



OPEN MEETING

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

Thursday, February 16, 2023 – 1:30 P.M.
BOARD ROOM/VIRTUAL MEETING
Laguna Woods Village Community Center

NOTICE & AGENDA

- | | |
|--|------------------|
| 1. Call to Order | Maggie Blackwell |
| 2. Approval of the Agenda | Maggie Blackwell |
| 3. Approval of Report from January 19, 2023 | Maggie Blackwell |
| 4. Chair's Remarks | Maggie Blackwell |
| 5. Member Comments (Items Not on the Agenda) | |
- Laguna Woods Village owner/residents are welcome to participate in committee meetings and submit comments or questions regarding virtual committee meetings using one of two options:
- a. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and manor number must be included.
 - b. Join the Committee meeting via Zoom at: <https://us06web.zoom.us/j/99710468599> or by dialing 669-900-6833 Access Code: 997 1046 8599

Items for Discussion and Consideration:

- | | |
|-------------------------------|-----------------|
| 6. Multiple Membership Owners | Pamela Bashline |
| 7. Clutter Policy | Jacob Huanosto |

Concluding Business:

- 8. Committee Member Comments
- 9. Future Agenda Items
- 10. Adjournment

Maggie Blackwell, Chair
Jacob M. Huanosto, Interim Staff Officer
(949) 268-4207

STAFF REPORT

DATE: February 16, 2023
FOR: Governing Documents Review Committee
SUBJECT: Multiple Membership Owners

RECOMMENDATION

Staff recommends that the Committee reaffirm its current governing documents which restrict membership to one unit, unless an Interim Dual Membership Agreement is approved by the Board of Directors.

BACKGROUND

United Laguna Woods Mutual (United) was incorporated in November 1975 as a nonprofit mutual benefit corporation. United Bylaws, adopted November 3, 1994 and approved by HUD on January 24, 1996 were subsequently amended on April 10, 2012 and again on August 2, 2017. Each iteration of the Bylaws reflects the original intent of the co-operative housing developers' intent that a unit be owner-occupied. Definitions found in the current Bylaws include Section 4(h) "Member – A Shareholder entitled to Membership in the Corporation as provided herein. Regardless of the number of persons or entities comprising the Shareholder, no Unit shall, at any time, constitute or include more than one Membership in the Corporation." Further, Section 4 (i) stipulates "Membership – A Member may not, either individually or jointly with one or more other persons or trusts, have more than one Membership in the Corporation without first obtaining the prior written approval of the Board of Directors."

DISCUSSION

From time to time, a United shareholder has experienced a change in mobility or other circumstance, and requested to temporarily own two units in accordance with United restrictions. The request is within the sole and absolute discretion of the Board of Directors and is managed by the Interim Dual Membership Agreement (ATT 1). Staff typically requests a copy of the listing agreement for the sale of the first unit and compares it to internal recent comparable sales for that floorplan. In the event of a significant variance between the list price and the median comparable sales price, staff brings that factor to the Board's attention.

Shareholders who enter into an Interim Dual Membership Agreement commit to selling the first unit within six months, and to keep the unit actively marketed until sold. Upon close of escrow for the second unit, the first unit cannot be leased or occupied during the period when it is listed for sale. Most buy-sell transactions involving an Interim Dual Membership Agreement are accomplished within a six-month period. On rare occasion, a short extension of time has been needed to conclude the transaction.

FINANCIAL ANALYSIS

None.

Prepared By: Pamela Bashline, Community Services Manager

Reviewed By: Jeff Spies, Community Services Supervisor

ATTACHMENT(S)

ATT 1 – Interim Dual Membership Agreement

INTERIM DUAL OWNERSHIP AGREEMENT

THIS INTERIM DUAL OWNERSHIP AGREEMENT ("Agreement") is executed as of the _____ day of _____, 20____, by and between UNITED LAGUNA WOODS MUTUAL, a California Nonprofit Mutual Benefit Corporation ("United") and _____ ("Purchaser") with reference to the following facts:

- A. Purchaser is the owner of one membership in United and has executed an Occupancy Agreement with United in connection with such ownership. Under the terms of the Occupancy Agreement, Purchaser has the exclusive right to occupy certain premises owned by United and commonly described as _____

 Laguna Woods, California ("First Unit" and first membership").
- B. Purchaser desires to purchase a second membership in United and execute a second Occupancy Agreement with United, thereby permitting Purchaser to occupy certain other premises owned by United and commonly described as _____, Laguna Woods, California (the "Second Unit" and the "Second Membership"). **Duration of this agreement shall be six months from the date of this agreement, subject to renewal at the Board's discretion.**
- C. In reliance upon the covenants and representations of Purchaser hereinafter set forth, United consents to Purchaser's purchase of a Second Membership in United, execution of a second Occupancy Agreement with United, and occupancy of a second unit while still the owner of the first membership, subject to the following terms and conditions:
1. Purchaser shall pay all amounts due or which hereafter become due on each membership shall continue throughout the entire duration of Purchaser's ownership of such memberships. If the Occupancy Agreement related to any such membership terminates for any reason whatsoever prior to Purchaser's sale of that membership, then Purchaser shall not be obligated to pay any amounts that become due on such membership after the termination of the related Occupancy Agreement.
 2. Purchaser represents and warrants that he has undertaken, or will undertake immediately, all reasonable efforts to sell the First Membership, including but not limited to offering the First Unit for sale. Purchaser further represents and warrants that the First Membership and right to occupy the First Unit is presently offered for sale at an asking price of _____
 _____ dollars (\$_____)
 which Purchaser believes is a fair and reasonable asking price for the First Unit, and that Purchaser shall not remove the First Unit from the Resale Market.
 3. Purchaser is solely responsible for the resale of both memberships and the rights to occupy both Units. No representation, guarantee, or assurance has been made to the purchaser by the Golden Rain Foundation of Laguna Woods, United or any agent, representative, attorney, or employee, regarding the sale of the membership or occupancy rights.
 4. Purchaser shall not make or file, or cause to be made or filed, any claim or action against the Golden Rain Foundation of Laguna Woods, or any agent, representative, attorney, or employee, arising out of, connected with, or incidental to Purchaser's failure to obtain a suitable purchaser for either membership or right to occupy either Unit.

5. This Agreement is only between United and the Purchaser, and is solely intended to establish the additional rights, duties, and obligations of United and Purchaser for the limited time period during which Purchaser owns two memberships and the right to occupy the First Unit and the Second Unit. Nothing in this Agreement shall operate to relieve or in any way affect the obligation of any real estate broker, whether presently existing or hereafter arising, to perform its obligations under any listing agreement with Purchaser for the sale of the first membership or right to occupy the first unit.
6. Purchaser acknowledges and agrees that: (a) Purchaser is prohibited from owning more than one Membership and the right to occupy more than one Unit, except under certain limited circumstances which are not applicable to this transaction; (b) Purchaser's permission to own more than one Membership and the right to occupy more than one Unit is granted by United to Purchaser under this Agreement only for a limited duration as an accommodation to Purchaser; (c) nothing in this Agreement shall be construed as a waiver or modification or any kind whatsoever of the general prohibition against Purchaser's ownership of more than one Membership and the right to occupy more than one Unit; and (d) Purchaser shall sell or otherwise dispose of one of the memberships within six months.
7. This Agreement shall be treated as an addendum to the Occupancy Agreement executed by Purchaser in connection with Purchaser's purchase of the second membership. Any failure to comply with this Agreement shall constitute a breach of the Occupancy Agreement.
8. **Nothing in this agreement shall be construed to allow Purchaser to sublet either unit.**
9. Purchaser is hereby aware of the Corporation policy that limits the execution of an Interim Dual Ownership Agreement to one (1) in any two-year period.
10. Purchaser shall provide a copy of this Agreement to all present and future licensed real estate broker(s) with whom purchaser has listed, or lists, either membership immediately upon listing such membership and occupancy right with such broker.

IN WITNESS WHEREOF, the parties to this Agreement has executed this Agreement on the day and year first above written.

"Purchaser"

"United"

UNITED LAGUNA WOODS MUTUAL, a
California Nonprofit Mutual Benefit Corporation

By:

Authorized Agent



STAFF REPORT

DATE: February 16, 2023
FOR: Governing Documents Review Committee
SUBJECT: Clutter Policy

RECOMMENDATION

Discuss and consider amending to the Clutter Policy.

BACKGROUND

The Governing Documents Review Committee is tasked to review policy and processes for consistency, clarity and efficiency.

The Clutter Policy establishes that common areas are for the use and enjoyment of all residents and while limited common areas permit exclusive use of the area, it is essential that all residents be aware of the need for the safety, attractiveness and the prevention of damage to the building by items placed by the residents in or on the common or limited common areas.

Furthermore, the policy addresses items including, but not limited to: plants, the placement of items, statues, furniture, placement of potting supplies and gardening equipment, placement of nails, screws or hooks, etc.

DISCUSSION

On January 19, 2023, the Governing Documents Review Committee discussed the existing policy and requested that staff provide clarifications regarding the 36 square foot areas where items including but not limited to: decorative items, garden décor, statuary, potted plants or free-standing solar lights may be placed. The use of 36 square foot area allows for United to consider the multiple types of unit layouts and allows the members to determine how to use the space immediately adjacent to their unit.

FINANCIAL ANALYSIS

None

Prepared By: Jacob M Huanosto, Compliance Coordinator

Reviewed By: Blessilda Wright, Compliance Supervisor

ATTACHMENT(S)

Attachment 1: Clutter Policy

Attachment 2: Clutter Policy Red Line Version



Clutter Policy
Resolution 01-18-104; Adopted September 26, 2018

I. Purpose

The purpose of this policy is to set forth guidelines by United Laguna Woods Mutual (United) for the safety and prevention of damage from items placed by the residents in “Exclusive Use Common Area” and “Common Area.”

Please note that this list is **not** exhaustive and **any** item that is placed within the Mutual property, including but not limited to, the balcony, breezeway, carport, patio, interior and common area is subject to the aforementioned rules and regulations of the Mutual.

II. Definitions

- a. Exclusive Use Common Area – a portion of the common area designated by the declaration for the exclusive use of one or more, but fewer than all, of the owners of the separate interests and which is or will be appurtenant to the separate interest or interests. Unless the declaration otherwise provides, any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, exterior doors, doorframes, and hardware incident thereto, screens and windows or other fixtures designed to serve a single separate interest, but located outside the boundaries of the separate interest, are exclusive use common area allocated exclusively to that separate interest (i.e. patios, balconies, carport and interior of a Unit). (Civil Code §4145)
- b. Clutter - to fill or litter with things in a disorderly manner; a collection of things lying about in an untidy mass. (cluttered. (n.d.) *Burton's Legal Thesaurus, 4E.* (2007)) In addition, anything positioned within the Mutual property in a manner which is obstructing the free use of the area, creating a health and safety risk to the community, and/or consequently causing property damage within the Mutual. See further details under Conditions.
- c. Common Area - the entire common interest development except the separate interests therein (i.e. walkways, breezeways, and open space). (Civil Code §4095)
- d. Community – Laguna Woods Village.
- e. Golden Rain Foundation (GRF) – the Golden Rain Foundation of Laguna Hills, a California nonprofit mutual benefit corporation.
- f. Governing Documents – all of the following, collectively, the Articles of Incorporation; the Bylaws; Occupancy Agreements; the Rules and Regulations; and any Resolutions or Policies of the Board; all the same may be lawfully amended or modified from time to time.

- g. Interior Clutter – any items that are hazardous or may be of fire or safety danger, and/or potential damage to the inside of the Unit or surrounding Units.
- h. Member – Shareholder(s) entitled to Membership in the Corporation and approved by the Board of Directors. Also known as Shareholder(s).
- i. Resident is defined as any person who has been approved by the Board of Directors for occupancy.
- j. Staff - Employees of Village Management Services, Inc. authorized to act on behalf of United.
- k. United Laguna Woods Mutual (United) - is a non-profit cooperative housing corporation which owns and manages all real property within the original 21 cooperative Mutual's. In a cooperative, Shareholders are members of a corporation which own all real property, including the dwelling units, carports, and laundry facilities within the Mutual's boundaries, and each Shareholder is entitled to occupy a specific dwelling unit under the terms of an Occupancy Agreement. Also known as Corporation. Also known as the Mutual.

III. Conditions Clutter

Common areas are for the use and enjoyment of all residents and it is essential that all residents be aware of the need for the safety and prevention of damage to the buildings by items placed by the residents in or on the common areas of the Mutual's multi-story buildings and where applicable to other residential buildings.

The following rules for residents address the safety and prevention of damage issues. Residents should take whatever corrective action is necessary to manage those items they have placed outside their unit. Residents who disregard these guidelines will be given a citation to correct the problem, possibly followed with disciplinary action.

- 1. All plants must be suitably potted with adequately sized saucers to collect excess water and elevated by substantial caster or sturdy platforms. Care must be used to control the amount of water given to these plants so as not to run over the saucer and collect on the floor surface or fall to a lower level of the building on people, windows, or other objects belonging to neighbors.
- 2. Items, including plants, statues, furniture, etc., may be placed adjacent to a Unit's front door on the floor and shall be limited. Adequate clearance is required to allow for easy walkway access along the area (at least in number and size to allow for a 48-inch clearance as required by law.)
- 3. All plants shall be maintained by the resident in a healthy, well cared for condition, properly watered and pruned. Non-plant items shall be maintained clean and in good repair.

4. Potted plants are not to be placed on railings in common areas. Hanging plants or hanging objects are prohibited in breezeway and walkways.
5. Items that constitute a nuisance to one's neighbors should not be placed in common areas. Examples are intrusive wind chimes, food and water, which will attract birds, insects, and other animals. (City of Laguna Woods Municipal Code Section 5.20.070) Residents are encouraged to resolve amicably differences or disputes involving such items.
6. A resident's balcony and patio area adjoining a unit is Exclusive Use Common Area. This area needs the same care & protection as the walkways and breezeways to prevent dry rot, decay and mold of surfaces. Therefore only a limited number of potted plants on the balconies of multistory buildings are allowed. No more than 15% of the total floor area of a balcony may be used for potted plants.
7. Landscape crews will not care for a resident's personal items placed in common areas unless arranged through the Customer Service Department as a chargeable service.

Any building, by majority decision, may establish additional rules for its own use, providing the rules are not in conflict with the above guidelines. United shall resolve any disputes or misunderstandings relating to Exclusive Use Common Areas and Common Areas.

Governing Documents: "The Member shall not permit or suffer anything to be done or kept in or about the dwelling unit or other premises of the Corporation which will increase the rate of insurance on any building or other property of the Corporation or on the contents thereof or which will obstruct or interfere with the rights of other members of the Corporation or annoy them by unreasonable noises or otherwise nor will it commit or permit any nuisance in or about the dwelling unit or other premises of the Corporation or commit or suffer any immoral or illegal act to be committed thereon." (Occupancy Agreement, Article 5, Use of Premises)

IV. Enforcement

United is authorized to take disciplinary action against a Member(s) whose dwelling may be found in violation of the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate and impose, if appropriate, discipline as set forth in the Governing Documents.

The Board has the authority to impose monetary fines, suspend Member(s) privileges, and/or bring forth legal action. The Member(s) are entirely responsible for ensuring that the Governing Documents are followed by anyone they allow into the Community. This includes any Co-occupant, Lessee, Guest, Care Provider, Vendor, invitee or contractor.

A complaint may be registered by calling the Security Department at 949-580-1400 or the Compliance Division by calling 949-268-CALL or email to compliance@vmsinc.org.

Investigating clutter: a Security Inspector patrols the Community and should Staff identify objective evidence of clutter a Notice of Clutter Violation is issued. The Compliance Division will send a follow up notice advising the Member of the rules and requesting compliance.

For interior clutter: Staff will schedule an interior inspection to obtain photographs and determine the severity of the clutter, potential hazard, and damage to the property. Staff works closely with the Social Services Division and outside agencies on interior clutter violations.



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- 6.7. Residents may place decorative items, garden décor, statuary, potted plants or free-standing solar lights within one single 36 square foot area. The area must be immediately adjacent to the unit and must not protrude onto common area. Reference Resolution Personal Items in Common Area.
- 7.8. Landscape crews will not care for a resident's personal items placed in common areas unless arranged through the Customer Service Department as a chargeable service.

Any building, by majority decision, may establish additional rules for its own use, providing the rules are not in conflict with the above guidelines. United shall resolve any disputes or misunderstandings relating to Exclusive Use Common Areas and Common Areas.

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Investigating clutter: a Security Inspector patrols the Community and should Staff identify objective evidence of clutter a Notice of Clutter Violation is issued. The Compliance Division will send a follow up notice advising the Member of the rules and requesting compliance.

For interior clutter: Staff will schedule an interior inspection to obtain photographs and determine the severity of the clutter, potential hazard, and damage to the property. Staff works closely with the Social Services Division and outside agencies on interior clutter violations.