



November, 2022

Dear Owner(s):

Enclosed are the **annual budget report** and the **annual policy statement** required pursuant to California Civil Code Sections 5300 and 5310, commonly referred to as the Davis-Stirling Act.

The **annual budget report includes** the 2023 business and reserves plans, related disclosures and the insurance summary for United Laguna Woods Mutual and the Golden Rain Foundation and Trust.

The **annual policy statement includes** additional disclosures regarding collection and lien enforcement policies, dispute resolution procedures, the architectural review process and many others.

Please see the attached table of contents for a listing of all reports and disclosures included herein. Should you have any questions concerning the enclosed materials, please contact Financial Services at 949-597-4201.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Hormuth". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steve Hormuth, Director of Financial Services

ENCLOSURES

P. O. BOX 2220 LAGUNA HILLS, CALIFORNIA 92654-2220



2023 Annual Disclosures & Notices

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ANNUAL BUDGET REPORT

ASSESSMENT DEFINITIONS

The **total monthly assessment** for members of United Laguna Woods Mutual (mutual) is comprised of the following:

- (1) **MUTUAL OPERATING:** Non-assessment revenues, generated from items such as chargeable services, late fees, electric cart fees and carport rental fees; and expenses, for which a housing mutual is directly responsible, such as maintenance programs, utilities and property insurance. Also, expenses that are accumulated communitywide and then allocated to each of the housing mutuals, such as administration, materials and supplies, and liability insurance.
- (2) **MUTUAL FUND CONTRIBUTIONS:** Contributions to funds used for reserve components, preventive maintenance and contingency expenditures not included in the operating budget:
Reserve Fund – The purpose of the Reserve Fund is to provide for the repair, replacement or restoration of structural elements and mechanical equipment within the mutual including, but not limited to, designated appliances, roofs, paving, laundry equipment, walls, vertical lifts, waste lines and water lines. The title of this fund was changed via resolution number 01-15-88.
Contingency Fund – The Contingency Fund is used for repairing or replacing mutual assets damaged by uninsured or unexpected disasters, for providing for unanticipated significant expenditures not otherwise identified in the business plan and possibly for write-offs of uncollectible accounts.
- (3) **GRF OPERATING & RESERVES CONTRIBUTIONS (GRF):** Provides for the operation of the Golden Rain Foundation and Trust-owned facilities and equipment, including broadband, clubhouses, recreational programs, security and transportation services. Includes reserve contributions for the improvement and/or replacement of facilities and equipment. These costs are assessed equally to all units in the community.
- (4) **PROPERTY TAX:** Assessed by the County of Orange, based on the county's calculation of assessed value for each manor.
Property Tax Fund – The Property Taxes Fund is used for property taxes, which are generally based on the most recent purchase price of the individual manor. Expenses vary by manor. The fund was established in 2021 and is not required by civil code or included in the reserve plan calculations.
Supplemental property taxes: Additional taxes assessed for changes in property value caused by either 1) a change in ownership/title or 2) a property improvement.
- (5) **MUTUAL PROPERTY INSURANCE:** Property insurance premiums for basic mutual coverage are allocated on the basis of the original value of your manor.



2023 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2019 ACTUAL	2020 ACTUAL***	2021 ACTUAL***	2022 PLAN	2023 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2022	2023	Change
REVENUES								
Non-Assessment Revenues								
Merchandise Sales	\$1,840	\$1,245	\$4,910	\$3,001	\$4,573	\$0.04	\$0.06	(\$0.02)
Fees and Charges to Residents	602,446	373,419	607,598	788,570	819,587	10.39	10.80	(0.41)
Laundry	253,604	243,779	244,083	270,000	270,000	3.56	3.56	0.00
Miscellaneous	554,172	480,928	617,321	622,955	687,276	8.21	9.06	(0.85)
Total Revenue	\$1,412,062	\$1,099,371	\$1,473,912	\$1,684,526	\$1,781,436	\$22.20	\$23.48	(\$1.28)
EXPENSES								
Employee Compensation	\$6,772,640	\$6,825,158	\$7,174,365	\$8,095,575	\$8,269,202	\$106.69	\$108.98	\$2.29
Expenses Related to Compensation	2,525,920	2,827,770	2,886,042	3,299,711	3,440,129	43.49	45.34	1.85
Material and Supplies	831,110	618,146	855,418	759,099	823,417	10.00	10.85	0.85
Electricity	161,483	68,478	91,483	130,789	137,760	1.72	1.82	0.10
Sewer	1,743,577	1,746,512	1,911,413	1,898,400	1,542,000	25.02	20.32	(4.70)
Water	1,790,236	1,940,632	2,119,249	2,127,288	2,014,664	28.04	26.55	(1.49)
Trash	422,299	431,734	448,509	524,703	810,652	6.92	10.68	3.76
Telephone	638	642	676	706	633	0.01	0.01	0.00
Legal Fees	238,961	267,853	170,799	246,652	183,325	3.25	2.42	(0.83)
Professional Fees	99,831	77,833	55,905	96,041	101,932	1.27	1.34	0.07
Equipment Rental	5,960	6,996	10,010	7,977	8,688	0.11	0.11	0.00
Outside Services	1,180,521	1,216,177	2,236,325	1,477,541	2,172,103	19.47	28.63	9.16
Repairs and Maintenance	35,538	26,861	34,842	37,648	41,433	0.50	0.55	0.05
Other Operating Income Taxes	135,553	107,017	114,556	167,044	158,654	2.20	2.09	(0.11)
Income Taxes	(13,931)	(265)	8,166	0	0	0.00	0.00	0.00
Property Tax*	11,375,124	11,899,352	0	0	0	**	**	**
Property Insurance**	952,802	1,817,403	3,178,761	3,219,547	3,559,064	**	**	**
Insurance	529,725	698,111	888,271	928,502	1,042,349	12.24	13.74	1.50
Net Allocation to Mutuals	1,004,578	1,303,774	1,109,819	1,171,082	1,178,364	15.43	15.53	0.10
Uncollectible Accounts	32,610	1,462	(16,942)	15,000	15,000	0.20	0.20	0.00
(Gain)/Loss on Sale	(57)	(6,325)	(87)	0	0	0.00	0.00	0.00
Total Expenses	\$29,825,118	\$31,875,321	\$23,277,580	\$24,203,305	\$25,499,369	\$276.56	\$289.16	\$12.60
(Surplus)/Deficit Recovery	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
Total Operating	\$28,413,056	\$30,775,950	\$21,803,668	\$22,518,779	\$23,717,933	\$254.36	\$265.68	\$11.32
FUND CONTRIBUTIONS								
Reserve Fund	\$11,229,648	\$11,534,670	\$10,775,910	\$10,776,240	\$11,853,864	\$142.02	\$156.23	\$14.21
Contingency Fund	1,138,140	758,760	758,760	0	75,876	0.00	1.00	1.00
Property Tax Fund	0	0	12,217,207	12,401,160	12,649,183	**	**	**
Total Fund Contributions	\$12,367,788	\$12,293,430	\$23,751,877	\$23,177,400	\$24,578,923	\$142.02	\$157.23	\$15.21
TOTAL MUTUAL	\$40,780,844	\$43,069,380	\$45,555,545	\$45,696,179	\$48,296,856	\$396.38	\$422.91	\$26.53
GOLDEN RAIN FOUNDATION								
GRF Operating	\$13,947,912	\$13,779,082	\$14,158,462	\$14,834,611	15,502,302	\$195.50	\$204.31	\$8.81
GRF Reserve Contributions	1,289,892	1,441,644	1,441,644	1,289,892	1,289,892	17.00	17.00	0.00
GRF Contingency Contributions	151,752	379,380	0	379,380	0	5.00	0.00	(5.00)
Total GRF	\$15,389,556	\$15,600,106	\$15,600,106	\$16,503,883	\$16,792,194	\$217.50	\$221.31	\$3.81
TOTAL BASIC ASSESSMENTS	\$56,170,400	\$58,669,486	\$61,155,651	\$62,200,062	\$65,089,050	\$613.88	\$644.22	\$30.34

*Item was moved to "Property Tax Fund" in August 2021

**Indicates an assessment that varies per manor.

***2020 and 2021 Actuals were affected by Covid-19 Pandemic.



2023 RESERVES PLAN

Summary & Disclosures

California Civil Code §5300 requires that homeowner associations maintain a reserve study, a plan by which the mutual anticipates and prepares for inevitable future expenses of major components. Ideally, all such expenditures to repair, replace or restore components will be covered by those funds set aside in segregated accounts as reserves. A summary of the reserves plan prepared by Association Reserves™ is included herein.

The study identifies estimated current replacement costs of just over \$82.2 million. The fully funded balance (based on formula defined in Civil Code §5570(b)(4)) is \$39.2 million as of January 1, 2023. Projected reserve fund balances are estimated to be just over \$16.3 million, or 41.8% funded. These figures shall not be construed to require the board to fund reserves in accordance with this calculation.

The reserve receives monies through assessments and through interest earned on invested fund balances. In 2023, the basic monthly assessment for the reserve is set at \$156.23 per manor per month.

Contact the Financial Services Department at 949-597-4201 to obtain the full reserves study or visit the community website at www.lagunawoodsvillage.com.

United Laguna Woods Mutual has no outstanding loans.

Assessment and Reserve Funding Disclosure Summary

United Laguna Woods Mutual, Laguna Woods

For Fiscal Year Beginning: 1/1/2023

of units: 6323

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$11,853,864.00	\$1,874.72
Total Assessment Income:	\$65,089,050.00	\$10,294.01

per: Year

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
Total: \$0.00		

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2023
Fully Funded Balance (based on formula defined in 5570(b)4):	\$39,171,347
Projected Reserve Fund Balance:	\$16,389,207
Percent Funded:	41.8 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$3,603

From the 8/3/2022 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Sean Andersen

Date: 10/4/2022

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 36560-3
With-Site-Visit

Fiscal Year Start: 2023

Interest:

2.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	\$16,389,207	\$39,171,347	41.8 %		Medium	\$11,853,864	\$0	\$312,663	\$13,651,511
2024	\$14,904,223	\$41,810,849	35.6 %		Medium	\$12,476,192	\$0	\$273,249	\$15,209,294
2025	\$12,444,370	\$43,039,363	28.9 %		High	\$13,131,192	\$0	\$232,822	\$14,950,367
2026	\$10,858,017	\$45,081,006	24.1 %		High	\$13,820,580	\$0	\$206,145	\$15,110,398
2027	\$9,774,343	\$46,823,262	20.9 %		High	\$14,546,160	\$0	\$192,541	\$15,016,606
2028	\$9,496,438	\$49,244,263	19.3 %		High	\$15,309,833	\$0	\$190,649	\$15,411,923
2029	\$9,584,998	\$51,825,221	18.5 %		High	\$15,692,579	\$0	\$200,261	\$15,019,339
2030	\$10,458,499	\$55,265,372	18.9 %		High	\$16,084,894	\$0	\$219,890	\$15,213,768
2031	\$11,549,514	\$58,903,964	19.6 %		High	\$16,487,016	\$0	\$244,364	\$15,372,815
2032	\$12,908,080	\$63,014,169	20.5 %		High	\$16,899,191	\$0	\$269,187	\$16,042,499
2033	\$14,033,959	\$67,030,646	20.9 %		High	\$17,321,671	\$0	\$296,499	\$16,010,515
2034	\$15,641,613	\$71,760,056	21.8 %		High	\$17,754,713	\$0	\$304,267	\$18,889,186
2035	\$14,811,407	\$74,221,988	20.0 %		High	\$18,198,581	\$0	\$284,780	\$19,603,492
2036	\$13,691,275	\$73,237,364	18.7 %		High	\$18,653,545	\$0	\$299,124	\$16,396,906
2037	\$16,247,039	\$76,057,260	21.4 %		High	\$19,119,884	\$0	\$341,851	\$17,741,089
2038	\$17,967,685	\$78,102,591	23.0 %		High	\$19,597,881	\$0	\$367,166	\$19,152,016
2039	\$18,780,716	\$79,297,136	23.7 %		High	\$20,087,828	\$0	\$417,072	\$16,322,994
2040	\$22,962,622	\$83,998,751	27.3 %		High	\$20,590,024	\$0	\$480,356	\$18,918,411
2041	\$25,114,591	\$86,742,197	29.0 %		High	\$21,104,774	\$0	\$507,057	\$21,091,358
2042	\$25,635,064	\$87,921,093	29.2 %		High	\$21,632,394	\$0	\$520,854	\$21,292,894
2043	\$26,495,417	\$89,536,797	29.6 %		High	\$22,173,204	\$0	\$542,442	\$21,415,290
2044	\$27,795,772	\$91,702,195	30.3 %		Medium	\$22,727,534	\$0	\$548,666	\$23,953,618
2045	\$27,118,354	\$91,936,493	29.5 %		High	\$23,295,722	\$0	\$561,081	\$21,936,788
2046	\$29,038,369	\$94,919,818	30.6 %		Medium	\$23,878,115	\$0	\$514,600	\$30,964,872
2047	\$22,466,213	\$89,992,133	25.0 %		High	\$24,475,068	\$0	\$418,938	\$27,896,355
2048	\$19,463,864	\$88,800,745	21.9 %		High	\$25,086,945	\$0	\$335,186	\$30,802,231
2049	\$14,083,763	\$85,325,826	16.5 %		High	\$25,714,118	\$0	\$247,948	\$29,313,359
2050	\$10,732,470	\$84,047,819	12.8 %		High	\$26,356,971	\$0	\$172,828	\$30,696,992
2051	\$6,565,277	\$82,096,978	8.0 %		High	\$27,015,895	\$0	\$69,585	\$33,251,482
2052	\$399,275	\$78,270,856	0.5 %		High	\$27,691,293	\$0	\$0	\$32,518,973



United Laguna Woods Mutual

Laguna Woods, CA

Level of Service: Update "With-Site-Visit"

Report #: 36560-3

of Units: 6,323

January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Projected Starting Reserve Balance	\$16,389,207
Current Full Funding Reserve Balance	\$39,171,347
Average Reserve Deficit (Surplus) Per Unit	\$3,603
Percent Funded	41.8 %
Recommended 2023 "Annual Full Funding Contributions"	\$14,168,800
Alternate minimum contributions to keep Reserve above \$0	\$11,853,864
Most Recent Reserve Contribution Rate	\$10,776,240
Annual Deterioration Rate	\$19,586,035

Reserve Fund Strength: 41.8%

Weak

Fair

Strong

< 30%

< 70%

> 130%



Risk of Special Assessment:

High

Medium

Low

Economic Assumptions:

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

Annual Inflation Rate 3.00 %

This is an Update "With-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. We performed the site inspection on 5/18/2022.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Reserve Fund is between the 30% funded level and the 70% funded level at 41.8 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$19,586,035.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$14,168,800.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$11,853,864.

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



Budget Summary

Report # 36560-3
With-Site-Visit

	Useful Life		2023 Rem. Useful Life		Estimated Replacement Cost in 2023	2023 Expenditures	01/01/2023 Current Fund Balance	01/01/2023 Fully Funded Balance	Remaining Bal. to be Funded	2023 Contributions
	Min	Max	Min	Max						
Paving	1	25	0	29	\$6,867,539	\$248,371	\$613,051	\$3,391,803	\$6,254,488	\$227,546
Asphalt & Concrete Repair/Replace	1	10	0	9	\$672,667	\$198,377	\$315,577	\$454,406	\$357,090	\$146,322
Roofs - Built-Up	0	25	0	29	\$24,645,301	\$1,041,301	\$2,039,434	\$9,319,461	\$22,605,867	\$864,517
Roofs - Comp Shingle	40	40	1	30	\$24,228,000	\$0	\$604,500	\$10,111,100	\$23,623,500	\$438,171
Roofs - Tile	40	40	21	31	\$6,270,000	\$0	\$0	\$2,151,000	\$6,270,000	\$113,395
Infrastructure/Buildings	1	20	0	12	\$1,554,793	\$1,091,593	\$1,176,013	\$1,429,821	\$378,780	\$806,427
Carport Siding Renovation	25	25	9	19	\$1,497,000	\$0	\$0	\$672,760	\$1,497,000	\$43,318
Manor Components	1	1	0	1	\$3,942,939	\$3,112,571	\$3,112,571	\$3,112,571	\$830,368	\$2,852,375
Lighting & Electrical	1	1	0	24	\$1,619,415	\$575,550	\$575,550	\$575,550	\$1,043,865	\$1,171,506
Laundry Rooms	1	25	0	24	\$198,627	\$160,243	\$173,756	\$174,120	\$24,871	\$119,761
Off Cycle Decking	1	1	0	0	\$139,099	\$139,099	\$139,099	\$139,099	\$0	\$100,626
Prior To Painting	1	1	0	1	\$1,041,931	\$866,931	\$866,931	\$866,931	\$175,000	\$753,747
Interior & Exterior Painting	1	1	0	1	\$2,837,669	\$1,734,240	\$1,734,240	\$1,734,240	\$1,103,429	\$2,052,808
Walls, Fencing, Railings & Gates	1	1	0	1	\$127,900	\$50,400	\$50,400	\$50,400	\$77,500	\$92,525
Grounds & Miscellaneous	1	4	0	1	\$2,060,003	\$1,175,003	\$1,186,253	\$1,186,253	\$873,750	\$1,482,095
Building Structures	1	10	0	2	\$1,505,006	\$520,006	\$1,064,006	\$1,064,006	\$441,000	\$672,055
Plumbing	1	1	0	13	\$3,084,826	\$2,737,826	\$2,737,826	\$2,737,826	\$347,000	\$2,231,604
					\$82,292,715	\$13,651,511	\$16,389,207	\$39,171,347	\$65,903,508	\$14,168,800

Percent Funded: 41.8%



ANNUAL INSURANCE DISCLOSURE AND POLICY SUMMARY - October 1, 2022

PROPERTY INSURANCE

Blanket property insurance for fire and special form with Travelers Property Casualty Company of America and various other insurance companies insures residential, common and community buildings and business property owned by the Mutual (no coverage for improvements, alterations, additions or other member or tenant property).

Policy Limit: \$225,000,000 per occurrence

Deductible: \$25,000 per occurrence

Key Exclusions: Earthquake, landslide, (and others)

COMMERCIAL GENERAL LIABILITY INSURANCE

The commercial general liability insurance for the Housing Mutuals and Golden Rain Foundation (GRF) is with Philadelphia Insurance Companies, insuring against liability arising out of the ownership and use of common areas.

Policy Limits: \$1,000,000 per occurrence
\$2,000,000 aggregate

Deductible: None for bodily injury claims

There is also an Umbrella Liability policy with Great American, Lexington, and AXA XL Insurance Company.

Policy Limit: \$25,000,000 per occurrence

Deductible: Excess over General Liability insurance policy

CRIME/FIDELITY INSURANCE

United Mutual & GRF have a crime/fidelity policy with Beazley and Berkley Insurance.

Policy limits: \$20,000,000 Employee Theft, Computer & Fund Transfer Fraud
\$5,000,000 Theft, Robbery & Depositor Forgery

Deductible: \$25,000

EARTHQUAKE INSURANCE

United Laguna Woods Mutual has a Difference in Conditions insurance policy with Insurance Company of the West for earthquake insurance on residential and common area buildings.

Policy limit: \$5,000,000 Deductible for earthquake: 15% of the building value, \$50,000 minimum

GRF has a Difference In Conditions (DIC) insurance policy with Arrowhead General Insurance Company including earthquake and flood for GRF facilities such as clubhouses, streets and the cable system.

Policy limit: \$15,000,000

Deductible: \$25,000 per occurrence except earthquake and flood

Deductible for flood: \$50,000

Deductible for earthquake: 5% of the building value, \$50,000 minimum

This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

The total amount of insurance was discussed with the insurance broker and the Board followed their guidance.

For proof of insurance visit: <https://marshdigital.marsh.com/marshconnect/viewMOI.action?clientId=638659736>

For questions regarding proof of insurance coverage have your escrow company or trust contact:

Marsh Insurance Services: phone: (602) 337-6231

Email: Phoenix.certrequest@marsh.com

If you have questions about the Mutual's insurance policies, please call Risk Management 949-597-4202

The following insurance information should be discussed with your personal insurance agent.

UNITED LAGUNA WOODS MUTUAL INSURANCE DISCLOSURE AND POLICY SUMMARY

THE INSURANCE CARRIED BY UNITED MUTUAL AND GRF DOES NOT COVER YOUR PERSONAL LIABILITY OR ITEMS THAT ARE YOUR PERSONAL RESPONSIBILITY such as additions and alterations, personal property, or loss of use. **MEMBERS SHOULD PURCHASE “CONDOMINIUM OWNERS” (HO-6) INSURANCE POLICY** to protect against unexpected expense in the event a loss occurs. This is also a requirement for many lenders. Please remind tenants/lessees that they should purchase “renters” insurance for their personal liability, personal property, and loss of use.

SOME* ITEMS YOU SHOULD CONSIDER WHEN REVIEWING YOUR OWN PERSONAL INSURANCE:

- ◆ **Members are responsible for damage to improvements, alterations and additions** (custom built-ins, wall or window coverings, wood or other upgraded floor coverings, heat pumps, air conditioners, patio or balcony enclosures, etc.) whether they were installed by you or previous members or residents. These should be insured as unit owners building items. **Repair of damage to such items, or other member or tenant property, including personal property, from a loss, such as a plumbing failure in your manor or an adjacent manor, is the responsibility of the member or tenant.** The Mutual's property insurer does not accept claims for damage to such items.
- ◆ **Members are responsible for damage to Mutual property** caused by the Members' misuse or neglect, by additions or alterations, or by guests or lessees. If the damage is your responsibility, United Mutual can charge you for the repairs (Occupancy Agreement-Article 5 & 11). If the repair costs exceed the deductible on the Mutual's insurance, currently \$25,000, a claim will be submitted to the Mutual's property insurer. In such cases, both the Mutual and its property insurer reserve the right to charge the Member to recover the costs, including the Mutual's deductible. Your own insurance may help cover your obligations, although some homeowner's insurance companies will not cover the Mutual's deductible. Consult with your agent about your insurer's practices and increasing your policy limits accordingly.
- ◆ **Personal Property/Contents insurance** for items such as appliances, furniture, clothing, household goods and for special property like jewelry, coins, artwork, antiques, furs, silver and collectibles.
- ◆ **Personal Liability insurance** for your actions and responsibilities both inside and outside your manor. Everyone should have liability insurance to protect their equity and retirement savings.
- ◆ **Loss of Use or Additional Living Expense insurance** if your manor/building is damaged and cannot be lived in until repaired, in accordance with the Davis-Stirling Act Civil Code §4775(b) members, residents and lessees are responsible for paying to live elsewhere while work is done. Monthly assessments must still be paid during this time.
- ◆ **Loss Assessment insurance** to protect against a special assessment from your Mutual for damage. While there has not yet been this type of assessment in Laguna Woods Village, we are required to tell you that there is this possibility. (Show your agent/broker the limits listed in this disclosure.)
- ◆ **Earthquake and/or Flood insurance** for additions, alterations, personal property and loss of use.
- ◆ **Earthquake Loss Assessment insurance** to protect against a special assessment from the Mutual for damage caused by an earthquake.
- ◆ **Automobile insurance** on your car, truck, van, motorcycle or motor home.
- ◆ **Liability and Physical Damage insurance** for your golf cart.

Please report building damage to:

Resident Services (Monday-Friday, 8:00 AM to 5:00 PM)

Resident Services e-mail address:

phone: (949) 597-4600

residentservices@vmsinc.org

After business hours, or to report personal injury, please call:

Security Dispatch: phone: (949) 580-1400

In an emergency: CALL 911

* The above list is not exhaustive. Please discuss insurance questions with your agent or broker.

UNITED LAGUNA WOODS MUTUAL INSURANCE DISCLOSURE AND POLICY SUMMARY

PROPERTY INSURANCE - Continued

Primary \$50,000,000

Travelers Property Casualty Company of America, Limit: \$50,000,000

\$25,000,000 Excess of \$50,000,000

Princeton Excess & Surplus Lines Insurance Company, Limit: \$12,500,000

\$50,000,000 Excess of \$75,000,000

Ironshore Specialty, Limit: \$5,585,000

JEM Underwriting Managers, LLC, Limit: \$5,000,000

Lloyds of London., Limit: \$11,570,000

Sompo, Limit: \$2,845,000

\$75,000,000 Excess of \$50,000,000

Landmark American Insurance Company, Limit: \$25,000,000

Markel, Limit: \$5,000,000

Kinsale, Limit: \$7,500,000

\$100,000,000 Excess of \$125,000,000

Landmark American Insurance Company, Limit: \$25,000,000

Princeton Excess & Surplus Lines Insurance Company, Limit: \$50,000,000

Lloyds of London, Limit: \$25,000,000



Charge for Documents Provided as Required by Section 4525*

Property address _____

Owner of property (owner of stock certificate entitling the owner to occupy the property)

Owner mailing address (if different from above) _____

Provider of Section 4525 items

Print name _____

Position or title _____

Association or agent _____

Date form completed _____

Please complete applicable column(s) below:

Document	Civil Code Section	Included	Not Available (N/A) or Not Applicable (N/App)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	Included	
Occupancy Agreement		Included	
CC&Rs	Section 4525(a)(1)		N/App
Bylaws	Section 4525(a)(1)	Included	
Operating Rules	Section 4525(a)(1)	Included	
Age restrictions, if any	Section 4525(a)(2)	Included	
Pro forma operating budget or summary, reserve study	Sections 5300 and 4525(a)(4)	Included	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	Included	
Financial statement review	Sections 5305 and 4525(a)(3)	Included	

Document	Civil Code Section	Included	Not Available(N/A) or Not Applicable (N/App)
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	Included	
Insurance summary	Sections 5300 and 4525(a)(4)	Included	
Regular assessment	Section 4525(a)(4)	Included	
Special assessment	Section 4525(a)(4)		N/App
Emergency assessment	Section 4525(a)(4)		N/App
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	Included	
Approved changes to assessments	Section 5300 and 4525(a)(4),(8)	Included	
Settlement notice regarding common area defects	Sections 4525(a)(6),(7) and 6100		N/App
Preliminary list of defects	Sections 4525(a)(6), 6000 and 6100		N/App
Notice(s) of violation	Sections 5855 and 4525(a)(5)	Included	
Required statement of fees	Section 4525	Included	
Most recent 12 months of minutes	Section 4525(a)(10)	Included	

Total fees for these documents: \$ 200

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.

Note:

1. Additional documents and fees may be applicable during the purchase or transfer of a stock certificate in United, such as first and final inspections (\$90 and \$60, respectively), administration fee to transfer all membership information (\$350) and the facilities fee (\$7,500). Notation of these fees in this form is being provided as an additional notice to the prospective buyer.
2. Many of the documents noted on the statutory form above can be found free of charge on the internet at: lagunawoodsvillage.com.



ANNUAL BUDGET REPORT ASSESSMENT DEFINITIONS

RESOLUTION 90-16-52

WHEREAS, the Board determines assessments in an amount meeting operational and reserve expenditures; and

WHEREAS, expenditures from the funds are authorized by the Board through the annual business plan or supplemental appropriations;

NOW THEREFORE BE IT RESOLVED, the Board hereby adopts the following definitions to define the purpose and use of each of the restricted funds:

Operating Fund – The Operating Fund accounts for all revenues and expenditures related to the services and operations of the Golden Rain Foundation, including but not limited to security, transportation, broadband services, recreation services, administration, insurance and taxes, utilities, and professional services.

Equipment Reserve Fund – The Equipment Reserve Fund is used for the purchase of new and replacement equipment, including but not limited to vehicles, machinery, office equipment, and furniture. This fund receives monies through assessments, interest earnings, and a transfer of operating surplus if directed by the Board. Balances are used to fund the 30-year reserves plan.

Facilities Reserve Fund – The Facilities Reserve Fund is used for the acquisition, addition, replacement or improvement of Foundation and Trust facilities and their components. This fund receives monies through assessments, interest earnings, and a transfer of operating surplus if directed by the Board. Balances are used to fund the 30-year reserves plan.

Trust Facilities Fee Fund – The Trust Facilities Fee Fund was established in 2012 to maintain and improve the recreational and other amenities available to all residents of Laguna Woods Village. A fee, allowed under Civil Code §4580, is imposed on all transactions involving the purchase of a separate interest in any of the Community's common interest developments (United Mutual, Third Mutual, and Mutual Fifty). The Trust Facilities Fee is a fixed amount, as determined from time to time by the Trustee of the Golden Rain Foundation Trust. This fund receives monies through the aforementioned fee and interest earnings. Although this is not a required fund, the Board shall determine the appropriate allocation to meet reserve expenditures.

Contingency Fund – The Contingency Fund provides for unanticipated expenditures not otherwise identified in the operating budget or reserves plan and provides funding for uninsured damages to property. This fund receives monies through assessments, interest earnings, and a transfer of operating surplus if directed by the Board.

Trust Improvement Fund – Established in 1974, this fund was established in the Trust to provide funding for improvement to certain existing community facilities. Contributions to this fund were discontinued in 1985 and improvements to GRF and Trust assets are funded through the funds mentioned above.



2023 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2019 ACTUAL	2020 ACTUAL*	2021 ACTUAL*	2022 PLAN	2023 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2022	2023	Change
Revenues:								
Golf Greens Fees	\$1,351,798	\$1,241,594	\$1,656,161	\$1,602,000	\$1,744,500	\$10.48	\$11.41	(\$0.93)
Golf Operations	231,543	273,504	318,827	356,190	379,300	2.33	2.48	(0.15)
Merchandise Sales	338,214	269,630	522,651	468,050	609,006	3.06	3.98	(0.92)
Clubhouse Rentals and Event Fees	720,100	123,440	113,331	640,906	653,971	4.19	4.28	(0.09)
Rentals	125,879	142,958	140,779	165,400	197,500	1.08	1.29	(0.21)
Broadband Services	4,797,351	5,186,355	5,038,208	5,818,200	5,554,800	38.07	36.35	1.72
Miscellaneous	1,115,511	655,785	659,087	1,117,904	1,217,629	7.31	7.97	(0.66)
Total Revenue	\$8,680,396	\$7,893,266	\$8,449,044	\$10,168,650	\$10,356,706	\$66.52	\$67.76	(\$1.24)
Expenses:								
Employee Compensation	\$17,950,037	\$16,656,527	\$17,060,816	\$19,392,615	\$20,123,612	\$126.89	\$131.67	\$4.78
Exp. Related to Compensation	5,145,248	4,913,404	5,058,750	6,003,011	6,331,723	39.28	41.43	2.15
Materials and Supplies	1,757,167	1,564,387	1,570,108	1,765,658	1,801,729	11.55	11.79	0.24
Cost of Merchandise Sold	238,432	192,232	431,568	315,315	440,638	2.06	2.88	0.82
Community Events	563,596	125,189	45,229	463,081	410,910	3.03	2.69	(0.34)
Electricity	875,691	705,598	881,645	886,055	918,102	5.80	6.01	0.21
Sewer	77,338	67,047	75,868	84,696	126,163	0.55	0.82	0.27
Water	605,107	645,378	762,448	700,310	723,350	4.58	4.73	0.15
Trash	220,868	191,847	128,609	148,028	148,815	0.97	0.97	0.00
Natural Gas	244,948	164,840	237,215	232,781	334,415	1.52	2.19	0.67
Telephone	284,506	316,676	308,599	359,369	342,957	2.35	2.24	(0.11)
Fuel & Oil for Vehicles	511,609	370,940	489,252	544,500	628,490	3.56	4.11	0.55
Legal Fees	994,184	336,669	737,723	329,196	245,850	2.15	1.61	(0.54)
Professional Fees	597,035	571,281	416,867	564,743	829,009	3.70	5.42	1.72
Rentals	213,295	200,704	258,816	216,114	289,655	1.41	1.90	0.49
Outside Services	2,036,707	2,252,750	2,829,913	2,961,494	2,900,604	19.38	18.98	(0.40)
Repairs and Maintenance	660,523	954,116	886,507	1,215,359	999,673	7.95	6.54	(1.41)
Other Operating Expense	598,345	443,005	648,436	850,860	938,280	5.57	6.14	0.57
Income, Property, and Sales Tax	157,559	718,919	43,622	27,822	35,991	0.19	0.24	0.05
Insurance	1,374,364	2,008,550	2,658,323	2,844,644	2,987,766	18.61	19.55	0.94
Cable TV Programming	5,127,580	3,792,055	3,966,508	4,328,000	4,415,500	28.32	28.89	0.57
Uncollectible Accounts	9,432	1,416	12,184	12,100	12,100	0.08	0.08	0.00
(Gain)/Loss on Sale or Trade	(520)	(56,922)	(180,899)	(25,000)	0	(0.16)	0.00	0.16
Cost Allocation to Mutuals	(2,547,224)	(2,900,667)	(2,775,315)	(2,949,071)	(2,875,047)	(19.32)	(18.81)	0.51
Total Expenses	\$37,695,827	\$34,235,941	\$36,552,792	\$41,271,680	\$43,110,285	\$270.02	\$282.07	\$12.05
(Surplus)/Deficit Recovery	\$0	\$0	\$0	(\$1,222,656)	(\$1,528,320)	(\$8.00)	(\$10.00)	(\$2.00)
Net Operating	\$29,015,431	\$26,342,675	\$28,103,748	\$29,880,374	\$31,225,259	\$195.50	\$204.31	\$8.81
Fund Contributions:								
Reserve Funds	\$2,598,144	\$2,903,808	\$2,903,808	\$2,598,144	\$2,598,144	\$17.00	\$17.00	\$0.00
Contingency Fund	305,664	764,160	0	764,160	0	5.00	0.00	(5.00)
Total Fund Contributions	\$2,903,808	\$3,667,968	\$2,903,808	\$3,362,304	\$2,598,144	\$22.00	\$17.00	(\$5.00)
TOTAL BASIC ASSESSMENTS	\$31,919,239	\$30,010,643	\$31,007,556	\$33,242,678	\$33,823,403	\$217.50	\$221.31	\$3.81

*2020 and 2021 actuals were affected by COVID-19 Pandemic.



2023 RESERVES PLAN

Summary & Disclosures

California Civil Code §5300 requires that homeowner associations maintain a reserve study, a plan by which the mutual anticipates and prepares for inevitable future expenses of major components. Ideally, all such expenditures to repair, replace or restore will be covered by those funds set aside each year and accounted for separately as reserves. A summary of the reserves plan prepared by Association Reserves™ is included herein.

The study identifies estimated current replacement costs at nearly \$73.8 million. The fully funded balance (based on the formula defined in Civil Code §5570(b)(4)) is \$42.4 million as of January 1, 2023. Projected reserve fund balances are estimated to be \$21.9 million, or 51.6% funded. These figures shall not be construed to require the board to fund reserves in accordance with this calculation.

The reserves receive monies through assessments and through interest earned on invested fund balances. Additionally, the reserves receive periodic transfers, approved by the GRF board of directors, from the Trust Facilities Fee Fund. This revenue is derived through a fee charged at the close of each escrow, where applicable, per Resolution 90-21-38, currently set at \$7,500. In 2023, the basic monthly assessment for GRF reserves is set at \$17 per manor per month.

The full reserves study can be obtained by contacting the Financial Services Department at 949-597-4201 or by visiting the community website at www.lagunawoodsvillage.com.

GRF has no outstanding loans.

Assessment and Reserve Funding Disclosure Summary

Golden Rain Foundation of Laguna Woods - Laguna Woods

For Fiscal Year Beginning: 1/1/2023

of units: 12736

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$8,709,144.00	\$683.82
Total Assessment Income:	\$33,823,403.00	\$2,655.73

per: Year

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
Total: \$0.00		

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2023
Fully Funded Balance (based on formula defined in 5570(b)4):	\$42,379,236
Projected Reserve Fund Balance:	\$21,850,200
Percent Funded:	51.6%
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$1,611

From the 6/20/2022 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

- 7) See attached 30-yr Summary Tables, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Sean Andersen

Date: 10/10/2022

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.



30-Year Reserve Plan Summary - Equipment Fund

Report # 43604-0
With-Site-Visit

Fiscal Year Start: 2023

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes			
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	\$6,773,809	\$16,994,176	39.9 %	Medium	\$5,598,100	\$0	\$54,711	\$8,253,640
2024	\$4,172,980	\$13,386,083	31.2 %	Medium	\$5,710,062	\$0	\$54,437	\$3,218,400
2025	\$6,719,079	\$14,987,544	44.8 %	Medium	\$5,824,263	\$0	\$78,087	\$3,716,439
2026	\$8,904,991	\$16,268,621	54.7 %	Medium	\$5,940,749	\$0	\$100,402	\$3,762,150
2027	\$11,183,992	\$17,680,828	63.3 %	Medium	\$6,059,563	\$0	\$116,753	\$5,183,812
2028	\$12,176,496	\$17,768,694	68.5 %	Medium	\$6,211,053	\$0	\$126,443	\$5,391,204
2029	\$13,122,787	\$17,493,972	75.0 %	Low	\$6,200,000	\$0	\$143,448	\$3,887,178
2030	\$15,579,058	\$18,876,683	82.5 %	Low	\$6,200,000	\$0	\$163,958	\$4,716,579
2031	\$17,226,437	\$19,592,442	87.9 %	Low	\$6,200,000	\$0	\$179,238	\$4,969,349
2032	\$18,636,325	\$20,219,547	92.2 %	Low	\$6,200,000	\$0	\$195,976	\$4,456,844
2033	\$20,575,457	\$21,548,078	95.5 %	Low	\$6,200,000	\$0	\$203,255	\$6,885,959
2034	\$20,092,753	\$20,573,852	97.7 %	Low	\$6,300,000	\$0	\$208,570	\$4,962,271
2035	\$21,639,052	\$21,715,953	99.6 %	Low	\$6,307,000	\$0	\$228,848	\$4,024,852
2036	\$24,150,049	\$24,026,941	100.5 %	Low	\$6,464,675	\$0	\$247,782	\$5,435,058
2037	\$25,427,448	\$25,128,898	101.2 %	Low	\$6,626,292	\$0	\$265,090	\$4,705,667
2038	\$27,613,164	\$27,194,565	101.5 %	Low	\$6,791,949	\$0	\$263,097	\$9,639,534
2039	\$25,028,677	\$24,425,078	102.5 %	Low	\$6,961,748	\$0	\$245,568	\$8,130,277
2040	\$24,105,715	\$23,317,342	103.4 %	Low	\$7,135,792	\$0	\$249,521	\$5,671,333
2041	\$25,819,694	\$24,905,097	103.7 %	Low	\$7,314,186	\$0	\$264,954	\$6,205,198
2042	\$27,193,636	\$26,034,680	104.5 %	Low	\$7,497,041	\$0	\$286,638	\$4,819,003
2043	\$30,158,312	\$28,973,634	104.1 %	Low	\$7,684,467	\$0	\$287,732	\$10,717,988
2044	\$27,412,523	\$26,122,945	104.9 %	Low	\$7,876,579	\$0	\$284,440	\$6,073,955
2045	\$29,499,587	\$28,189,677	104.6 %	Low	\$8,073,493	\$0	\$300,555	\$7,236,739
2046	\$30,636,896	\$29,346,920	104.4 %	Low	\$8,275,331	\$0	\$317,233	\$6,392,841
2047	\$32,836,617	\$31,641,057	103.8 %	Low	\$8,482,214	\$0	\$334,547	\$7,552,135
2048	\$34,101,243	\$33,049,896	103.2 %	Low	\$8,694,269	\$0	\$334,929	\$10,217,448
2049	\$32,912,994	\$32,002,878	102.8 %	Low	\$8,911,626	\$0	\$344,210	\$6,210,659
2050	\$35,958,170	\$35,306,005	101.8 %	Low	\$9,134,417	\$0	\$366,337	\$8,118,589
2051	\$37,340,334	\$37,005,258	100.9 %	Low	\$9,362,777	\$0	\$370,780	\$10,226,694
2052	\$36,847,197	\$36,854,208	100.0 %	Low	\$9,596,846	\$0	\$375,168	\$8,600,875

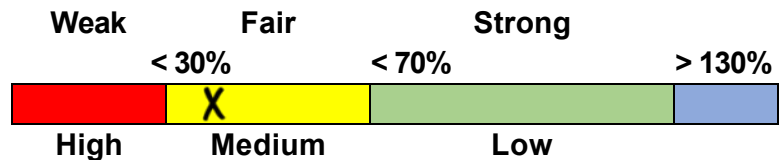
**Laguna Woods Golden Rain Foundation - Equipment**Report #: **43604-0**

Laguna Woods, CA

of Units: 12,736

Level of Service: **Update "With-Site-Visit"****January 1, 2023 through December 31, 2023****Findings & Recommendations****as of January 1, 2023**

Projected Starting Reserve Balance	\$6,773,809
Current Full Funding Reserve Balance	\$16,994,176
Average Reserve Deficit (Surplus) Per Unit	\$802
Percent Funded	39.9 %
Recommended 2023 "Annual Full Funding Contributions"	\$5,598,100
Alternate minimum contributions to keep Reserve above \$2,900,000	\$4,400,000
Most Recent Reserve Contribution Rate	\$5,377,500
Annual Deterioration Rate	\$4,298,994

Reserve Fund Strength: 39.9%**Risk of Special Assessment:****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **1.00 %**Annual Inflation Rate **3.00 %**

This is an Update "With-Site-Visit", and is based on a prior in-house Report prepared by the Village Management Services for your 2022 Fiscal Year. We performed the site inspection on 4/12/2022. This Reserve Study was prepared by credentialed Reserve Specialists, Sean Erik Andersen RS #68, Sabrina C. Willison RS #334, Sean Kargari RS #115, Matthew Swain RS #134, Will Simons RS #190, Johannes Koerm RS #266 and Dusty Burgmans.

The Reserve Fund is between the 30% funded level and the 70% funded level at 39.9 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$4,298,994.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$5,598,100.

*The Alternative Contribution rate, also called Threshold Funding will keep the Reserve Funds above \$2,900,000. This figure for your association is \$4,400,000.

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



Budget Summary - Equipment Fund

Report # 43604-0
With-Site-Visit

	Useful Life		2023 Rem. Useful Life		Estimated Replacement Cost in 2023	2023 Expenditures	01/01/2023 Fully Funded Balance	Remaining Bal. to be Funded	2023 Contributions
	Min	Max	Min	Max					
Vehicles/Equip	5	30	0	27	\$17,371,920	\$2,842,890	\$9,431,330	\$16,008,861	\$1,404,066
Entry Areas	8	20	4	19	\$411,700	\$0	\$173,558	\$411,700	\$62,418
Golf Course Equipment: Mowers	7	7	0	4	\$919,750	\$269,250	\$765,143	\$650,500	\$171,098
Golf Course Equipment : Other	6	40	0	12	\$908,500	\$105,000	\$665,278	\$803,500	\$102,387
Landscape & Irrigation	1	30	0	10	\$2,055,600	\$2,021,500	\$2,048,270	\$34,100	\$529,806
System Equipment & Software	1	15	0	10	\$4,667,000	\$2,465,000	\$3,198,892	\$2,202,000	\$2,546,776
Broadband Facility	1	30	0	24	\$1,036,000	\$550,000	\$711,705	\$486,000	\$781,549
					\$27,370,470	\$8,253,640	\$16,994,176	\$20,596,661	\$5,598,100
								Percent Funded:	39.9%



30-Year Reserve Plan Summary - Facilities Fund

Report # 43604-0
With-Site-Visit

Fiscal Year Start: 2023

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes			
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	\$15,076,391	\$25,385,060	59.4 %	Medium	\$3,111,000	\$0	\$144,615	\$4,473,200
2024	\$13,858,806	\$24,495,905	56.6 %	Medium	\$3,282,105	\$0	\$148,293	\$1,476,814
2025	\$15,812,389	\$26,755,053	59.1 %	Medium	\$3,462,621	\$0	\$164,256	\$2,386,495
2026	\$17,052,772	\$28,236,367	60.4 %	Medium	\$3,653,065	\$0	\$173,901	\$3,137,547
2027	\$17,742,191	\$29,082,638	61.0 %	Medium	\$3,853,983	\$0	\$188,904	\$1,730,414
2028	\$20,054,664	\$31,500,571	63.7 %	Medium	\$4,065,953	\$0	\$191,416	\$6,067,177
2029	\$18,244,857	\$29,624,009	61.6 %	Medium	\$4,289,580	\$0	\$195,032	\$1,951,320
2030	\$20,778,148	\$32,033,310	64.9 %	Medium	\$4,525,507	\$0	\$212,852	\$3,706,225
2031	\$21,810,282	\$32,813,253	66.5 %	Medium	\$4,774,410	\$0	\$227,378	\$3,127,339
2032	\$23,684,732	\$34,321,936	69.0 %	Medium	\$4,917,642	\$0	\$250,765	\$2,363,531
2033	\$26,489,607	\$36,774,966	72.0 %	Low	\$5,065,171	\$0	\$237,757	\$10,710,610
2034	\$21,081,925	\$30,819,829	68.4 %	Medium	\$5,217,126	\$0	\$225,068	\$2,573,291
2035	\$23,950,829	\$33,186,683	72.2 %	Low	\$5,373,640	\$0	\$251,208	\$3,263,495
2036	\$26,312,182	\$35,036,415	75.1 %	Low	\$5,534,849	\$0	\$271,765	\$4,054,915
2037	\$28,063,881	\$36,252,942	77.4 %	Low	\$5,700,895	\$0	\$299,244	\$2,253,728
2038	\$31,810,291	\$39,491,447	80.5 %	Low	\$5,871,922	\$0	\$300,107	\$9,745,631
2039	\$28,236,689	\$35,244,615	80.1 %	Low	\$6,048,079	\$0	\$301,766	\$2,444,369
2040	\$32,142,165	\$38,528,872	83.4 %	Low	\$6,229,522	\$0	\$337,024	\$3,417,428
2041	\$35,291,283	\$41,051,744	86.0 %	Low	\$6,416,407	\$0	\$367,153	\$3,904,360
2042	\$38,170,484	\$43,295,370	88.2 %	Low	\$6,608,900	\$0	\$396,940	\$3,925,136
2043	\$41,251,187	\$45,735,914	90.2 %	Low	\$6,807,167	\$0	\$405,621	\$8,556,452
2044	\$39,907,523	\$43,634,955	91.5 %	Low	\$7,011,382	\$0	\$421,582	\$2,895,735
2045	\$44,444,753	\$47,461,709	93.6 %	Low	\$7,221,723	\$0	\$441,805	\$8,154,457
2046	\$43,953,824	\$46,151,791	95.2 %	Low	\$7,438,375	\$0	\$458,931	\$3,979,737
2047	\$47,871,392	\$49,272,497	97.2 %	Low	\$7,661,526	\$0	\$501,216	\$3,619,695
2048	\$52,414,440	\$53,032,727	98.8 %	Low	\$7,891,372	\$0	\$520,805	\$9,035,803
2049	\$51,790,813	\$51,507,481	100.6 %	Low	\$8,128,113	\$0	\$542,446	\$3,716,885
2050	\$56,744,487	\$55,600,684	102.1 %	Low	\$8,371,956	\$0	\$579,268	\$6,537,365
2051	\$59,158,347	\$57,102,879	103.6 %	Low	\$8,623,115	\$0	\$600,321	\$7,424,897
2052	\$60,956,886	\$57,933,012	105.2 %	Low	\$8,881,809	\$0	\$636,841	\$4,010,003

**Golden Rain Foundation of Laguna Woods - Facilities**

Laguna Woods, CA

Level of Service: **Update "With-Site-Visit"**Report #: **43604-0**

of Units: 12,736

January 1, 2023 through December 31, 2023**Findings & Recommendations****as of January 1, 2023**

Projected Starting Reserve Balance	\$15,076,391
Current Full Funding Reserve Balance	\$25,385,060
Average Reserve Deficit (Surplus) Per Unit	\$809
Percent Funded	59.4 %
Recommended 2023 "Annual Full Funding Contributions"	\$3,111,000
Alternate minimum contributions to keep Reserve above \$4,800,000	\$2,195,000
Most Recent Reserve Contribution Rate	\$2,598,144
Annual Deterioration Rate	\$2,870,572

Reserve Fund Strength: 59.4%**Weak****Fair****Strong**

< 30%

< 70%

> 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **1.00 %**Annual Inflation Rate **3.00 %**

This is an Update "With-Site-Visit", and is based on a prior in-house Report prepared by the Village Management Services for your 2022 Fiscal Year. We performed the site inspection on 3/8/2022. This Reserve Study was prepared by credentialed Reserve Specialists, Sean Erik Andersen RS #68, Sabrina C. Willison RS #334, Sean Kargari RS #115, Matthew Swain RS #134, Will Simons RS #190, Johannes Koerm RS #266 and Dusty Burgmans.

The Reserve Fund is between the 30% funded level and the 70% funded level at 59.4 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$2,870,572.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$3,111,000.

*The Alternative Contribution rate, also called Threshold Funding will keep the Reserve Funds above \$4,800,000. This figure for your association is \$2,195,000.

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



Budget Summary - Facilities Fund

Report # 43604-0
With-Site-Visit

	Useful Life		2023 Rem. Useful Life		Estimated Replacement Cost in 2023	2023 Expenditures	01/01/2023 Fully Funded Balance	Remaining Bal. to be Funded	2023 Contributions
	Min	Max	Min	Max					
Paving & Pavers	1	30	0	29	\$16,402,700	\$1,017,400	\$8,484,488	\$11,554,243	\$909,905
Roofing Projects	20	40	2	39	\$2,737,400	\$0	\$1,414,901	\$2,207,160	\$93,936
HVAC Equipment	1	20	0	18	\$2,591,000	\$398,500	\$970,700	\$1,949,433	\$199,285
Gatehouses	20	20	0	19	\$801,600	\$50,000	\$442,580	\$387,850	\$43,437
Library & History Center	10	30	5	15	\$402,350	\$0	\$191,133	\$259,467	\$30,464
Community Center	4	30	0	23	\$2,568,700	\$556,750	\$1,737,357	\$1,405,543	\$205,291
CH 1 Facilities	1	50	0	15	\$2,793,150	\$487,200	\$1,890,671	\$1,743,550	\$166,693
CH2 Facilities	1	50	0	20	\$2,650,100	\$592,900	\$1,803,211	\$1,819,176	\$205,803
CH3 Facilities	10	30	0	20	\$1,669,950	\$60,500	\$1,050,143	\$947,455	\$119,906
CH4 Facilities	1	30	0	25	\$1,982,850	\$434,650	\$1,228,420	\$977,392	\$143,122
CH5 Facilities	1	40	0	16	\$1,808,850	\$287,250	\$1,327,187	\$784,288	\$123,274
CH6 Facilities	1	30	0	19	\$794,450	\$32,500	\$432,187	\$693,750	\$54,990
CH7 Facilities	5	40	0	20	\$913,000	\$38,950	\$492,776	\$653,984	\$59,544
CH7 Tennis Center	4	40	2	20	\$325,250	\$0	\$164,983	\$240,117	\$25,418
Village Green - Golf Building	3	30	0	20	\$1,396,900	\$70,300	\$650,833	\$1,160,617	\$80,451
Village Green Golf Courses	3	30	0	22	\$3,500,400	\$57,300	\$1,526,533	\$2,300,550	\$243,934
Village Green Pickleball Courts	6	30	4	28	\$112,150	\$0	\$23,217	\$95,050	\$8,977
Equestrian Center	1	40	0	20	\$421,050	\$25,500	\$165,460	\$334,455	\$55,243
Garden Center 1	10	30	5	20	\$70,260	\$0	\$20,531	\$65,260	\$5,235
Garden Center 2	5	30	1	28	\$114,020	\$0	\$24,058	\$102,020	\$8,429
Maintenance Buildings	1	30	0	26	\$526,250	\$42,750	\$284,253	\$371,280	\$45,125
Lighting & Electrical Projects	5	25	0	20	\$348,750	\$105,350	\$201,610	\$216,040	\$32,759
Walls, Fencing, Railings & Gates	1	35	0	29	\$995,100	\$205,400	\$630,736	\$710,850	\$131,963
Grounds & Miscellaneous	2	20	0	15	\$497,500	\$10,000	\$227,090	\$367,810	\$117,815
					\$46,423,730	\$4,473,200	\$25,385,060	\$31,347,339	\$3,111,000
								Percent Funded:	59.4%



ANNUAL POLICY STATEMENT

OFFICIAL ASSOCIATION CONTACT

Your board of directors is required by California Civil Code §4035 to provide members with the name and address of the person designated to receive official communications to the association. Communications can be sent by email, fax or other electronic means or by personal delivery to:

Catherine Laster
Community Center
24351 El Toro Road
Laguna Woods, CA 92637
GeneralManager@vmsinc.org
949-587-1915 (fax)

or

Addressed to a director by name at the address listed above

SECONDARY ADDRESS

Your board of directors is required by California Civil Code §4040(b) to notify members of the right to submit secondary addresses to the association for the purpose of receiving notices. Upon receipt of a written request by an owner identifying a secondary address, the association must send additional copies of any notices required by Section 4040(b) of the California Civil Code to the secondary address, commencing upon the date that the written request was received.

The owner's request must be in writing and must be mailed to the association in a manner that establishes whether the association has received it, such as certified or registered mail.

If you have questions regarding the above information, please contact the Community Services Manager during regular business hours at 949-268-2337.

P. O. BOX 2220 LAGUNA HILLS, CALIFORNIA 92654-2220

GENERAL NOTICE LOCATIONS

Pursuant to §4045(a)(3), the following locations are hereby designated for the purpose of meeting general notice posting requirements by Board Resolution 01-13-186:

Community website at www.lagunawoodsvillage.com
Residents > United Laguna Woods Mutual > Documents

INDIVIDUAL DELIVERY

Pursuant to §4045(b), notice must be given of a member's option to receive general notices by individual delivery. Notices shall be delivered by one of the following methods:

- (1) First-class mail, postage prepaid, registered or certified mail, express mail or overnight delivery by an express service carrier.
- (2) Email, fax or other electronic means, if the recipient has consented in writing to that method of delivery.

BOARD MINUTES

Pursuant to §4950(a), minutes of any open meeting of the board are available to members within 30 days of the meeting. The minutes, proposed minutes or summary minutes may be obtained at 24351 El Toro Road, Laguna Woods, CA 92637 by contacting the Corporate Secretary at 949-268-2295. In addition, the minutes, proposed minutes or summary will be distributed to any member of the association upon request and upon reimbursement of the association's costs for making that distribution.

OVERNIGHT PAYMENT MAILING ADDRESS

Pursuant to §5655(c), the following mailing address is provided for overnight payment of assessments:

United Laguna Woods Mutual
Attn: Assessment Payments
24351 El Toro Road
Laguna Woods, CA 92637

P. O. BOX 2220 LAGUNA HILLS, CALIFORNIA 92654-2220



MEMBER DISCIPLINARY PROCESS

The following notice is provided pursuant to Civil Code Section §5310 and §5850.

Resolution 01-04-80, adopted July 13, 2004, by the United Laguna Woods Mutual (United) Board of Directors (Board), established a member discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline. The board of directors is obligated to evaluate and impose if appropriate, member discipline under its bylaws and Civil Code §5855.

Each member of United is obligated to comply with the rules, terms and conditions as set forth in United's governing documents. Following is the disciplinary process adopted by the board of directors when violations occur:

- Upon notice of alleged violation, staff investigates and files an Incident Report (IR) and/or Notice of Clutter Violation (NOV).
- By way of the initial investigation, should staff identify objective evidence of a violation by a member or their guests, staff will send a letter to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Depending on the seriousness of the matter, the Board has the authority to schedule a disciplinary hearing as reasonably possible.
- Staff will monitor the situation, and if compliance with the request is not evident, an additional IR and/or NOV is filed, and a letter is sent to the offending party advising that a disciplinary hearing may be scheduled with the board of directors to determine if member discipline is merited. If the alleged violation has been resolved, no further action is required.
- If a disciplinary hearing is merited, staff will proceed with noticing the member for a hearing. Hearings are noticed based on United's Bylaws, Article IV, Section 2, Discipline.
- During a member disciplinary hearing, the member has the right to meet before the board of directors in executive session. If the board finds the member to be in violation with the mutual's governing documents, the board may impose a fine based on the monetary fee schedule, suspend member privileges and/or consider legal action.

Violations include but are not limited to abandoned/inoperable vehicles, unauthorized alterations, alteration maintenance, animal nuisance, balcony clutter, breezeway clutter, carport clutter; common area clutter, interior clutter, patio clutter, unauthorized occupancy, unauthorized caregiver occupancy, landscape maintenance, nuisance, harassment, smoking nuisance, excessive traffic citations, real estate signage, and nonpayment (assessments, chargeable services, monetary penalties, traffic citations, etc.).

The member disciplinary process is coordinated by the Compliance Division. A complaint may be registered by calling the Department of Security Services at 949-580-1400; the Compliance Division at 949-268-CALL; or by emailing compliance@vmsinc.org.



MEMBER DISCIPLINARY PROCESS

The following notice is provided pursuant to Civil Code Section §5310 and §5850.

Resolution 90-04-72, adopted October 5, 2004, by the Golden Rain Foundation (GRF) Board of Directors (Board), established a member discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline. The board of directors is obligated to evaluate and impose, if appropriate, member discipline under its bylaws and Civil Code §5855.

Each member of GRF is obligated to comply with the rules, terms and conditions as set forth in the governing documents. Following is the disciplinary process adopted by the board of directors when violations occur:

- Upon notice of alleged violation, staff investigates and files an Incident Report (IR) and/or Notice of Clutter Violation (NOV).
- By way of the initial investigation, should staff identify objective evidence of a violation by a member or their guests, staff will send a letter to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Depending on the seriousness of the matter, the Board has the authority to schedule a disciplinary hearing as reasonably possible.
- Staff will monitor the situation, and if compliance with the request is not evident, an additional IR and/or NOV is filed, and a letter is sent to the offending party advising that a disciplinary hearing may be scheduled with the board of directors to determine if member discipline is merited. If the alleged violation has been resolved, no further action is required.
- If a disciplinary hearing is merited, staff will proceed with noticing the member for a hearing. Hearings are noticed based on GRF bylaws, Section 4.5, Discipline or Suspension.
- During a member disciplinary hearing the member has the right to meet before the board of directors in executive session. If the board finds the member to be in violation with the governing documents, the board may impose a fine based on the monetary fee schedule, suspend member privileges and/or consider legal action.

Violations include but are not limited to abandoned/inoperable vehicles, nuisance, harassment, abuse, intimidation, amenity operating rules (equestrian center, garden center, etc.), the golf course, recreational vehicles and Department of Recreation policies, etc.

The member disciplinary process is coordinated by the Compliance Division. A complaint may be registered by calling the Department of Security Services at 949-580-1400; the Compliance Division at 949-268-CALL; or by emailing compliance@vmsinc.org.



SCHEDULE OF MONETARY PENALTIES

The following notice is provided pursuant to Civil Code Section §5310 and §5850.

The following schedules identify the violations and potential monetary penalties which may be imposed upon a member. Such penalties may be imposed following a hearing by United Laguna Woods Mutual (United) Board of Directors (Board) for a violation of those governing documents and rules and regulations by the member, co-occupant, guest or lessee.

Type of Violation	Range of Penalties
Alteration	
Examples: Debris, work without a permit, work beyond the allowed hours, expired permit, noncompliance with approved variance request, use of community trash bins, failure to maintain alteration, etc.	\$25 - \$500
Clutter Restrictions	
Examples: Balcony, breezeway, carport, common area, interior, patio, vehicle, etc.	\$25 - \$500
Landscape Restrictions	
Examples: Saucers/casters not present, too many plants (refer to landscape maintenance manual), vegetable plants, vines attached to walls, wind chimes, etc.	\$25 - \$500
Maintenance/Repair	
Examples: (Major) failure to correct fire, safety, health hazard or other dangerous condition; (minor) broken blinds, etc., violation of the paint program, interior pest policy, moisture intrusion event, etc.	\$50 - \$500
Nonpayment	
Examples: Nonpayment of assessments, chargeable services, disciplinary fines, facilities or services use charges, traffic citations, etc.	\$25 - \$500
Nuisance/Harassment Restrictions	
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	\$25 - \$500
Noise: Activities that interfere with quiet enjoyment such as improperly installed hardwood floors, neighbors playing music or television too loud, loud conversation, etc.	\$25 - \$500
Odors: Strong cooking odors, BBQ smoke entering other units, etc.	\$25 - \$500
Visual: Draping articles over balcony rails, etc.	\$25 - \$500

Health/Safety: Hoarders who allow unsanitary conditions to exist that attract insects and rodents, or residents who wash dog feces and urine off their balcony onto the property below them, etc.	\$25 - \$500
Violation of laws: Violations of federal, state, or local ordinances. An example would be public nudity or a resident engaged in drug dealing, etc.	\$25 - \$500
Occupancy Restrictions	
Examples: Caregiver policy, short-term rentals, advertisement of short-term/vacation rentals, lease policy, unapproved occupancy, qualifying resident not in unit, room rentals, guest visitations exceeding 60 calendar days within a 12-month period, etc.	\$25 - \$500
Other	
Illegal business, nonsmoking policy, portable storage container policy	\$25 - \$500
Pet Restrictions	
Examples: Dog not on leash, dog not under control, unreasonable noise (barking), not picking up and disposing of feces, etc.	\$25 - \$500
Examples: Breeding of animals for sale or commercial gain, injury to persons or damage to property caused by animal, etc.	\$50 - \$500
Traffic Rules and Regulations	
Examples: Abandoned vehicle, commercial vehicles, excessive vehicles, vehicle oil, etc.	\$25 - \$500
Any violation of the governing documents or rules and regulations not specifically identified in this schedule.	\$25 - \$500
Second or Subsequent Violations of the Same Rule	
Ongoing violation of the same event may result in a daily fine in accordance with current monetary penalty schedule until compliance is achieved and/or double of fines imposed.	

In addition to, or instead of the monetary penalty, the United Board of Directors may impose the following penalties, following a noticed hearing, for a violation of the governing documents or rules and regulations:

1. Suspension of the right to use any facilities owned, operated or managed by United, for a period not to exceed 30 days for each breach, and/or any facilities owned, operated or managed by the Golden Rain Foundation (GRF) for a period not to exceed 90 days for each breach.
2. United may also make an application to a court of competent jurisdiction for legal or equitable relief.

United Bylaws and rules and regulations provide that members/residents who receive a traffic citation may elect to waive their right to a hearing and attend traffic school or forfeit

a fine for certain violations and under certain circumstances (see schedule of traffic monetary penalties).

Delinquent regular or special assessments, plus any costs of collection, late charges and interest, shall become a lien on the owner's interest in the common interest development upon recordation of a Notice of Delinquent Assessment in the Official Records of Orange County, California; and said lien may be enforced as provided by Sections 5650-5690 of the California Civil Code, and as otherwise permitted by law.

If you have questions regarding the above information, please contact the Compliance Division during regular business hours at 949-268-CALL or at compliance@vmsinc.org.



SCHEDULE OF MONETARY PENALTIES

The following notice is provided pursuant to Civil Code Section §5310 and §5850.

The following schedules identify the violations and potential monetary penalties that may be imposed upon a member. Such penalties may be imposed following a hearing by the Golden Rain Foundation (GRF) Board of Directors (Board) for a violation of those governing documents and rules and regulations by the member, co-occupant, guest or lessee.

Type of Violation	Penalty Ranges
Golf Course Restrictions	
Examples: Slow play, failure to rake traps or repair ball marks, improper operation of golf cart, playing holes out of order, practicing on golf course, hitting more than one ball to each green, playing without payment, etc.	\$25 - \$200
Nonpayment	
Examples: Nonpayment of chargeable services, disciplinary penalties, facilities or services use charges, traffic citations, etc.	\$25 - \$500
Nuisance/Harassment/Abuse/Intimidation Restrictions	
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	\$25 - \$500
Noise: Activities that interfere with quiet enjoyment of another person such as playing music or television too loud, loud conversation, etc.	\$25 - \$500
Violation of Laws: Violation of federal, state or local ordinances. An example would be public nudity, resident engaged in drug dealings, etc.	\$25 - \$500
Harassment, Abuse, Intimidation: Please see Inter-Board Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy.	\$25 - \$500
Other	
Illegal business, nonsmoking policy	\$25 - \$500
Pet Restrictions	
Examples: Dog not on leash, dog not under control, unreasonable noise (barking), not picking up and disposing of feces, etc.	\$25 - \$500
Department of Recreation Services Policy	
Examples: Operating rules, soliciting without a permit, tree signage, unauthorized advertisement, room reservation, etc.	\$25 - \$500
Traffic Rules and Regulations	
Examples: Abandoned vehicle, commercial vehicles, excessive vehicles, vehicle oil, recreational vehicle policy, etc.	\$25 - \$500
Any violation of the governing documents or rules and regulations not specifically identified in this schedule.	\$25 - \$500
Second or Subsequent Violations of the Same Rule	

Ongoing violation of the same event may result in a daily fine in accordance with current monetary penalty schedule until compliance is achieved and/or double of fines imposed.

In addition to, or instead of the monetary penalty, the board of directors may impose the following penalties, following a noticed hearing, for a violation of the governing documents or rules and regulations:

1. Suspension of the right to use any facilities owned, operated or managed by GRF for a period not to exceed 90 days for each breach.
2. GRF may also make an application to a court of competent jurisdiction for legal or equitable relief.
3. GRF may recommend that United Laguna Woods Mutual (United) or Third Laguna Hills Mutual (Third) take disciplinary action against a resident member of GRF, to the extent possible under United/Third's governing documents.

GRF bylaws and rules and regulations provide that members/residents who receive a traffic citation may elect to waive their right to a hearing and attend traffic school or forfeit a fine for certain violations and under certain circumstances. (See Schedule of Traffic Monetary Penalties.)

Delinquent regular or special assessments, plus any costs of collection, late charges and interest, shall become a lien on the owner's interest in the common interest development upon recordation of a Notice of Delinquent Assessment in the Official Records of Orange County, California, and said lien may be enforced as provided by Sections 5650-5690 of the California Civil Code and as otherwise permitted by law.

If you have questions regarding the above information, please contact the Compliance Division during regular business hours at 949-268-CALL or via email at compliance@vmsinc.org.

Schedule of Traffic Monetary Penalties

Moving Violations	1st	2nd	3rd	4th (or more)
600 - Speeding (6 - 10 MPH)	\$25	\$50		
601 - Speeding (11 - 15 MPH)	\$50	\$100		
602 - Speeding (16 MPH and over)	\$100	\$200		
610 - Failure to stop	\$50	\$100	\$200	
620 - Right of way	\$25	\$50		
630 - Turn signal	\$25	\$50		
640 - Left of center	\$25	\$50		
* 650 - Hit and run	\$200	\$400		
* 660 - Valid driver's license not produced	\$200	\$400		
* 680 – Reckless	\$150	\$300	\$300	\$300
* 690 - Headlight violation	\$25	\$25	\$25	\$25
691 - Riding a bicycle on sidewalk	\$25	\$25	\$50	\$50
695 - Other moving	\$25	\$50		
Parking Violations	1st	2nd	3rd	4th (or more)
* 010 - Abandoned vehicle	\$25	\$25	\$50	\$50
* 700 - No parking zone	\$25	\$50	\$75	\$100
* 714 - Unpermitted electric plug-in (EV)	\$240	\$480	\$480	\$480
* 715 - Unpermitted electric plug-in (Golf Cart)	\$100	\$150	\$200	\$250
* 716 - Unattended extension cords and battery charger	\$50	\$100	\$150	\$150
* 720 - Limited time parking	\$25	\$25	\$50	\$75
* 721 - Recreational vehicle parked over six-hour limit	\$25	\$25	\$50	\$75
* 722 - Advertising on vehicle parked overnight	\$25	\$25	\$50	\$75
* 723 - Vehicle used for storage	\$50	\$100	\$150	\$200
* 724 - Parked on sidewalk or grass	\$25	\$25	\$50	\$75
* 725 - Expired vehicle registration	\$50	\$100	\$150	\$150
* 726 - Parked obstructing access	\$25	\$25	\$50	\$75
* 727 - No valid decal or parking permit displayed	\$25	\$25	\$50	\$75
* 730 - Other parking violations	\$25	\$25	\$50	\$75
* 800 - Fire hydrant	\$25	\$50	\$50	\$50
* 810 - Handicapped parking with placard and handicap I.D. verification	\$0	\$25	\$50	\$75
* 811 - Handicapped parking with no placard or handicap I.D. verification	\$150	\$200	\$250	\$275
Pedestrian Violations	1st	2nd	3rd	4th (or more)
* 750 -Pedestrian violations	\$25	\$25	\$50	\$50
RV Parking Violations	1st	2nd	3rd	4th (or more)
* 820 - Hazardous material	\$75	\$100	\$150	
* 830 - Wheel block	\$25	\$50	\$75	\$100
* 840 - Jack support (R&R Section "W" violation)	\$25	\$50	\$75	\$100
* 850 - Maintenance or repair	\$25	\$50	\$75	\$100
* 860 - Miscellaneous (Minor)	\$25	\$50	\$75	
* 870 - Miscellaneous (Major)	\$50	\$100	\$150	
Miscellaneous (Minor): Flat tires; failure to provide paperwork				
Miscellaneous (Major): Expired registration, living in RV, clutter, storage outside of vehicle, wash-rack violation, unauthorized vehicle, vehicle used for storage, unattended generator in use, portable sheds/tents erected, illegal jack				
Make check payable to: GRF and reference the case number on the check Mail check to: Attention: Security Services Division, 24351 El Toro Road, Laguna Woods, CA 92637 In person: Payment can be dropped off in the payment box located in the Laguna Woods Village Community Center and in the Security Services Building				

* Violation is ineligible for Traffic School

Last Updated: 9/29/21



YEAR 2023 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

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

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

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

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

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

BASIC POLICIES AND PROCEDURES

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

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

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

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

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of Two Hundred Dollars (\$200) (the "Administrative Collection Fee"), which is charged by United's managing agent to reasonably 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. (See *Brown v. Professional Community Management, Inc.* [2005] 127 Cal.App.4th 532.) This Administrative Collection Fee may be increased by majority vote of United's Board, and may be collected by United's collection agent on United's behalf, and remitted to United's managing agent, or may be directly collected by United's managing agent. IT IS THE SHAREHOLDER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder's designee at his or her address as shown on the books and records

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

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

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

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

judicial or non-judicial foreclosure (Civil Code Section 5700). A copy of the lien will be sent to the Shareholder, via certified mail, within ten (10) days of recordation of the lien.

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. If such request is mailed within fifteen (15) days of the postmark of the pre-lien letter, the Board will meet with the Shareholder, in executive session, within forty-five (45) days of the postmark of such request, unless there is no regularly scheduled meeting of the Board within that time period, in which case the Board may designate a committee of one or more directors to meet with the Shareholder. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period in addition to a \$50 one-time setup fee. If a payment plan is approved by the Board, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved. Generally speaking, no payment plan may exceed six (6) months in duration. Any payment plan which exceeds six (6) months in duration must be accompanied by a written explanation of the reason for the request, which includes documentation of the Shareholder's special circumstances, financial hardship and ability to make the payments requested.

16. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late charges and interest), or to pursue any other discipline set forth in United's governing documents, including but not limited to a termination of the Shareholder's rights under the Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

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

18. No Right of Offset. There is no right of offset. Shareholder may not withhold assessments owed to United on the alleged grounds that the Shareholder is entitled to recover money or damages from United for some other obligation. Additionally, the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials or as otherwise determined at the discretion of the Board.

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

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

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

22. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late charges and interest, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain

Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

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

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

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

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

BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL



NOTICE ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

ASSESSMENTS AND FORECLOSURE

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

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

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

The Association (United) must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the Association (United) fails to

follow these requirements, it may not record a lien against the shareholder's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the Association (United). (Section 5675 of the Civil Code)

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

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

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

PAYMENTS

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

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

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an Association (United) may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the shareholder. Binding arbitration shall not be available if the Association (United) intends to initiate a judicial foreclosure.

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

MEETINGS AND PAYMENT PLANS

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

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



NOTICE TO MEMBERS
November 1, 2022

ALTERNATIVE DISPUTE RESOLUTION
Summary of Civil Code §§ 5925-5965

Sections 5925 to 5965 of the civil code require that before owners and associations file lawsuits against each other for declaratory, injunctive or writ relief or such relief in connection with a claim for money damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, the parties endeavor to submit their dispute to alternative dispute resolution (ADR).

Pursuant to Sections 116.220 and 116.221 of the Code of Civil Procedure, the demand for monetary damages cannot exceed \$10,000 if brought by a natural person, and if brought by an entity other than a natural person, the demand for monetary damages cannot exceed \$5,000. This section does not apply to a small claims action. Except as otherwise provided by law; this section does not apply to an assessment dispute.

“Declaratory relief” means that a party seeks a judicial determination of rights, even though no monetary damages are sought.

“Injunctive relief” means that a party seeks a court order prohibiting someone from doing some specified act.

“Alternative dispute resolution” basically means that instead of litigation, the parties will pursue an alternative such as mediation or arbitration, which may be either binding or non-binding at the option of the parties. In mediation, a mediator attempts to resolve the differences between the parties by enabling them to agree to a compromise. In arbitration, an arbitrator (usually a retired judge or lawyer or other individual with special expertise in a relevant field) listens to both parties and makes a decision much like a judge would in a court of law.

Attached is the form for a request for resolution, which the Laguna Woods Village corporations will use, and which members of any of the mutuals may use to comply with the statute.

The ADR process is initiated by one party serving a request for resolution upon the other parties to the dispute. The request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within 30 days or it will be deemed rejected and (iv) a copy of Civil Code Sections 5925 to 5965.

UNITED LAGUNA WOODS MUTUAL ALTERNATIVE DISPUTE RESOLUTION

If the individual receiving the request agrees to ADR, the process must be completed within 90 days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a certificate of compliance indicating the party has complied with the requirements of Sections 5925 to 5965. Failing to do so would be grounds for challenging the lawsuit.

Although the prevailing party is entitled to reasonable attorneys' fees and costs, the court may consider a party's refusal to participate in ADR when making the award.

A description of the association's internal dispute resolution process, as required by Civil Code Section 5920, is attached.

Note: Failure by any member of the association to comply with the alternative dispute resolution requirements of Civil Code §5930 may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

DESCRIPTION OF INTERNAL DISPUTE RESOLUTION PROCEDURE

Civil Code Section 5900

1. This policy applies to a dispute between the association and a member involving their rights, duties, or liabilities under the Davis-Stirling Act, under the provisions of the corporations code relating to mutual benefit corporations (commencing with Corporations Code Section 7110), or under the association's governing documents.
2. Either party to a dispute within the scope of this article may invoke the following procedure:
 - a. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
 - b. A member of the association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
 - c. The association's board of directors shall designate a member of the board to meet and confer.
 - d. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
 - e. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
3. A member of the association will not be charged a fee to participate in the process.



REQUEST FOR ALTERNATIVE DISPUTE RESOLUTION

Date	
Requesting party	
Address	
Responding party	
Address	
Nature of dispute	

This request for alternative dispute resolution (ADR) is being made in accordance with the provisions of California Civil Code §§ 5925-5965 (a copy accompanies this request). Costs will be shared equally between the parties. You are required to respond within 30 days or this request will be deemed rejected. If accepted, ADR must be completed within 90 days from the date of acceptance, unless extended by written stipulation signed by both parties.

This request for resolution is made for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary damages (other than association assessments). The demand for monetary damages cannot exceed \$10,000 if brought by a natural person. The demand for monetary damages cannot exceed \$5,000 if brought by an entity other than a natural person.

TYPE OF ADR REQUESTED

- ☐ Mediation
- ☐ Arbitration, nonbinding
- ☐ Arbitration, binding (not an option if association intends to initiate a judicial foreclosure)

FAILURE OF AN ASSOCIATION MEMBER TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF §§ 5925 to 5965 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OF THE APPLICABLE LAW.

NOTE: THIS REQUEST FOR RESOLUTION MUST BE SERVED IN THE SAME MANNER AS PRESCRIBED FOR SERVICE IN A SMALL CLAIMS ACTION AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE 116.340.



NOTICE TO MEMBERS
October 10, 2022

ARCHITECTURAL REVIEW PROCEDURES
Summary of Civil Code §4765

Section a) of Civil Code §4765 requires that this section applies if the association's governing documents require association approval before an owner of a separate interest may make a physical change to the owner's separate interest or the common area, the association shall satisfy (specific) requirements.

Civil Code §4765 applies to United Laguna Woods Mutual and references Article 12 - Alterations and Additions of the United Laguna Woods Mutual Occupancy Agreement, which states:

"The Member shall not make any structural alterations to the interior or exterior of the dwelling unit or to any pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the dwelling unit without prior written consent of the Corporation. The Member shall not install or use in the dwelling unit, any air conditioning equipment, washing machine, clothes dryer, electric heater, or power tools without prior written consent of the Corporation. The Member shall remove any such equipment promptly upon request of the Corporation.

"Any alterations, additions, fixtures or improvements installed by the Member or any predecessor of the Member, whether within or without the dwelling unit, shall be repaired or maintained by the Member at its own expense and in a manner satisfactory to the Corporation. If the Member should fail to do so, such repairs or maintenance may be performed by the Corporation and upon demand by the Corporation the Member shall reimburse the Corporation therefor forthwith."

Further to the requirements provided by Civil Code §4765, the mutual makes available to all its members the United Laguna Woods Mutual alterations standards. The standards are available upon request at the Laguna Woods Village Community Center and available on the Laguna Woods Village website. These standards identify established alterations that have been previously approved by the mutual's board of directors. The alterations standards are reviewed and updated as needed by the mutual's Architectural Control and Standards Committee (ACSC) and the board. Typically, a proposed alteration that meets the alterations standards requirements can be permitted without board review.

**GUIDELINES FOR SUBMITTALS
FOR STANDARD ALTERATION PERMITS**

1. An application for mutual consent must be submitted to the Manor Alterations Division to perform previously approved standard plan alterations or alterations conforming in all aspects to board-approved mutual alteration standards.
2. A mutual consent is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both mutual and city permits shall be paid for by the member and/or the member's contractor. Member and/or the member's contractor must supply the Manor Alterations Division with city permit numbers prior to beginning work.
3. The member applying for a mutual consent shall provide to the Alterations Division a detailed plan(s), for approval, indicating all work to be done, i.e., size, location, description and specifications.
4. Prior to the issuance of a mutual consent, the member contractor and member's signature are required to indicate that the member and the member contractor has received, read, understands and agrees to follow and adhere to all current mutual standards, rules and regulations regarding the alteration.
5. A signed mutual consent form is required in order to allow the Manor Alterations Division to review the proposed work and allow the potential issuance of a mutual consent.
6. A neighbor awareness notification may be required in order to obtain a mutual consent.
7. Mutual consent fees are to be collected from the contractor or member prior to issuance of the mutual consent. Mutual Consent fees may include other inspection or service fees depending on the scope of work requested by the member. The fee schedule is published on the mutual website.

In order that a member may propose an alteration that is not an established alteration standard, the mutual provides the member the opportunity to submit a request for variance. Guidelines for submittals for variance requests and submittals for standard alteration applications follow:

**GUIDELINES FOR SUBMITTALS
FOR VARIANCE REQUESTS**

1. Variance requests are submitted to obtain approval for a variance to construct a nonstandard alteration that is different from the mutual's alteration standards and/or standard plans. Variance requests are submitted to the Manor Alterations

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Division for consideration by the mutual's ACSC and the board. A variance fee, per the current fee schedule, payable to GRF by check, or other approved method, is required at time of submittal.

2. The submitted proposal for a variance request must be legible, clear and concise and should not require assumptions on the part of the reviewing agent.
3. The variance request must include a variance application form signed by the mutual member that describes the proposed alteration(s). Other documents such as a neighbor consent form may also be required. The submittal must also include conceptual drawings, details, specifications and plans of the proposed variance alteration.
4. The plans must represent a true replication of both the existing floor plan (label all rooms) and proposed floor plan modifications, inclusive of specific dimensional details of each. If the plans include any common area improvement, details of the exterior and surrounding areas are also required.
5. The plans must identify the precise location of the proposed alteration *and* any related alterations/installations. For example, if the proposal is for a room expansion, the relocation of doors, if necessary, should be identified.
6. The plans must provide specific details of how the proposed alteration would be constructed. For example, if a window is being installed, information detailing its size and whether it would be constructed of white-vinyl, dual-pane glass, etc., should be included.
7. Where a variance request is for an alteration that is visible from the outside of a manor (room expansion, window installation, door relocation, etc.), an exterior elevation must be submitted, inclusive of the alteration's proposed roofline. If a modification to the existing roofline is to be considered, include a minimal of one section through the new area to depict the roof slope, slab elevations and interior usable space.
8. All plans must be site specific and original. Plans submitted for another manor for a similar requested alteration would not be considered.
9. Do not change or alter standard plans; if an alteration will differ slightly from a standard plan, provide written documentation with a new manor plan indicating how the proposed alteration would vary from the standard plan.
10. The Manor Alterations Division must be informed in writing, prior to making any field changes, of any deviations from an approved alteration that is being performed. Any deviations from an approved plan must be approved by the Alterations Division before it is made to the manor. Deviations from approved plans may require board approval of an additional variance, thus a waiting period may result.

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Further to the requirements provided by Civil Code §4765, pursuant to the Occupancy Agreement, Article 12, and the bylaws, the ACSC is a standing committee of this corporation, and that the board of directors of this corporation assigns the duties and responsibilities of the ACSC of the corporation as follows:

The ACSC shall have the responsibility to recommend approval or denial of all requests for nonstandard alterations and modifications, or alterations that have generated neighbor objection. Final recommendations shall be noted on the mutual's monthly board meeting agenda consent calendar.

Variance requests are processed as follows:

Variance requests and all required documentation shall be submitted, and deemed complete by the Manor Alterations Division, a minimum of 30 days prior to the next regularly scheduled ACSC meeting in order to be considered.

Staff will prepare a variance request report on all proposed alterations that includes; a summary, recommendation, and any recommended conditions of approval.

Using the written report and documentation, the committee considers the variance request based on the following criteria:

- Compliance with existing standards
- Aesthetic effect
- Cost impact on the mutual
- Value impact
- Potential maintenance impact

By a counted vote of committee members present at the meeting, the ACSC makes a recommendation to the board for approval or denial of the request.

The recommendation of the committee and the variance request report is considered at the next regularly scheduled board meeting, and by a counted vote of board members present at the meeting, the board either approves or denies the request and passes a resolution of the board's decision.

The member is notified in writing explaining the board's decision, which may include, in the case of approval, required conditions of approval. The member is notified that, in the case the member wants to appeal a decision, in accordance with Resolution 01-03-109, the member may appeal the board's decision within 30 days to the ACSC. The board will make a final decision upon review of a recommendation from the ACSC.

Should the mutual member decide to appeal, the member submits a request for appeal in writing to the board via the Manor Alterations Division.

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A memorandum regarding the appeal is prepared by staff and presented to the ACSC for review, and by a counted vote of committee members present at the meeting, the ACSC makes a recommendation to the board for approval or denial of the original proposed alteration.

By a counted vote of board members present at the meeting, the board either approves or denies the request and passes a resolution of the board's decision.

The member is notified in writing explaining the board's final decision, which may include, in the case of approval, required conditions of approval. The member is notified that, in the case that the board upholds its original denial of the proposed alteration that per 01-03-109, no further appeals will be granted for a 12-month period from the date of the board's decision on your appeal. This 12-month period shall apply to both the original requesting mutual member and the subsequent member(s) if any.

The board may choose to become involved in a member's appeal of the committee's decision. Should the board become involved, prior to the review of the appeal, the committee will document justification of their decision. If necessary, the committee has the authority to consult with the mutual legal counsel for advice.

The committee shall have the authority to recommend new architectural standards or any revisions of all mutual architectural standards. Final approval will rest with the mutual board.

The committee shall require neighbor awareness forms for all alteration requests including requests that appear to conform to standards.

The committee may impose conditions upon approvals to ensure the structural, architectural, or common area integrity of the members' request.

The committee shall ensure that all structural alterations, including any internal and external physical changes, performed or caused to be performed by a member, shall not be performed without prior written consent of the mutual. Consent is given either by proper processing of approved alteration standard, or use of the variance request process. The committee will recommend a disciplinary hearing for all alterations preceding approval or deviation from approved changes.

Unauthorized Alterations

With respect to a member's disregard for the rules on alterations, such as the installation of an alteration that is not in compliance with the board's determination, the member may ultimately be brought forth for a member disciplinary hearing.

Upon the discovery of an unauthorized alteration, the Manor Alterations Division provides the member with a notice of unauthorized alteration, which includes the requirements under which an alteration may be permitted. The member is advised that the failure to gain proper approval prior to starting construction on an alteration will

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result in member disciplinary action in the form of a hearing before the board of directors.

Upon receipt of a notice of unauthorized alteration, all work must cease immediately and the member must obtain all required mutual consents and city permit before performing additional work.

A re-inspection of the unauthorized alteration is performed no sooner than 30 days after the notice of unauthorized alteration was issued.

Should the inspection reveal that the member's alteration continues to be in violation, the member is notified, in writing, of the violation and of the board's requirement that the unauthorized alteration must be corrected within a specified time. The member is advised that failure to comply may result in member disciplinary action in the form of a hearing before the board of directors.

A second inspection is performed 30 days after the date of the notification and should the inspection reveal that the member's alteration continues to be in violation after the previous requests to comply have gone unheeded, then the member is notified via certified and first class mail of a member disciplinary hearing. This notification includes background information regarding the subject violation, the reasons for a hearing, the time and place of the hearing, and possibility of any and/or all of the following: suspension, discipline and fines. The member is provided a copy of the mutual's bylaws with respect to discipline:

UNITED – ARTICLE IV, SECTIONS 2 AND 3 OF THE BYLAWS

SECTION 2. DISCIPLINE

(a) The Board of Directors may take disciplinary action against any Member, Qualifying Resident, Co-Occupant, Lessee or guest for breach of these Bylaws, any Rules or Regulations of the Corporation or any obligation of the Member under his or her Occupancy Agreement on the part of the Member, a Qualifying Resident, Co-Occupant, Lessee or guest of any of the aforementioned parties who may use the facilities of the Corporation or the GRF. Any disciplinary action authorized hereunder shall not act as a bar to the exercise of any other right or remedy available to the Corporation against any other party for any such breach. Members shall be required to include in any lease with a Lessee of their Manor a provision whereby the Lessee shall be bound by these Bylaws and the Rules and Regulations of the Corporation.

(b) Disciplinary action authorized hereunder may consist of any or all of the following: (1) a fine with an amount determined by the Board of Directors not to exceed \$500.00 for each such breach; (2) suspension of the right to vote, whether by voice, ballot or written consent, on any or all matters brought before the Members for a period not to exceed one (1) year; and (3) suspension of the right to use any of the facilities of the Corporation for thirty (30) days for each such breach. The Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief.

(c) Except with respect to traffic violations governed by paragraph (d) of this Section 2 and Section 3 of Article VII, and other than the exercise of the remedy provided in the Common Interest Development Law for collection of delinquent assessments, before any disciplinary action is taken, as authorized in Paragraph (b) above, a Member, Qualifying Resident, Co-occupant, Lessee or guest of Member, shall be entitled to a hearing pursuant to the provisions of paragraph (b) of Section 3 of this Article.

(d) Except when a hearing is required by the traffic enforcement program approved by the Board of Directors of this Corporation, a Member, Qualifying Resident, Co-occupant, Lessee or guest who is cited for a traffic violation of any type may, in certain instances specified in the traffic rules enforcement program as revised and approved by the Board of Directors from time to time, elect to waive his/her right to a hearing and commit to a traffic violation disciplinary action alternative as specified in the traffic rules enforcement program then in effect.

(e) In addition to the remedies specified herein, a Member found to be in violation shall be liable to the Corporation for costs of suit and a reasonable sum for attorneys' fees incurred in enforcing these Bylaws, any rule or regulation of the Corporation, or any obligation of a Member under the Occupancy Agreement.

SECTION 3. TERMINATION OF MEMBERSHIP; DISCIPLINARY HEARINGS

(a) Termination of Membership for Cause. A Membership may be proposed for termination for a violation of the Articles of Incorporation, these Bylaws, Rules or Regulations, or the Occupancy Agreement by the Board of Directors at any regularly scheduled meeting or special meeting of the Board at which a quorum is present, by the affirmative vote of the majority of the total number of Directors then holding office.

(b) Procedure for Termination and Discipline. After the determination that a Membership should be proposed for a termination under paragraph (a) above, or that disciplinary action should be taken by the Corporation against a Member, Qualifying Resident, Co-Occupant, Lessee or guest or invitee of Member pursuant to Section 2 of this Article, other than the disciplinary measures set forth in Section 2, paragraphs (c) and (d), the procedure below shall be followed.

(i) A notice shall be sent by prepaid, first class and certified mail to the most recent address of the Member as shown on the Corporation's records, setting forth the nature of the proposed termination and/or discipline and the reasons therefore. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the termination or discipline.

(ii) The Member being proposed for a termination or disciplined shall be given an opportunity to be heard and to present evidence in his or her behalf, either in person, by counsel, or by both, or in writing, at a hearing before the Board of Directors to be held not less than five (5) days before the effective date of the proposed termination or discipline. The notice to the Member of his or her proposed termination or discipline shall state the date, time, and place of the hearing.

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(iii) Following the hearing, the Board shall decide by the affirmative vote of the majority of the total number of Directors, in good faith and in a fair and reasonable manner, whether the Membership should be terminated or whether the Member should be disciplined in some other way. The decision of the Board shall be final.

(iv) Following any Disciplinary Hearing, the Board may impose any fines or penalties pursuant to a previously adopted schedule of fines or penalties distributed to each Member.

(c) Effect of Termination. In the event of a termination of Membership under Section 3, the terminated Member shall promptly deliver his or her Membership Certificate to the Corporation, endorsed in a manner satisfactory to the Corporation. The Corporation, at its election, thereupon shall either: (1) repurchase said Membership at its market value as defined in Article III, Section 6(d); or (2) proceed with reasonable diligence to affect a sale of the Membership to a purchaser at a sales price acceptable to the Corporation. If, for any reason, the terminated Member should fail to deliver his or her endorsed Membership Certificates to the Corporation within ten (10) days after demand, said certificates shall be deemed to be canceled forthwith and new Membership Certificates may be reissued by the Corporation to a purchaser.



NOTICE

TO: VMS EMPLOYEES, CONTRACTORS EMPLOYED BY THE LAGUNA WOODS VILLAGE ASSOCIATIONS, MEMBERS AND PROSPECTIVE PURCHASERS OF DWELLING UNITS AT LAGUNA WOODS VILLAGE, LAGUNA WOODS

FROM: SIOBHAN FOSTER, CEO/GENERAL MANAGER

SUBJECT: DISCLOSURE NOTICE: LAGUNA WOODS VILLAGE BUILDINGS CONSTRUCTED WITH ASBESTOS-CONTAINING CONSTRUCTION MATERIALS

Health & Safety Code 25915.2 and 25915.5 require the Mutual to provide annual notice about the existence of asbestos-containing materials ("ACM") in non-residential "public" buildings in the Mutual to all employees and contractors performing work within said buildings, and to all Members of the Mutual.

In addition, the Mutual is required to disclose to new owners, within 15 days of acquiring title to a Manor, the existence of asbestos-containing material in non-residential "public" buildings within the Mutual.

Village Management Services, Inc., as Employer, and as Agent, for the Associations which own or manage the buildings at Laguna Woods Village, Laguna Woods for their Members, hereby notifies all its Employees, Contractors and all Mutual Members and Transferees, that some buildings within Laguna Woods Village have been surveyed and found to contain asbestos. The analytical method used to determine asbestos content was polarized light microscopy/dispersion staining. Since the community has an active Asbestos Operations and Maintenance program, testing is ongoing. Because of the high cost to conduct a complete asbestos survey and analysis of all buildings, surveys are conducted only upon repair, remodel, addition to or removal of a building or part of a building suspected to contain asbestos materials, as required by Labor Codes. The Certificates of Analysis for any testing received to date are available to employees, contractors, owners and tenants and transferees for review and photocopying from the Laguna Woods Village Human Resources/Safety Office, 24351 El Toro Road, Laguna Woods, CA., between 9:00 a.m. and 5:00 p.m., Monday through Friday.

The following buildings in Laguna Woods Village, Laguna Woods were constructed prior to 1979 and thus may contain asbestos in one or more construction materials: All community facilities buildings (with the exception of Clubhouse Seven, the Mini-Gym at Clubhouse One, the Broadband Services Bldg., the Laguna Woods Village Community Center Bldg., the Vehicle Maintenance Bldg., the Village Greens, Gatehouses 1 and 7, and a portion of the Warehouse -- all constructed after 1979), including Clubhouses and outbuildings, Library, Maintenance Warehouse Bldg., Stables, Gatehouses (with the exception of Gatehouses 1 and 7), Garden Center buildings, all detached laundry buildings, and residential buildings Nos. 1 through 5543 inclusive.

At the time most of the buildings in Laguna Woods Village were constructed, asbestos-containing materials met local codes as well as state and federal regulations and were extensively used in many building products including but not limited to: ceiling tile, floor tile/linoleum and mastic, textured wall surfaces, sprayed acoustical ceilings, fire doors, structural fireproofing, pipe/boiler insulation, attic insulation, and heating duct material/insulation.

According to the National Cancer Institute and the Environmental Protection Agency, any asbestos in these materials does not present a threat to health so long as the asbestos is not disturbed and does not become airborne.

However, because breathing asbestos has been known in some instances to cause cancer and other forms of lung disease, sanding, scraping, drilling, sawing, crushing, tearing/breaking up, or otherwise disturbing asbestos-containing materials presents a potential health risk. Therefore, you are directed not to perform such tasks in areas with ACM present or suspected unless the area/materials have been tested and found not to contain asbestos or if specifically assigned or contracted to do such work and it is in accordance with all federal, state, and local laws as well as internal guidelines called for in the Asbestos Operations and Maintenance plan and other company safety and environmental policies and procedures.

VMS employees whose work orders require them to construct, repair, maintain or otherwise disturb construction materials that may contain asbestos are hereby directed to follow the current regulations and policies noted above and to wear the required protective equipment, prior to performing such work. Questions concerning instructions and equipment should be directed to the HR/Safety Supervisor at 949-597-4321.

It is illegal to place asbestos materials or debris in Laguna Woods Village trash dumpsters. Such materials must be disposed of separately in accordance with State and County regulations to avoid fines. Contact the HR/Safety Supervisor at 949-597-4321 for details.

If you become aware of any asbestos-containing material becoming damaged or otherwise disturbed, please contact Laguna Woods Village Customer Service at 949-597-4600, or the HR/Safety Supervisor at 949-597-4321.

September 26, 2022

Sincerely,

Siobhan Foster

Siobhan Foster, CEO/General Manager