



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

**Tuesday, August 14, 2018**

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, August 14, 2018, at 9:30 a.m. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Juanita Skillman, Janey Dorrell, Don Tibbets, Maggie Blackwell, Gary Morrison, Cash Achrekar, Manuel Armendariz, Reza Bastani, Pat English, Carl Randazzo, and Andre Torng

Directors Absent: None

Staff Present: Brad Hudson, Siobhan Foster, Christine Spahr, Eileen Paulin, and Cheryl Silva

Others Present: VMS: Mary Stone, Dick Rader, Anthony Liberatore  
GRF: Joan Milliman  
Jeff Beaumont, Esq. of Beaumont Tashjian

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

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

**2. Pledge of Allegiance**

Director Randazzo led the Pledge of Allegiance.

**3. Acknowledge Media**

A representative of the Laguna Woods Globe was present for the meeting, and the Village Television Camera Crew, by way of remote cameras, was acknowledged as present.

**4. Approval of Agenda**

Director Achrekar made a motion to approve the agenda as amended. Agenda item 11c(1) was removed from the Consent Calendar. Director Torng seconded the motion and the motion passed without objection.

**5. Approval of Minutes**

5a. July 10, 2018 – Regular Open Session

Director Blackwell made a motion to approve the minutes as corrected. The motion was seconded by Director Tibbets and it passed by a vote of unanimous consent.

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

President Skillman announced that nine candidates are running for the United Board and reported on the success of the Handyman Service.

## **7. Open Forum**

Members made comments regarding the benefits of Laguna Woods Village Foundation, Aquaettes are excited about performing for LWV August 23<sup>rd</sup> -25<sup>th</sup>, Janey Dorrell was thanked for her service on the Architectural Control and Standards Committee, Pat English was thanked for her service on the United Board, announcement that both Don Tibbets and Pat English are running for the GRF Board, apology for making false and read a letter received from Jeff Beaumont, Esq., Pest Control petition to stop using Round-up weed killer.

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

Several Directors responded to Member comments regarding the use of pest control chemicals and the 100 day moratorium put on the use of Round-up in the community, thanked John Beckett for his apology, it is nice to hear the "thank you" comments from the residents.

Brad Hudson, CEO, responded to member comments on the use of pest control chemicals. The use of pesticides started under PCM to make landscaping easier. The Landscaping Director has been instructed to stop the current practice and come up with some alternative practices with regard landscape maintenance.

Jeff Beaumont, Esq. commented on the litigation regarding Monsanto and Round-up. The Directors of the Board are volunteers and they rely on experts to investigate this issue.

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

Director Stone gave an update from the VMS Board meetings. She provided a presentation on the role of the VMS Board. At the last meeting the VMS Board heard reports from the Human Resources and General Services Department Directors.

Brad Hudson, CEO commented on the reason for the employee turnover.

## **10. CEO Report**

Brad Hudson, CEO, reported on the following subjects:

- Air quality in light of the recent fires. Go to the Air Quality website for more information.
- Beat the Heat Movies were well attended and we will continue to show movies at Clubhouse 3 on extreme heat days.
- Budget meetings thanked the Boards for their input on GRF, United Mutual and Third Mutual Corporations Budgets;
- Maintenance and Construction is working on the water supply, epoxy program and walkway lighting.
- Security fencing is being installed on the west edge of the community.
- Gatehouses 2 & 3 were done last year; gatehouse 4 is being upgraded now, we

- will soon install new gate arm technology for the remaining gates. Because of a mechanical problem at gate 6, a manual gate is being temporarily installed.
- Clubhouse 4 is being upgraded with new equipment and air conditioning.
  - Performing Arts Center (PAC) was tented for termites.
  - Paving at the RV lots will start soon. Adding a new electronic gate at RV lot B.
  - Landscaping modifications happening along Ridge Route and adding Shepherds Crooks.
  - Bulky items—Waste Management will pick-up at no cost to residents when you call Resident Services. Items left at the dumpster costs money to the community to pick-up those items.
  - Construction at the Community Center. The Manor Alterations Department is temporarily moving out of Resident Services to the Spruce Room.
  - Dog Park is under construction.
  - In the process of securing grant funding for intervention for the elderly in the community.
  - Reported on upcoming events through the Recreation Department, Jimmy Buffet event and Pour and Paint night (paint and wine event).

Brad Hudson answered questions from the Board.

Director Torng made a request to make a motion. Director Torng made a motion to update the VMS Management Agreement. The motion failed due to lack of a second.

President Skillman commented that this item is on the closed session agenda.

#### **11. Consent Calendar**

Agenda Item 11c(1) was removed from the consent calendar.

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

(1) Approval Recommendation – 409-C (Madrid, 4) Return to Previous Alternate Color Schemes for Entry Door and Interior Patio Wall

##### **RESOLUTION 01-18-77** **Variance Request**

**WHEREAS**, Ms. Sandra Gillard of 409-C Avenida Castilla, a Madrid style unit, requests Board approval of a variance to return to the previous alteration color scheme for the entry door and the interior patio wall; and

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected units on July 13, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on July 19, 2018.

**NOW THEREFORE BE IT RESOLVED**, on August 14, 2018, the Board of Directors hereby approves the requests with the condition that the

proposed alterations are constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property Shareholder at 409-C and all future Mutual Shareholders at 409-C.

**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 Recommendations – 603-C (Granada, 10A) Bathroom Split and Retain Non-Standard Door Color

**RESOLUTION 01-18-78**  
**Variance Request**

**WHEREAS**, Ms. Juli P. Berryhill of 603-C Avenida Sevilla, a Granada style unit, requests Board approval of a variance for a bathroom split and retaining the non-standard door color; and

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on July 13, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on July 19, 2018.

**NOW THEREFORE BE IT RESOLVED**, on August 14, 2018, the Board of Directors hereby approves the requests with the condition that the proposed alterations are constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property Shareholder at 603-C and all future Mutual Shareholders at 603-C.

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

**11b. Landscape Committee Recommendations:**

(1) Tree Removal (1) Approval and (3) Denial

- 738-D Avenida Majorca (Rhee) – Deny the request for the removal of one Carrotwood tree and trim on schedule
- 835-P Ronda Sevilla (Hunt) – Deny the request for the removal of one Brazilian Pepper located at 835-P and trim on schedule

- 407-C Avenida Castilla (Choi) – Approve the request for the removal of a Canary Island Pine tree located across from 407-C and,
- 409-A schedule the removal of a Canary Island Pine tree by December 2018
- 2001-A Via Mariposa (Serrano) – Deny the request for the removal of a Brazilian Pepper and perform an off-schedule trimming in the month of September to reduce the canopy

**RESOLUTION 01-18-79**  
**Tree Removal Approval (1) and Denial (3)**

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

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

**WHEREAS**, on August 9, 2018, the Landscape Committee recommended to deny the request for the removal of one Carrotwood tree located at 738-D; to deny the request for the removal of one Brazilian Pepper located at 835-P; to deny the request for the removal of one Brazilian Pepper located at 2001-A and perform an off-schedule trimming; and to approve the request for the removal of one Canary Island Pine tree located at 409-A and;

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, the Board of Directors denied a request for the removal of one Carrotwood tree and two Brazilian Pepper trees because they did not comply with the tree removal guidelines and approved the request for the removal of one Canary Island Pine tree;

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

**11c. Finance Committee Recommendations:**

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

(1) Approval of Resolution to Record Lien against Member ID; 947-455-60

- (2) Approval of Resolution to Record Lien against Member ID; 947-396-02

**RESOLUTION 01-18-80**

**Recording of a Lien**

**WHEREAS**, Member ID 947-396-02; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-396-02 and;

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

- (3) Approval of Resolution to File in Small Claims Court against Member ID; 947-453-38

**RESOLUTION 01-18-81**

**Filing of Separate Small Claims Court Case**

**WHEREAS**, the Finance Committee recommends filing separate Small Claims Court cases of \$5,000 (or less) in an attempt to collect delinquent chargeable services by way of a judgment or stipulation against members/owners with a delinquent balance in United Laguna Woods Mutual; and

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors hereby approves the filing of a separate Small Claims Court case for Member ID 947-453-38 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.

- (4) Approval of Resolution to File in Small Claims Court against Member ID; 947-368-67

**RESOLUTION 01-18-82**

**Filing of Separate Small Claims Court Case**

**WHEREAS**, the Finance Committee recommends filing separate Small

Claims Court cases of \$5,000 (or less) in an attempt to collect delinquent chargeable services by way of a judgment or stipulation against members/owners with a delinquent balance in United Laguna Woods Mutual; and

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors hereby approves the filing of a separate Small Claims Court case for Member ID 947-368-67 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.

(5) Approval of Resolution to File in Small Claims Court against Member ID; 947-416-40

**RESOLUTION 01-18-83**  
**Filing of Separate Small Claims Court Case**

**WHEREAS**, the Finance Committee recommends filing separate Small Claims Court cases of \$5,000 (or less) in an attempt to collect delinquent chargeable services by way of a judgment or stipulation against members/owners with a delinquent balance in United Laguna Woods Mutual; and

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors hereby approves the filing of a separate Small Claims Court case for Member ID 947-416-40 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 Dorrell made a motion to approve the Consent Calendar as presented. The motion was seconded by Director English and the motion passed by vote of 10-1-2 (Director Bastani opposed).

**12. Unfinished Business**

**12a.** Entertain a Motion to Adopt a Resolution for Revisions to the United Architectural Standard 11: Doors; Exterior

Director Blackwell read the following resolution:

**RESOLUTION 01-18-84**  
**Revise Alteration Standard 11: Doors; Exterior**

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

Alteration Standards as necessary; and,

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard 11: Doors; Exterior.

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors of this Corporation hereby adopts revisions to Alteration Standard 11: Doors; Exterior, attached as part of the Official Minutes;

**RESOLVED FURTHER**, that Resolution 01-10-269, adopted December 14, 2010 is hereby superseded and cancelled; and

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

**JULY Initial Notification**

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

Director Blackwell made a motion to adopt a resolution for revisions to the United Architectural Standard 11: Doors; Exterior. The motion was seconded by Director English.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by 9-1-1 (Director Bastani opposed and Director Tornø abtained).

**12b. Entertain a Motion to Adopt a Resolution for Revisions to the United Architectural Standard 13: Lifts and Lift Policy**

Director Blackwell read the following resolution:

**RESOLUTION 01-18-85**

**Revise Alteration Standard 13: Lifts and Lift Policy**

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

**WHEREAS**, the Architectural Controls and Standards Committee recognize the need to revise Alteration Standard 13: Lifts and Lift Policy;

**WHEREAS**, Resolution U-01-96 established the precedent of using a single source for acquisition and installation of lifts on behalf Members;

**WHEREAS**, Resolutions U-00-77 and U-01-22 established policies for verifying the authenticity of the disability of the requestor and the notification of adjacent neighbors;

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors of this Corporation hereby adopts the following revisions to the Alteration Standard 13: Lifts and Lift Policy, attached as part of the official minutes of this meeting;

**RESOLVED FURTHER**, single source procurement shall be permitted in the acquisition and installation of mechanical lifts;

**RESOLVED FURTHER**, that Resolutions U-01-96, U-00-77 AND U-01-22, are hereby superseded and cancelled; and

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

**JULY Initial Notification**

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

Director Blackwell made a motion to adopt a resolution for revisions to the United Architectural Standard 13: Lifts and Lift Policy. Director Achrekar seconded the motion.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by unanimous consent.

**12c. Entertain a Motion to Adopt a Resolution for Revisions to the United Architectural Standard 14: Exhaust Fans**

Director Blackwell read the following resolution:

**RESOLUTION 01-18-86**

**Revise Alteration Standard 14: Exhaust Fan/Vent Installations**

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

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard 14: Exhaust Fan / Vent Installations.

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors of this Corporation hereby adopts revisions to Alteration Standard 14: Exhaust Fan / Vent Installations, attached as part of the official minutes of this meeting;

**RESOLVED FURTHER**, that Resolution 01-03-153, adopted November 2003, is hereby superseded and cancelled; and

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

resolution as written.

**JULY Initial Notification**

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

Director Blackwell made a motion to adopt a resolution for revisions to the United Architectural Standard 14: Exhaust Fans. The motion was seconded by Director Tibbets.

Discussion ensued among the Directors.

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

**12d. Entertain a Motion to Adopt a Resolution for an Unauthorized Alteration Fee**

Director Blackwell read the following resolution:

**RESOLUTION 01-18-87**  
**Unauthorized Alteration Fee**

**WHEREAS**, the Mutual has seen an increase in unauthorized alterations;  
and,

**WHEREAS**, significant staff time is necessary to investigate, document  
and process un- authorized alteration incidents.

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the  
Board of Directors hereby adopts the Unauthorized Alteration Fee;

**RESOLVED FURTHER**, effective September 1, 2018, the  
administrative fee for processing Mutual Consents after-the-fact will be  
\$300;

**RESOLVED FURTHER**, the fee shall be in addition to Board approved  
Mutual Consent processing fees;

**RESOLVED FURTHER**, payment of the Unauthorized Alteration Fee does  
not preclude the Member from disciplinary action by the Board;

**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.

**JULY Initial Notification**

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

Director Blackwell made a motion to adopt a resolution for an unauthorized alteration fee. The motion was seconded by Director Dorrell.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by 8-2-1 (Directors English and Bastani opposed, Director Torng abstained).

### **13. New Business**

#### **13a. Entertain a Motion to Approve the Revised Village Energy Task Force Charter and Mission Statement**

Director Blackwell made a motion to approve the Revised Village Energy Task Force Charter and Mission Statement. The motion was seconded by Director Randazzo.

Discussion ensued among the Directors.

Director Dorrell called for the questions and the vote failed due to a lack of a three-fourths vote (7-4-0) Directors Armendariz, English Torng, and Bastani opposed)

President Skillman called for the vote and the motion passed by 7-3-1 (Directors Armendariz, Torng and Bastani opposed and Director English abstained)

#### **13b. Entertain a Motion to Introduce a Resolution for the 2019 Collection and Lien Enforcement Policy**

Director Blackwell read the following resolution:

#### **RESOLUTION 01-18-88** **2019 Collection and Lien Enforcement Policy**

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

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

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors hereby adopts the 2019 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 2018 as part of the Annual Policy

Statement.

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

Director Blackwell made a motion to adopt a resolution for the 2019 Collection and Lien Enforcement Policy. The motion was seconded by Director English.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by 9-0-2 (Directors Achrekar and Bastani abstained).

**13c.** Entertain a Motion to Approve Supplemental Appropriation Funding for Earthquake Insurance

Director Blackwell read the following resolution:

**RESOLUTION 01-18-89**  
**Supplemental Appropriation Funding for Earthquake Insurance**

**WHEREAS,** Resolution 01-17-153 approved earthquake insurance and directed staff to bind coverage for a policy period of December 15, 2017 to December 15, 2018 as an unbudgeted operating expenditure; and,

**WHEREAS,** on July 31, 2018 the Finance Committee endorsed staff recommendation to offset unbudgeted operating costs with a supplemental appropriation.

**NOW THEREFORE, BE IT RESOLVED,** on August 14, 2018, the United Board of Directors authorizes a supplemental appropriation in the amount of \$135,000 from the Contingency Fund to fund unbudgeted operating expenses associated with earthquake insurance premiums in the current year; and

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

Director Blackwell made a motion to approve supplemental appropriation funding for Earthquake Insurance. The motion was seconded by Director English.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by 10-0-1 (Director Torng abstained).

**13d.** Entertain a Motion to Introduce the Amended United Clutter Policy, Harassment and Nuisance Policy for Review

Director Blackwell read the following resolutions:

**RESOLUTION 01-18-XX**  
**United Clutter Policy**

**WHEREAS**, the Governing Documents Review Committee has recommended revising the Care & Maintenance of Patios, Balconies, Breezeways & Walkways Policy addressing the safety and prevention of damage issues relating to items placed in or on Common Area and Exclusive Use Common Areas;

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors of this Corporation hereby introduces amendments to the Care & Maintenance of Patios, Balconies, Breezeways & Walkways Policy, and renames it to "Clutter Policy," as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 01-03-134 adopted September 9, 2003 is hereby superseded and cancelled; and

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

**RESOLUTION 01-18-XX**  
**United Harassment Policy**

**WHEREAS**, the Governing Documents Review Committee has recognized the need to adopt a Harassment Policy to set forth guidelines for harassment complaints received by the Board;

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors of this Corporation hereby introduces the Harassment Policy, as attached to the official minutes of this meeting; 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.

**RESOLUTION 01-18-XX**  
**United Nuisance Policy**

**WHEREAS**, the Governing Documents Review Committee has recognized the need to adopt a Nuisance Policy to set forth guidelines for nuisance complaints received by the Board;

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board

of Directors of this Corporation hereby introduces the Nuisance Policy, as attached to the official minutes of this meeting; 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 Blackwell made a motion to introduce resolutions for the United Clutter Policy, United Harassment Policy and United Nuisance Policy for 30-day review. The motion was seconded by Director Achrekar.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by unanimous consent.

**13e.** Entertain a Motion to Introduce a Resolution for Revisions to the United Architectural Standard 15: Floor Coverings; Exterior

Director Blackwell read the following resolution:

**RESOLUTION 01-18-XX**  
**Revise United Architectural Alteration**  
**Standard 15: Floor Coverings: Exterior**

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

**WHEREAS,** the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard 15: Floor Coverings: Exterior.

**NOW THEREFORE BE IT RESOLVED,** August 14, 2018, that the Board of Directors of this Corporation hereby introduces revisions to Alteration Standard 15: Floor Coverings; Exterior, attached as part of the Official Minutes;

**RESOLVED FURTHER,** that Resolution 01-05-64, adopted June, 2005 is hereby superseded and cancelled; and

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

Director Blackwell made a motion to introduce a resolution to revise the United Architectural Standard 15: Floor Coverings; Exterior for 30-day review. The motion was seconded by Director Dorrell.

Discussion ensued among the Directors.

Director Blackwell suggested adding patios and balconies to the resolution to define exterior.

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

**13f.** Entertain a Motion to Introduce a Resolution for Revisions to the United Architectural Standard 16: Fences; Wrought Iron

Director Blackwell read the following resolution:

**RESOLUTION 01-18-XX**

**Revised United Architectural Standard 16: Fences; Wrought Iron**

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

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard 16: Fences, Wrought Iron.

**NOW THEREFORE BE IT RESOLVED**, August 14, 2018, that the Board of Directors of this Corporation hereby introduces revisions to Alteration Standard 16: Fences; Wrought Iron attached as part of the Official Minutes;

**RESOLVED FURTHER**, that Resolution 01-03-170, adopted December 2003, is hereby superseded and cancelled; and

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

Director Blackwell made a motion to introduce a resolution to revise the United Architectural Standard 16: Fences; Wrought Iron for 30-day review. The motion was seconded by Director Dorrell.

Discussion ensued among the Directors.

President Skillman called for the vote and the motion passed by unanimous consent.

**14. Committee Reports**

**14a.** Report of the Finance Committee / Financial Report – Director Morrison presented the Treasurer’s Report and reviewed the resale and leasing reports. Next meeting will be September 25, 2018, 2:00 p.m. in the Sycamore Room

**14b.** Report of the Architectural Control and Standards Committee – Director Dorrell gave a report from the last Architectural Control and Standards Committee meeting. Next meeting will be August 16, 2018, 9:30 a.m. in the Sycamore Room.

**14c.** Report of the Communications Committee – President Blackwell gave a report from the Communications Committee meeting. Please submit articles for The Breeze to Director Blackwell. The next meeting TBA.

**14d.** Report of Executive Hearings Committee - President Skillman gave a report from the last Executive Hearings Committee and reported on the Delinquency Hearings for the Ballots. Next meeting will be August 23, 2018, 9:00 a.m. in the Willow Room.

**14e.** Report of the Governing Documents Review Committee - President Skillman reported from the last Governing Documents Review Committee meeting. Next meeting will be Wednesday, August 22, 2018, 1:30 p.m. in the Sycamore Room.

**14f.** Report of the Landscape Committee - Director Blackwell gave a report from the last Landscape Committee meeting and reported on pesticide use verses manual weeding. The next meeting will be on October 11, 2018, 1:30 a.m. in the Board Room.

**14g.** Report of the Maintenance & Construction Committee - Director Tibbets reported on the last Maintenance & Construction Committee meeting. Next meeting will be August 22, 2018, 9:00 a.m. in the Board Room.

- Village Energy Task Force Charter – Director Randazzo gave a report from the last Village Energy Task Force. There are two members from each Board on the Task Force. Next meeting will be September 12, 2018 at 9:30 a.m. in the Willow Room.

**14h.** Report of the Resident Advisory Committee – Director Tibbets gave a report from the last Resident Advisory Committee meeting. Next meeting will be August 16, 2018, 4:00 p.m. in the Sycamore Room

## **15. GRF Committee Highlights**

**15a.** Report of the Finance Committee—Director Morrison shared highlights from the last GRF Finance Committee meeting and reported on the budget meetings. Next meeting will be August 22, 2018, 1:30 p.m. in the Board Room.

**15b.** Report of the Community Activities Committee—Director Skillman shared highlights from the last GRF Community Activities Committee meeting and announced upcoming events. Next meeting will be September 13, 2018, 1:30 p.m. in the Board Room.

**15c.** Report of the Maintenance & Construction Committee—Director Tibbets shared highlights from the last GRF Maintenance & Construction Committee meeting. Next meeting will be October 10, 2018, 9:30 a.m. in the Board Room.

**15d.** Report of the Media and Communication Committee—Director Blackwell shared highlights from the last GRF Media and Communication Committee meeting. Next meeting will be August 20, 2018, 1:30 p.m. in the Board Room.

- Thrive Project Task Force – Next meeting August 14, 2018, 9:30 a.m. in the Cypress Room

**15e.** Report of the Mobility and Vehicles Committee—Director Achrekar shared highlights from the last GRF Mobility and Vehicles Committee meeting. Next meeting will be October 3, 2018, 1:30 p.m. in the Board Room.

**15f.** Report of the Security and Community Access Committee—Director Tibbets shared highlights from the last GRF Security and Community Access Committee meeting. Next meeting will be Monday, August 27, 2018, 1:30 a.m. in the Board Room.

- Laguna Woods Village Traffic Hearings – Director Achrekar reported from the last Traffic Hearings. Next meeting August 15, 2018, 9:00 a.m. in the Board Room and 1:00 p.m. in the Pine Room

**15g.** Disaster Preparedness Task Force—Director Achrekar reported from the last Disaster Preparedness Task Force meeting and encouraged residents to volunteer as building captains and medical personnel. Next meeting will be September 25 2018, 9:30 a.m. in the Cypress Room.

**16. Future Agenda Items**

**16a.** Resolution to Update the Golf Cart Plug-In Fee

**16b.** Alteration Standards on Window Colors

**16c.** Adopt a Resolution to Amend the United Clutter, Harassment and Nuisance Policies

**16d.** Adopt a Resolution for Revisions to the United Architectural Standard 15: Floor Coverings; Exterior

**16e.** Adopt a Resolution for Revisions to the United Architectural Standard 16: Fences; Wrought Iron

**17. Director's Comments**

- Director Armendariz commented on the gate system and people who try to get into the community who are not approved.
- Director English
- Director Tornig comments on his concern about the return on the investment.
- Director Tibbets commented on the use of pesticides.
- Director Dorrell
- Director Blackwell translators
- Director Morrison
- Director Bastani does not agree with some of the Robert's Rules procedures. Asked about the candidate application information.
- Director Randazzo commented on the information provided to each Director for the Board meetings. Directors should come prepared.

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

The meeting recessed at 1:07 p.m. into the Executive Session.

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

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

*(a) June 12, 2018 – Regular Executive Session*

*Write-Offs from Assessment Balances against Members*

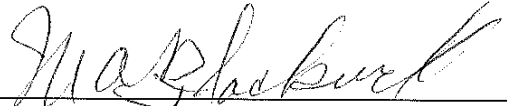
*Discuss Disciplinary Cases*

*Discuss and Consider Contractual Matters*

*Discuss and Consider Litigation Matters*

**19. Adjourn**

The meeting was adjourned at xxx p.m.

  
\_\_\_\_\_  
Maggie Blackwell, Secretary of the Board  
United Laguna Woods Mutual



## **STANDARD 13: LIFTS**

MAY 2000, RESOLUTION U-00-43  
REVISED OCTOBER 2000, RESOLUTION U-00-77  
REVISED SEPTEMBER 2001, RESOLUTION U-01-96  
GENERAL REQUIREMENTS REVISED JANUARY 2016, RESOLUTION 01-16-08  
GENERAL REQUIREMENTS REVISED, JUNE 2018, RESOLUTION 01-18-57  
REVISED AUGUST 14, 2018, RESOLUTION 01-18-85

Before a platform lift can be installed onto Mutual property, the following requirements must be agreed to by the requesting Member(s) and his/her Mutual:

1. All installation costs to be paid by the participating Member(s) shall be paid in advance, in a single lump sum to the Mutual.
2. Upon completion of construction and issuance of a Certificate of Occupancy by the City of Laguna Woods, the Mutual will assume ownership of the improvement. The Mutual will be responsible for the cost for the ongoing maintenance, repair, annual operation certification, insurance, replacement reserves, and cost for power.
3. Member(s) further agree that once the lift is installed on Mutual property, Members shall have no right to remove or restrict the use of the lift in any way.
4. The Member(s) shall agree that said lift is open and available to any resident in the Mutual and/or their guests requiring use for handicap access. Lifts requiring a key for operation are prohibited.
5. Structural modifications and/or requirements will be performed by California licensed architect or civil/structural engineer and provided by the Mutual in the Standard Plans.

These plans must illustrate all modifications and/or additions to existing Mutual property and must include the following:

- a) Site plan
  - b) Floor plan
  - c) Roof plan
  - d) Electrical plan
  - e) Elevations
  - f) Section(s)
  - g) Details
6. Architectural site alterations to the Standard Plans may be required due to a variety of site-specific conditions. A site plan will indicate exactly where the lift will be

installed on the Mutual's property. Costs for these sites specific alterations will be paid by the Member(s).

7. On behalf of the Member, Staff will contract with a licensed and insured installer to perform the installation. Staff will also inspect the alteration/construction. In addition, Staff will obtain all permits or licenses necessary for the installation and ongoing operation of the lift, prior to final inspection of the construction and the awarding of a Certificate of Occupancy and operating permit.
8. The lift manufacturer and model approved by United Laguna Woods Mutual is Savaria V-1504" or equal.



## **Proposed Mechanical Lift Policy**

- Members with a verifiable disability may request installation of a mechanical platform lift.
- The requesting Member shall pay all costs associated with the installation including but not limited to professional fees and construction costs.
- A nonrefundable deposit (except as set forth below) in the amount of \$5,000.00 is required to process this application, which includes plan preparation, regulatory approval. The amount of final payment will be determined at the time of construction contract bid acceptance. Final payment is due in the form of a lump sum, prior to construction contract execution. The unused portion of the deposit, if any, will be applied toward final payment.
- If requesting Member(s) decides not to proceed with installation of Lift Mechanism prior to execution of construction contract, the unused portion of the deposit will be refunded.
- If requesting Member(s) decides not to proceed with installation of Lift Mechanism after execution of construction contract, the unused portion of the deposit along with the unused portion of final payment will be refunded, after satisfying the terms and conditions of applicable contracts and restoring the building to its condition prior to Lift Mechanism construction.
- United Laguna Woods Mutual (ULHM) will direct its agent, to notify all affected residents of the building of the requested lift. If three or more residents of the building object to the installation of the lift, the matter will be brought before the Board.
- If the requesting Member(s) is installing the Lift Mechanism for any reason other than creating or improving access for a disabled individual, approval of all of the Members in the building is required.
- United Laguna Woods Mutual (ULHM) will direct its agent, on behalf of the requesting Member(s), to contract with licensed insured architectural and engineering consultants to modify Standard Plans to accommodate a variety of site-specific conditions, and indicate exactly where the Lift Mechanism will be installed on the Corporation's property.
- The requesting Member(s) shall acknowledge and agree that upon completion of construction and issuance of a Certificate of Occupancy by regulatory authority, the Corporation will assume ownership of the Lift Mechanism. The Corporation will then be responsible for all associated ongoing costs, including, maintenance, repair, annual operation certificate in, and insurance on the Lift Mechanism.
- The requesting Member(s) shall agree that once the lift is installed, Member(s) have no right to remove or restrict the use of the Lift Mechanism in any way.



## **STANDARD 14: EXHAUST FAN / VENT INSTALLATIONS**

MAY 1996, RESOLUTION U-96-62

REVISED NOVEMBER 2003, RESOLUTION 01-03-153

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

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

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

REVISED AUGUST 14, 2018, RESOLUTION 01-18-86

### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

### **2.0 APPLICATIONS**

- 2.1** Exhaust fans may be located on flat, sloped, or gabled ends of roofs, regardless of roofing material provided proper sealant methods are applied.
- 2.2** Units installed on sloping roofs and gable ends must be painted a color to match the building.
- 2.3** All roofing work to accommodate fans shall conform to the International Building Code and standard drawings.
- 2.4** All electrical work shall conform to the latest edition of the N.E.C.
- 2.5** Units may be installed in an attic space provided it is directly above the Member's unit only.

### **3.0 UNIT SIZES**

- 3.1** No exhaust-fan unit on flat roofs shall project less than 6" or more than 12" above the roof surface.
- 3.2** No exhaust-fan unit or cover shall exceed 24" square.
- 3.3** No exhaust risers shall be within 12" of a ridge, vent stack or vertical member.

#### **4.0    UNIT TYPES**

- 4.1**    Wind-driven turbine units and plastic units are not permitted.
- 4.2**    Fan units may operate on a thermostat or manual switch.
- 4.3**    Where desired, fans may be optional, although vents must be as outlined in all sections above. Fans may be installed behind an existing vent provided existing vent is not altered in any way.



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

**PURPOSE STATEMENT**

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

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

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

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

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

**BASIC POLICIES AND PROCEDURES**

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

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

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

**1. Assessments; Assessments Due Date.** "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "fees" in United's Bylaws, are referred to in this paragraph and throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1<sup>st</sup>) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein.

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

**3. Late Charges; Interest.** Assessments not received by the sixteenth (16<sup>th</sup>) day of the month will incur a late fee in the amount of Fifty Dollars (\$50.00), which amount is

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**BOARD OF DIRECTORS  
UNITED LAGUNA WOODS MUTUAL**