

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

**March 14, 2017**

The Regular Meeting of the Board of Directors of United Laguna Woods Mutual, a California Non-Profit Mutual Benefit Corporation, was held on Tuesday, February 14, 2017 at 9:30 AM at 24264 El Toro Road, Laguna Woods, California.

Directors Present: 2<sup>nd</sup> VP Janey Dorrell, Juanita Skillman, Pat English, Steve Leonard, Maggie Blackwell, Andre Torng, Gary Morrison, and Prakash (Cash) Achrekar

Directors Absent: Lenny Ross, Don Tibbetts

Staff Present: Open Session: Brad Hudson, Leslie Cameron, Francis Rangel, and David Collins  
Executive Session: Brad Hudson, Eve Morton, and Francis Rangel

Others Present: VMS Director Joe Rainey, VMS Director Mary Stone, and Jeffrey Beaumont Esq. of Beaumont Gitlin Tashjian

**(1) CALL TO ORDER**

Janey Dorrell, 2<sup>nd</sup> VP of the Corporation, chaired, opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:30 AM.

**(2) PLEDGE OF ALLEGIANCE**

Director Cash Achrekar led the Pledge of Allegiance to the Flag.

**(3) ACKNOWLEDGEMENT OF MEDIA**

A representative of the Laguna Woods Village Globe, and Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

**(4) APPROVAL OF AGENDA**

Without objection the agenda was approved as presented.

**(5) UNITED MUTUAL MEMBER COMMENTS AND PUBLIC FORUM**

United Mutual Members were given the opportunity to speak to items within the jurisdiction of the Board of Directors.

- Chris Collins (336-Q) from the Laguna Woods Foundation gave a brief update and thanked everyone for their support of the Laguna Woods Foundation.
- Norma Benner (2051-D) Spoke in favor of Common Land Use
- Dick Rader (270-D) informed the public that TV-6 will be re-running the Common Land Use Town Hall and spoke further in regard to Common Land Use

- Michael Landry (693-B) Spoke in favor of the Common Land Use and cars entering and exiting the gates
- Maxine McIntosh (68-C) inquired about information on the Board Room Project and gave positive feedback on the Town Hall Land Use

#### **(6) RESPONSE TO MEMBER COMMENTS**

United Mutual Directors English, Leonard, Skillman, Achrekar and Torng briefly responded to Member Comments.

#### **(7) REPORT OF THE CHAIR**

2nd VP Janey Dorrell commented on the following:

- Recognition was given to Jan LaBarge for her service and announced Lenny Ross' resignation effective April 11, 2017.
- Presented two vacancies for the United Board of Directors and gave instructions on where to receive an application.

(a) Update on Town Hall

- She updated the audience on the United Town Hall Meeting for Common Land Use.

#### **(8) Update from VMS Director – Director Rainey**

Director Rainey, VMS Director, thanked the Board for allowing him to represent United on the VMS Board.

- Director Rainey gave recognition to; specific VMS Staff, recreation events, and TV-6 programs
- VMS will be looking into benefit comparisons with other HOAs and jurisdictions in the area; and VMS will also be reviewing a proposal for succession planning training.
- VMS will be updating their strategic plan in April.

#### **(9) REPORT OF CEO**

Brad Hudson, CEO President, spoke about the following;

- TV-6, or V/TV, is now playing most of the programming in HD.
- An update of the new Board room was given and the current projected completion date will be mid-June, 2017.
- The new fitness center is now open on the first floor with an exterior entrance/exit and new state of the art equipment.
- A new customer service center is in the early stages of floor plan layout, which will house a 20 operator call center.
- Improvements to gates 1-4 are upcoming due to the success of gates 5 and 6.
- The Budget process is beginning and a number of projects will be suggested including the Performing Arts Center in United.
- Mr. Hudson gave a brief overview of the dog show performance and other performances that will be coming to the Village.
- Improvements are coming to internet service, with improved downloading speed and more MPS.

- Agenda materials will now be out five business days before the Board meetings for more transparency.
- The compliance response in 2015 averaged 288 and in 2016 averaged 570. Compliance is on top of issues. Following the rules in the community is paramount in keeping the community safe.

The following comments were made in response to the Report of the CEO:

- Director English asked Mr. Hudson about employment efforts.
- Director Achrekar asked about gate 4
- Director Skillman spoke of her concerns about the pedestrian entrance at gate 4 if it becomes an unmanned gates
- Mr. Hudson gave a brief response in regard to Directors' inquiries

### **(10) APPROVAL OF MINUTES**

Director Skillman made the following amendments to the February 14, 2017 minutes: add resolution numbers and adopted dates to the Care Provider Policy attached to the minutes, add the adopted date to the Non-Smoking Policy added to the minutes, replace Director Lenny Ross on Item 19 with Jan LaBarge; and moved to approve the minutes of February 14, 2017 as amended; and the February 23, 2017; March 3, 2017; March 3, 2017 as written. Director Blackwell seconded and by way of a unanimous vote the motion carried.

### **(11) CONSENT CALENDAR**

Director English moved to approve the consent calendar as written. Director Morrison seconded the motion. By a vote of 8-0-0 the motion carried.

### **RESOLUTION 01-17-33**

#### **Variance Request**

**RESOLVED**, March 14, 2017, that the variance request of Ms. Mauriel Kessler at 318-D Avenida Castilla to retain paint colors inside atrium and patio, is hereby approved; and

**RESOLVED FURTHER**, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 318-D Avenida Castilla

**RESOLVED FURTHER**, no Neighbor Awareness Forms are required to be submitted from affected neighbors as the alterations are inside gated and exclusive common area(s) with limited access or visibility to neighboring manors.

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

**RESOLUTION 01-17-34**

**Variance Request**

**RESOLVED**, March 14, 2017, that the variance request of Mr. John Lavinio at 703-B Avenida Sevilla to extend the kitchen into the front patio and install a sliding glass door, is hereby denied; and

**RESOLVED FURTHER**, denial is due to an incomplete variance submittal; and

**RESOLVED FURTHER**, this variance request should be resubmitted with a complete scope of work for the interior remodel, provide information on the roof tie-in and the electrical panel upgrade

**RESOLVED FURTHER**, neighborhood awareness forms signed by 703-C, 704-A & D, will need to be requested and submitted.

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

**RESOLUTION 01-17-35**

**Variance Request**

**RESOLVED**, March 14, 2017, that the variance request of Mr. Maganbhai N Patel at 587-D Avenida Majorca to extend living room into the existing footprint of the front patio with window additions, is hereby approved; and

**RESOLVED FURTHER**, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 587-D Avenida Majorca; and

**RESOLVED FURTHER**, a required Mutual Consent for Manor Alterations and a City of Laguna Woods permit must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Manor Alterations Department office located in the Laguna Woods Community Center; and

**RESOLVED FURTHER**, unit-specific plans depicting the proposed alterations, signed and wet-stamped by a California-licensed architect or engineer must be submitted to the Manor Alterations Department office located in the Laguna Woods Village Community Center for approval. These plans must include structural details and calculations required to insure the structural integrity of the building is maintained upon completion of the proposed front room addition; and

**RESOLVED FURTHER**, a Roof Alteration Notification Form (Tie-In Form) must be submitted prior to the release of a mutual alteration consent; and

**RESOLVED FURTHER**, all alterations must be in accordance with the State Building Code regulations; and

**RESOLVED FURTHER**, all alterations must be installed in accordance with United Laguna Woods Mutual Standards Section 11: Doors, Exterior and Section 31: Window and Window Attachments; and

**RESOLVED FURTHER**, neighbor Awareness Forms are required to be submitted from affected neighbors at 599-A, 599-B, and 587-C; and

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

**(b) Landscape Committee Recommendations:**

715-N By consensus the Board upheld the Landscape Committees vote of denial for tree removal at Manor 715-N

**(c) Finance Committee Recommendations:**

**RESOLUTION 01-17-36**

**Recording of a Lien**

**WHEREAS**, Member ID 947-389-86; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, March 14, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-389-86 and;

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

**RESOLUTION 01-17-37**

**Recording of a Lien**

**WHEREAS**, Member ID 947-454-74; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, March 14, 2017, that the Board of Directors hereby approves the recording of a Lien for Member 947-454-74 and;

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

## **COMMITTEE REPORTS**

### **12 (a,b,c, & e) Finance Report**

Director English reported from the Finance Committee. She gave a United Mutual financial update, gave a brief update on delinquencies, commented on the Resale Activities Report, and the Status of Reserves.

Mary Stone (356-C) commented on the Financial Update slides.

**12(d)** Discuss and consider Investment Policy Director Skillman, secretary read the resolution for the United Laguna Woods Village Investment Policy. Discussion Ensued.

## **RESOLUTION 01-16-38**

### **UNITED LAGUNA WOODS MUTUAL INVESTMENT POLICY**

**WHEREAS**, that Village Management Services Inc., managing agent of this corporation, and an external Investment Manager are hereby authorized to invest the funds of the corporation which, in the opinion of said managing agent are not required within a reasonable time to pay obligations of the corporation; and

**NOW THEREFORE BE IT RESOLVED**, March 14, 2017, that the Board of Directors of this Corporation hereby authorizes the Managing Agent to retain Merrill Lynch and its affiliate (BlackRock) as Investment Manager and gives that Investment Manager discretion to transact purchases and sales of investments for the United Laguna Woods Mutual account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

**RESOLVED FURTHER**, that all investments on behalf of this corporation must be made with the underlying principles in the following order of priority: (1) safety, (2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the managing agent and treasurer of this corporation upon completion of each investment transaction;
2. For funds administered by Village Management Services, Inc., known as the "non-discretionary account" no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of the Treasurer and either the President or 1st Vice President of this corporation. Furthermore, if a member of the corporation desires an investment to be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity, approval must be received from the Board of Directors of this corporation;
3. Managed funds, known as the "discretionary account", shall be invested only in authorized investments as provided herein;
  - a. obligations of, or fully guaranteed as to principal, by the United States of America; and
  - b. Up to 20% of the portfolio may be invested in Corporate Bonds rated A through AAA, specifically A3/A-/A- or better by Moody's/S&P/Fitch. A bond is only required to meet the criteria of one rating service. If a bond does not meet this minimum credit quality criteria in at least one of the above mentioned rating services, the bond may not be purchased or if owned, must be removed from the portfolio within 30 days; and
  - c. No more than 3% of the portfolio is to be invested in any one corporate bond issuer;
4. Interim cash balances are to be held in money market funds that are invested in short-term U.S. Treasuries or direct obligations of the U.S. Government;
5. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form; and

**RESOLVED FURTHER**, that Resolution 01-16-15, adopted on February 9, 2016 is hereby superseded and cancelled; and

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

Director Skillman moved to approve the Investment Policy and Resolution. Seconded by Director English Discussion ensued. By a vote of 7-1-0 (Director Tornng opposed) the motion carried.

**(13) Maintenance and Construction Committee**

Director Leonard reported from the Maintenance and Construction Committee.

**(a) Discuss and consider Increasing the Washing Machine Cost in Laundry Rooms from \$0.50 to \$1.00 Per Load – Steve Leonard**

Director Leonard gave an overview of the cost analysis for running the laundry rooms. Director Leonard answered questions from the Board and Members. Directors English and Leonard addressed the following comments from Members:

- Mary Stone (356-C) asked financial and analysis questions on the \$1.00 increase
- Maxine McIntosh (68-C) and Barbara Copley (410-D) commented in opposition on the \$1.00 laundry increase
- Mike Landry (693-B) commented on being vigilant for non-residence use of the laundry facilities
- Norman Banner (2051-D), commented on the laundry rooms
- Jack Arnold (404-D) asked for a motion time study on janitorial service in the laundry rooms and commented on other laundry room issues that could be looked at to reduce the cost from \$1.00.
- Dick Rader (270-D) commented on the decline in the laundry rooms and annual figures
- James Seay (913) commented on electricity and janitorial expenditures

Director Leonard made a motion to proceed with the M&C recommendation to increase the Washing Machine Cost in Laundry Rooms from \$0.50 to \$1.00 Per Load. Seconded by Director Skillman 6-0-1 (Director Achrekar opposed) the motion carried.

**(b) Discuss Meeting with Johnson Controls staff regarding Maintenance and Warranty for the Solar Project**

Director Leonard discussed the expiration of the Johnson Controls contract and the alternative of solar panel maintenance being conducted by VMS or an outside contract. Discussion ensued and Director Leonard addressed questions from the Board and Members. No further action was taken.

- Dick Rader (270-D) commented on the annual renewal of the Johnson Controls contract.

**(14) Landscape Committee – Maggie Blackwell**

Director Blackwell reported from the Landscape Committee and read existing rules in regard to the yellow stake program. Mr. Jeffrey Beaumont, Esq. stated that the fruit is the tree owner's fruit when the tree is planted on common area, pursuant to the yellow stake program, which gives members the right to use common area for the planting and maintenance of their own fruit trees.



- Anna Sievert (232-A) commented on issues she has had in the past when working with the Landscape Department.
- Joe Rainey (889-C) commented on the pesticide spraying for weeds that is also killing flowers.

**(15) Governing Documents Review Committee**

Director Skillman reported from the Governing Documents Review Committee.

- Hot Tub Rules are being discussed
- A 90 Day Lease Renewal Letter will be implemented soon
- A Schedule of Monetary Policies for Compliance Matters is being discussed

Discussion ensued over the 90 Day Lease Renewal Letter and Directors Skillman, Leonard, and Mr. Hudson addressed questions from the Board.

**(16) Report of the Communications Committee**

Director Blackwell reported from the Communications Committee.

**(17) Laguna Woods Village Traffic Hearings**

There was no report from the Laguna Woods Village Traffic Hearings.

**(18) Report of the Preparedness Disaster Ad-Hoc Committee**

Director Torng reported from the the Preparedness Disaster Committee.

**(19) Report on Disciplinary Cases**

Director Skillman provided an update on Disciplinary cases.

**(20) UNFINISHED BUSINESS**

- (a) **Entertain Motion to Approve Revisions to the Parking Decal Policy – Resolution (initial notification – must postpone to May to conform to the 30 day notification requirement)**

Secretary of the Board, Skillman, read the following resolution approving revisions to the Parking Decal Policy:

**ATTACHMENT A**

**United Laguna Woods Mutual, Laguna Woods California  
VEHICLE, TRAFFIC, AND PARKING RULES  
Resolutions 01-14-154, 01-15-45, 01-15-91, 01-16-32**

**PROPOSED 2017 VEHICLE DECAL LIMIT**

**5.5 RESIDENT VEHICLE DECAL LIMIT**

Each MANOR is allowed to receive a limited number of GRF decals based on the number of original construction bedrooms.

- 1 Bedroom MANOR up to 1 decal
- 2 Bedroom MANOR up to 2 decals

Decals may be issued in any combination to eligible motor vehicles, golf carts and golf cars, up to the total authorized per Manor [for new residents](#).

Decal counts do not include motorhomes and commercial vehicles stored in the GRF Recreational Vehicle Storage Area. At least one vehicle must park in the carport.

A variance request for additional decals, at a cost of \$25 per variance request, must be submitted for review and approval. An RFID sticker may be required at an additional cost.

### **RESOLUTION 01-17 XX**

#### **United Laguna Woods Mutual Traffic Rules and Regulations**

**WHEREAS**, the Traffic Rules and Regulations are intended to mirror the California Vehicle Code and to adhere to the Davis-Stirling Act; and

**WHEREAS**, the Parking Committee of this Corporation recognizes the need to amend a portion of the Mutual Traffic Rules and Regulations to accommodate for parking; [and](#)

[\*\*WHEREAS\*\*, each manor is allowed to receive a certain amount of GRF parking decals; and](#)

[\*\*WHEREAS\*\*, new residents will be issued one decal per bedroom; and](#)

[\*\*WHEREAS\*\*, residents may apply for a variance for a \\$25 fee;](#)

**NOW THEREFORE BE IT RESOLVED**, May 9, 2017, that the Board of Directors of this Corporation hereby adopts the revised United Laguna Woods Mutual Traffic Rules and Regulations, as attached to the minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 01-16-32 adopted April 12, 2016 is hereby superseded and cancelled; and

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

Director Skillman moved to approve the resolution as written. Director Leonard seconded the motion. Discussion ensued and Directors Skillman and Leonard addressed questions from the Board and Members.

- Joe Rainey (889-C) commented on the golf cart and extra cars.
- Maxine McIntosh (68-C) commented on creating a dynamic new focus on carports.

By a vote of 7-0-0 the motion carried and **the resolution was postponed to the April meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.**

**(b) Collection and Lien Enforcement Policy Revisions Approved on March 3, 2017 – Resolution (initial notification – postponed to April 11, 2017, Regular Board Meeting to conform to the 30 day notification requirement)**

**RESOLUTION 01-17-xx**  
**2017 Collection & Lien Enforcement Policy**

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

**WHEREAS**, the Mutual would like to formalize certain practices and procedures used for the collection of non-assessment delinquencies such as fines, fees, and chargeable services pursuant to the Governing Documents and current law;

**NOW THEREFORE BE IT RESOLVED**, April 11, 2017, that the Board of Directors hereby adopts a revised 2017 United Laguna Woods Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

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

Director Skillman moved to approve the resolution as written. Director Blackwell seconded. Discussion ensued.

By a vote of 8-0-0 the motion carried unanimously and **the resolution was postponed to the April meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.**

**(c) Request for a Vinyl Chaseway**

Moved by Director Skillman and seconded by Director Torng the motion passed unanimously to approve the request to retain the vinyl chaseway and keep metal chaseways as the Section 6 standard.

**RESOLUTION 01-17-39**

**Variance Request**

**RESOLVED**, March 14, 2017, that the variance request of Ms. Marinell Barber at 107-G Via Estrada to retain vinyl chaseway of the central heating & air conditioning, is hereby approved; and

**RESOLVED FURTHER**, all future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 107-G Via Estrada; and

**RESOLVED FURTHER**, all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods permit number(s) must be submitted to the Permits and Inspections office located in the Laguna Woods Community Center.

**RESOLVED FURTHER**, all Alterations must be installed in accordance with United Laguna Woods Mutual Standards Section 6: Air Conditioning, with the exception of the vinyl chaseway allowance per this variance.

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

**(21) NEW BUSINESS**

**(a) Entertain Motion to Approve a Drone Policy – Resolution (initial notification – must postpone to May to conform to the 30 day notification requirement)**

Secretary of the Board, Skillman, read the following resolution approving a Drone Policy:

**RESOLUTION 90-17-XX**

**WHEREAS**, the Golden Rain Foundation (GRF) Board of Directors adopted a Drone Policy, to fairly and reasonably address small unmanned aircraft systems, known as Drones, in Laguna Woods Village; and

**WHEREAS**, Drones are regulated by the Federal Aviation Administration (FAA); and

**WHEREAS**, staff members have received numerous requests from various residents to fly Drones in the community;

**NOW THEREFORE BE IT RESOLVED**, May 9, 2017, that the Board of Directors of this Corporation hereby adopts the “Drone Policy,” as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that this policy shall be put into effect June 1, 2017 to allows GRF and the Mutual's to adopt the same policy; and

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

Director Skillman moved to approve the resolution as written. Director Torng seconded. Mr. Jeffrey Beaumont, Esq. gave an overview of the reasons for the policy and issues that surround the use of drone. Discussion ensued.

Director English moved to cease conversation of the Drone Policy and commence with the vote. By a vote of 4-2-0 (Directors Torng and Achrekar opposed)

- Maxine McIntosh (68-C), Mary Stone (356-C), Barbara Copley (410-D) commented in opposition of recreational use of drones

By a vote of 4-3-0 (Directors Leonard, Morrison, and Achrekar opposed) the motion carried unanimously to approve the Drone Policy and **the resolution was postponed to the May meeting to satisfy the 30-day notification requirement to comply with Civil Code §4360.**

#### **(22) GRF COMMITTEE HIGHLIGHTS**

- None

#### **(23) DIRECTOR'S FORUM**

- Directors Achrekar spoke about the association dues and the excess of other services that are being charged.
- Director Blackwell spoke about fees and the shared costs by use. Director Blackwell also spoke about the decency in not picking others fruit.
- Director English thanked Director Dorrell for chairing the United Board Meeting.
- Director Skillman wished Director Tibbetts a quick recovery and wished Director English a Happy Birthday.

#### **(24) MEETING RECESS**

The Regular Open Session Meeting recessed for lunch at 1:11 PM and reconvened into the Regular Executive Session at 1:52 PM.

#### **ADJOURNMENT**

With no further business before the Board of Directors, the meeting was adjourned at 3:25 PM.

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

During the February 14, 2017, Regular Executive Session meeting, the Board reviewed and approved the minutes of January 10, 2017 and January 27, 2017 – Special Executive

Session; the Board held two Disciplinary Hearings; discussed and considered numerous Member Disciplinary matters; discussed and considered numerous Member matters; discussed and considered Contractual matters; and discussed and considered Litigation matters.

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Juanita Skillman, Secretary  
United Laguna Woods Mutual

## **Drone Policy**

### **I. Purpose**

It is the policy of the Golden Rain Foundation (GRF) and United Laguna Woods Mutual (United) that Residents and/or approved commercial users may operate Drones in the Laguna Woods Village Community in compliance with the following rules and regulations.

### **II. Definitions**

For the purpose of this policy:

- a. A Remote Pilot in Command (PIC) is directly responsible for the operation of the Drone, and must ensure the Drone will pose no undue hazard to people, pets, aircraft, or property in the event of loss or control of the Drone.
- b. A Drone as used in this Policy is defined as a Small unmanned aircraft system as that term is defined in 14 C.F.R. §107.3.
- c. Federal Aviation Administration (FAA) of the United States is a national authority with powers to regulate all aspects of civil aviation, including Drones.
- d. Visual Observer means a person who is designated by the PIC to assist the PIC in seeing and avoiding other air traffic or objects aloft or on the ground.
- e. Resident is defined as a Member or Lessee who has been approved by the Board of Directors for occupancy.

### **III. Conditions**

- a. A Drone is not allowed to operate unless a permit is granted by GRF and United.
- b. The Resident or approved commercial user to whom a permit for the operation of a Drone is granted is deemed the PIC, and only the PIC may manipulate the controls of the Drone.
- c. The PIC must submit a flight plan prior to each and every flight of the Drone which must occur wholly within the bounds of Laguna Woods Village.
- d. Each PIC may operate only one drone at a time within Laguna Woods Village.
- e. Guests of Laguna Woods Village Residents are not permitted to operate Drones in the Village.
- f. The PIC must provide proof the Drone is registered with the FAA.
- g. The PIC must be at least 18 years of age and must not operate in a careless or reckless manner so as to endanger the life or property of another.
- h. A Visual Observer is encouraged, but not required, as an additional measure of safety protecting life and property within Laguna Woods Village. However, the Drone must remain within visual line-of-sight of the PIC. Visual line-of-sight means that the PIC has an unobstructed view of the drone.
- i. The FAA registration number must be displayed on the aircraft decal.
- j. The PIC must provide flight software (version and manufacturer) that has the FAA "Return to Home" safety feature (in case of low battery or loss of signal).
- k. The time period during which a drone may be used within the Village is limited

to the hours between sunrise and 30 minutes before sunset.

- l. Resident and/or approved commercial user planning to operate a Drone must provide proof of liability insurance with \$1 Million policy limits. The Resident and/or approved commercial user agrees to indemnify GRF, Village Management Services, Inc. (VMS), United Laguna Woods Mutual (ULWM), Third Laguna Hills Mutual (TLHM) and/or Mutual 50 in the event a claim is asserted against GRF, VMSI, ULWM, and/or TLHM relating to an act or omission involving Drone use, with GRF, ULWM, and/or TLHM named as an additional insured on their liability insurance policy.
- m. The PIC agrees to yield the right-of-way to other aircraft; the Drone must not exceed 100 MPH; may not carry hazardous materials; and must fly below 400 feet. Takeoff and landing of the drone must be carried out in open, common area.
- n. The Drone cannot be operated above anyone not directly participating in the operation, from under a covered structure, or from either a moving or stationary vehicle.
- o. The PIC must adhere to all state and federal laws regarding Drones.

#### **IV. Procedure**

- a. The Resident and/or approved commercial user must complete and submit "Application for Use of a Drone Permit" for review, one time only.
- b. The "Application for Use of a Drone Permit" and "Flight Plan" must be received at least seven days prior to the anticipated use of the Drone.
- c. The Resident and/or approved commercial user must complete and submit a flight plan every time the drone goes up into the air with an approved permit on file.
- d. The Resident and/or approved commercial user must provide a copy of their FAA registration and liability insurance listing GRF, VMS, ULWM, TLHM and Mutual 50 as additional insurer.
- e. The application and copies are to be submitted to the Resident Services Department located in the Laguna Woods Village Community Center.
- f. The application will be reviewed and conditionally approved or denied by the Chief of Security or his designee and the Resident and/or approved commercial user will be notified of the results within seven business days. Special circumstances may be granted.
- g. If approved, the Drone Permit must be present with the PIC whenever the Drone is operated.

#### **V. Enforcement**

GRF, VMS, ULWM, TLHM, and Mutual 50 are authorized to take disciplinary action against a Member found to be in violation of the Drone Policy. When a violation occurs the Board is obligated to evaluate and impose, if appropriate, member discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action.



The Member is entirely responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the community. This includes any Co-occupant, lessee, or guest.

A complaint may be registered with the Compliance Department by calling 949-268-CALL or by calling the Security Department at 949-580-1400.

**YEAR 2017 COLLECTION AND LIEN ENFORCEMENT POLICY AND  
PROCEDURES FOR ASSESSMENT DELINQUENCIES**

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.

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, 14 and 20, 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 “fees” in United’s Bylaws, are referred to in this paragraph and throughout this Policy Statement as “assessments.” Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1<sup>st</sup>) day of each month. **It is each Shareholder’s responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein.

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

**3. Late Charges; Interest.** Assessments not received by the sixteenth (16<sup>th</sup>) day of the month will incur a late fee in the amount of Twenty Dollars (\$20.00), 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 subject to the same 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"), and the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR"). 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, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

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

Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

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

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

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

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

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

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

**12. Right to Request 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.

**13. Payment Plan Requests.** Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or United's collection agent, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may

incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved by the Board, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved.

**14. 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 fees 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.

**15. 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.

**16. No Right of Offset.** There is no right of offset. A 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.

**17. 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.

**18. 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.

**19. 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.

**20. 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 fees

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.

**21. 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.

**22. 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.

**23. 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**