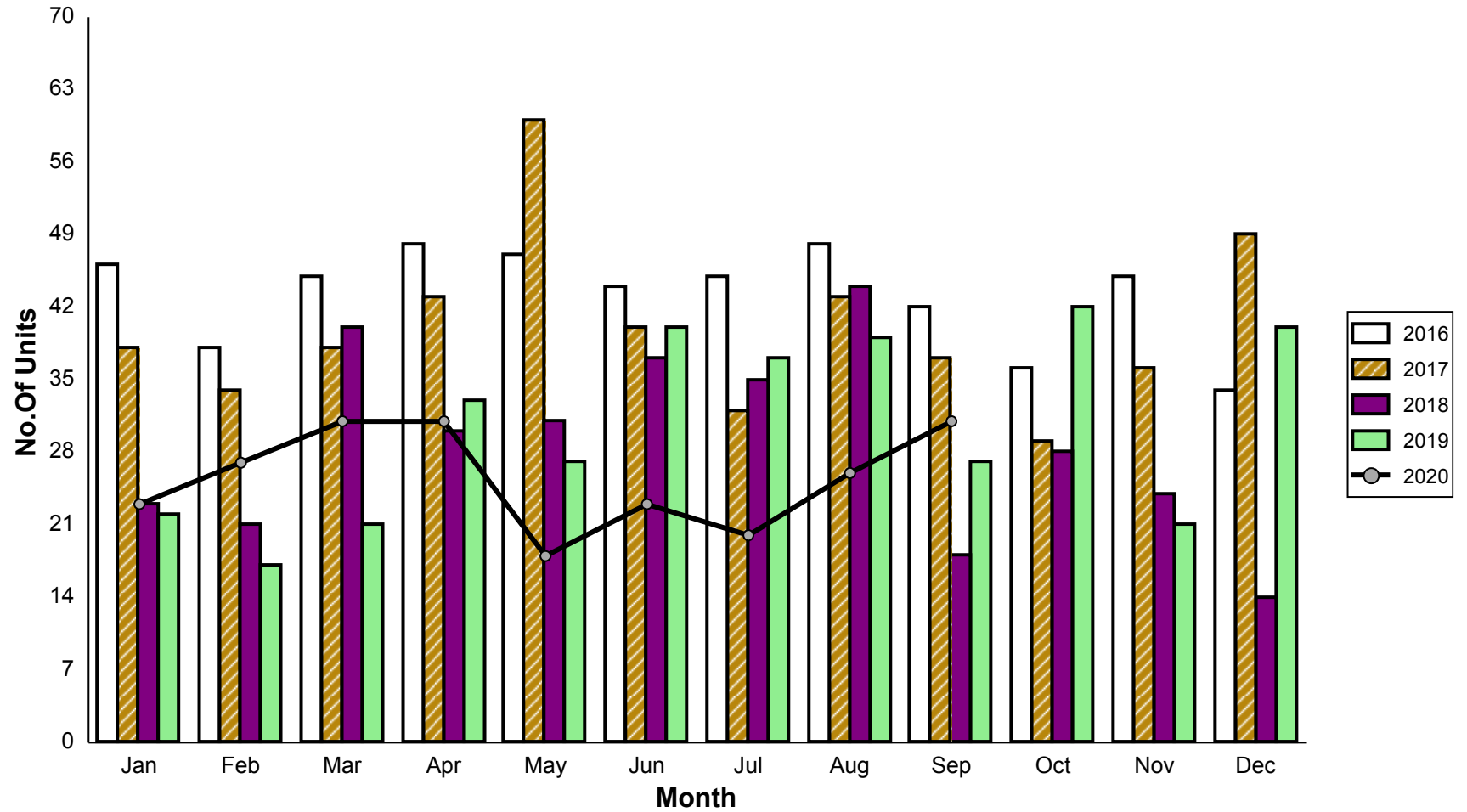
September, 2020

| MONTH                 | NO. OF RESALES |           | 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             | 31             | 27        | \$7,774,500                | \$7,328,900    | \$250,790        | \$271,441   |
| October               |                | * 42      |                            | * \$10,220,400 |                  | * \$243,343 |
| November              |                | * 21      |                            | * \$5,065,500  |                  | * \$241,214 |
| December              |                | * 40      |                            | * \$9,175,800  |                  | * \$229,395 |
| <b>TOTAL</b>          | 230.00         | 263.00    | \$58,205,187               | \$68,400,944   |                  |             |
| <b>MON AVG</b>        | 25.00          | 29.00     | \$6,467,243                | \$7,600,105    | \$254,179        | \$260,568   |
| <b>% CHANGE - YTD</b> | -12.5%         |           | -14.9%                     |                | -2.5%            |             |

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison



# Resales Report

## United Laguna Woods Mutual

### September, 2020

| Close      | Manor | Mutual | Price     | Model/Style   | Listing Realtor                    | Buyer Realtor                      | Escrow               |
|------------|-------|--------|-----------|---------------|------------------------------------|------------------------------------|----------------------|
| 09/01/2020 | 4-A   | 1      | \$392,500 | Madrid        | Legacy 15 Real Estate              | Coldwell Banker                    | Platinum One         |
| 09/28/2020 | 18-Q  | 1      | \$218,000 | Casa Blanca   | Legacy 15 Real Estate              | Legacy 15 Real Estate              | Blue Pacific Escrow  |
| 09/29/2020 | 25-E  | 1      | \$183,000 | Majorca       | First Team Real Estate             | Seven Gables Real Estate           | Granite Escrow       |
| 09/04/2020 | 68-B  | 1      | \$365,000 | Cordoba       | Laguna Premier Realty, Inc         | Laguna Premier Realty, Inc         | Blue Pacific Escrow  |
| 09/04/2020 | 84-U  | 1      | \$225,000 | Casa Blanca   | Douglas Elliman of California, Inc | Douglas Elliman of California, Inc | Blue Pacific Escrow  |
| 09/10/2020 | 124-A | 1      | \$190,000 | Majorca       | Laguna Premier Realty, Inc         | Residential Agent Inc.             | Blue Pacific Escrow  |
| 09/23/2020 | 132-C | 1      | \$212,500 | Valencia      | Century 21 Award                   | Century 21 Award                   | Blue Pacific Escrow  |
| 09/21/2020 | 175-O | 1      | \$135,000 | Cadiz         | Realty One Group West              | Laguna Premier Realty, Inc         | Corner Escrow Inc.   |
| 09/29/2020 | 193-B | 1      | \$402,000 | La Corona     | Coldwell Banker                    | Coldwell Banker                    | Granite Escrow       |
| 09/22/2020 | 247-D | 1      | \$295,000 | Cordoba       | Laguna Premier Realty, Inc         | Laguna Premier Realty, Inc         | Blue Pacific Escrow  |
| 09/21/2020 | 322-C | 1      | \$345,000 | Cordoba       | HomeSmart Evergreen                | Redfin                             | Escrow Options Group |
| 09/29/2020 | 328-C | 1      | \$210,000 | Majorca       | Laguna Woods Village Realty        | Legacy 15 Real Estate              | Granite Escrow       |
| 09/21/2020 | 387-B | 1      | \$322,500 | Barcelona     | James Hahn, Broker                 | James Hahn, Broker                 | Blue Pacific Escrow  |
| 09/21/2020 | 406-D | 1      | \$289,000 | Valencia      | Laguna Premier Realty, Inc         | HomeSmart Evergreen                | Granite Escrow       |
| 09/28/2020 | 419-B | 1      | \$290,000 | Madrid        | Laguna Premier Realty, Inc         | HomeSmart Evergreen                | Granite Escrow       |
| 09/11/2020 | 471-C | 1      | \$240,000 | Granada       | Laguna Premier Realty, Inc         | Residential Agent Inc.             | Granite Escrow       |
| 09/21/2020 | 490-C | 1      | \$220,000 | Madrid        | California Freedom Real Estate     | Laguna Premier Realty, Inc         | Generations Escrow   |
| 09/29/2020 | 617-A | 1      | \$275,000 | Seville       | Century 21 Rainbow                 | Century 21 Rainbow                 | Corner Escrow Inc.   |
| 09/08/2020 | 629-O | 1      | \$157,000 | Cadiz         | Keller Williams Real Estate        | HomeSmart Evergreen                | Blue Pacific Escrow  |
| 09/01/2020 | 652-B | 1      | \$355,000 | Cordoba       | Laguna Premier Realty, Inc         | Laguna Premier Realty, Inc         | Blue Pacific Escrow  |
| 09/03/2020 | 662-N | 1      | \$235,000 | Casa Linda    | Century 21 Rainbow                 | Century 21 Rainbow                 | Corner Escrow Inc.   |
| 09/18/2020 | 781-O | 1      | \$210,000 | Casa Contenta | HomeSmart Evergreen                | HomeSmart Evergreen                | Escrow Options Group |
| 09/28/2020 | 803-O | 1      | \$220,000 | Casa Linda    | Re/Pro                             | H & M Realty Group                 | Corner Escrow Inc.   |

## Resales Report United Laguna Woods Mutual September, 2020

| Close      | Manor  | Mutual | Price     | Model/Style   | Listing Realtor             | Buyer Realtor              | Escrow              |
|------------|--------|--------|-----------|---------------|-----------------------------|----------------------------|---------------------|
| 09/28/2020 | 864-N  | 1      | \$170,000 | Casa Contenta | Laguna Woods Village Realty | Ashby & Graff              | Granite Escrow      |
| 09/14/2020 | 912-A  | 1      | \$180,000 | Cadiz         | Laguna Premier Realty, Inc  | HomeSmart Evergreen        | Blue Pacific Escrow |
| 09/11/2020 | 919-B  | 1      | \$300,000 | Casa Linda    | Village Real Estate         | Equity CA Real Estate      | Granite Escrow      |
| 09/11/2020 | 947-C  | 1      | \$169,000 | Coronado      | HomeSmart Evergreen         | Laguna Premier Realty, Inc | Blue Pacific Escrow |
| 09/17/2020 | 2004-A | 1      | \$399,000 | Cordoba       | Lailene Leong               | Village Real Estate        | Generations Escrow  |
| 09/10/2020 | 2046-A | 1      | \$160,000 | Casa Linda    | First Team Real Estate      | First Team Real Estate     | Generations Escrow  |
| 09/25/2020 | 2096-A | 1      | \$230,000 | Casa Linda    | Realty One Group            | Keller Williams Realty     | Corner Escrow Inc.  |
| 09/30/2020 | 2185-O | 1      | \$180,000 | Castilla      | Laguna Premier Realty, Inc  | Laguna Premier Realty, Inc | Blue Pacific Escrow |

Number of Resales: 31

Total Resale Price: \$7,774,500

Average Resale Price: \$250,790

Median Resale Price: \$225,000



## Monthly Resale Report United Mutual

PREPARED BY  
Community Services Department

Sep-20

| Month        | NUMBER OF RESALES |       |        |       | TOTAL SALES VOLUME IN \$\$ |              |              |              | AVG RESALE PRICE |           |           |           |
|--------------|-------------------|-------|--------|-------|----------------------------|--------------|--------------|--------------|------------------|-----------|-----------|-----------|
|              | 2020              | 2019  | 2018   | 2017  | 2020                       | 2019         | 2018         | 2017         | 2020             | 2019      | 2018      | 2017      |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| June         | 23                | 40    | 37     | 40    | \$6,174,899                | \$10,297,790 | \$11,021,400 | \$10,744,150 | \$268,474        | \$257,445 | \$297,876 | \$268,604 |
| 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 |
| 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 |
| September    | 31                | 27    | 18     | 37    | \$7,774,500                | \$7,328,900  | \$4,632,500  | \$9,461,900  | \$250,790        | \$271,441 | \$257,361 | \$255,727 |
| October      | 0                 | 42    | 28     | 29    | \$0                        | \$10,220,400 | \$8,556,100  | \$7,898,500  | \$0              | \$243,343 | \$305,575 | \$272,362 |
| November     | 0                 | 21    | 24     | 37    | \$0                        | \$5,065,500  | \$6,194,000  | \$9,793,900  | \$0              | \$241,214 | \$258,083 | \$264,700 |
| December     | 0                 | 40    | 14     | 49    | \$0                        | \$9,175,800  | \$3,368,300  | \$12,579,440 | \$0              | \$229,395 | \$240,593 | \$256,723 |
| TOTAL        | 230               | 263   | 279    | 366   | \$58,205,187               | \$68,400,944 | \$77,270,140 | \$92,531,376 |                  |           |           |           |
| MON AVG      | 26                | 29    | 31     | 41    | \$6,467,243                | \$7,600,105  | \$8,585,571  | \$10,281,264 | \$254,179        | \$260,569 | \$276,578 | \$251,853 |
| % CHANGE-YTD | -12.5%            | -5.7% | -23.8% | -9.2% | -14.9%                     | -11.5%       | -16.5%       | 1.4%         | -2.5%            | -5.8%     | 9.8%      | 11.0%     |

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



## MONTHLY LEASING REPORT

Report Period:  
September-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         | 18                | 25       | 177       | 381     | 601             | 578             | 33                | 21                       | 42       | 3          |
| October           |                   |          |           |         |                 |                 |                   |                          |          |            |
| November          |                   |          |           |         |                 |                 |                   |                          |          |            |
| December          |                   |          |           |         |                 |                 |                   |                          |          |            |
| Monthly Average   | 22.4              | 30.1     | 173.6     | 369.9   | 596.0           | 567.0           | 31.9              | 25.6                     | 38.4     | 2.8        |
| Percentage Leased | 601 / 6323 = 9.5% |          |           |         |                 |                 |                   |                          |          |            |

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

New Leases = Units Sublet



**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**

none

### **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.

  
Andre Torng (Sep 6, 2020 07:38 PDT)  
Andre Torng, Chair  
United Laguna Woods Mutual

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