



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

October 17, 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, October 17, 2017, at 2:00 p.m. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Juanita Skillman, Janey Dorrell, Don Tibbets, Maggie Blackwell, Pat English, Steve Leonard, Gary Morrison, Andre Torng, Manuel Armendariz and Rezi Bastani (arrived late)

Directors Absent: Cash Achrekar

Staff Present: Open Session: Brad Hudson, Lori Moss, Leslie Cameron and Chuck Holland

Others Present: Brittany Ketchum, Esq. of Beaumont Gitlin Tashjian, Dick Rader, VMS and Mary Stone, VMS Directors.

1. Call meeting to order / Establish Quorum

Juanita Skillman, President called the meeting to order at 2:01 p.m. and acknowledged that a quorum was present.

2. Pledge of Allegiance

Director Morrison led the Pledge of Allegiance.

3. Acknowledge Media

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

4. Approval of Agenda

Director Leonard made a motion to postpone the new business items to November. He later rescinded his motion realizing there isn't the required 30-days between meeting. Director Leonard made a motion to approve the agenda as presented. The motion was seconded by Director Blackwell and passed by a vote of 8-0-3 (Directors English, Armendariz and Bastani abstained)

5. Approval of Minutes

5a. September 12, 2017 - Regular Open Session

Director Armendariz asked about resolutions on manor alterations on September 12, 2017.

Director Blackwell reminded Director Armendariz that he was not at the last meeting and could abstain from the vote. He should submit his changes/questions to Director Blackwell for consideration.

Director Blackwell moved to approve the minutes as presented. The motion was seconded by Director Tibbitts and passed by a vote of 8-0-3 (Directors English, Bastani and Armendariz abstained).

6. Report of the Chair

President Skillman announced that this is a special Board Meeting to take care of business since the regular meeting was the Annual/Organizational Meeting on October 10, 2017. The new business resolutions are only for introduction, the first reading, and the Board will vote on these resolutions in December.

7. Open Forum

- Jim Thorpe (140-B) commented that his subcontractor could not come into the community on Monday, October 9 because it was a Holiday for VMS employees. He also asked about two areas of land where plants were removed two years ago but never replanted.
- Mary Stone (356-C) quoted an amendment to the trust agreement issued in 1971 section 3 under “terms” which states non-members cannot use GRF facilities without two-thirds approval of the Board. To her knowledge the Board has never voted to allow non-members to use GRF facilities.
- Dick Rader (270-D) asked why vendors were turned away because VMS employees observed the Holiday. He asked staff to have a plan in place for Holidays so that vendors and subcontractors can enter the community to complete work.

8. Responses to Open Forum Speakers

Directors English responded that she was not aware that VMS would be closed on October 9.

Director Blackwell asked for the address where the landscaping needs to be repaired.

Directors Tibbitts asked staff to look into coming up with a policy to deal with contractors on Holidays.

Director Leonard commented that residents should not plan to have work done on Holidays when the banks and post-offices are closed.

Director Skillman commented that the Board will look into the Governing Documents on the use of GRF facilities by non-members.

9. Consent Calendar

9a. Architectural Control and Standards Committee Recommendations:

- 23-A (Granada 10A) – Window Addition in Master Bedroom

RESOLUTION 01-17-108
Variance Request

RESOLVED, October 17, 2017, the Board of Directors hereby approves the request for variance of **Ms. Linda J O`Malley 23-A (Granada 10A) – Window Addition in Master Bedroom**, provided that the proposed alterations meet the following criteria:

1. No improvement shall be installed, constructed, modified or altered at Manor **23-A**, (“Property”) within the United Laguna Woods Mutual (“Mutual”) without an approved Mutual Consent for Manor Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. (“VMS, Inc.”), Manor Alterations Division (“Division”), or, in the event of a Variance from the Mutual’s Alteration Standards, the Architectural Control and Standards Committee (“ACSC”). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member s (“Member”) agrees to comply with the Mutual’s Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. A Mutual Consent for Manor Alterations has been granted at **23-A** for **Window Addition in Master Bedroom**, subject to the attached plans stamped approved and is subject to a final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
3. Member hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
4. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property’s Member at 23-A and all future Mututal members at 23-A.
5. Member shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual’s Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual’s Rules and Regulations. Member shall be liable for any violation of the Mutual’s Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.
6. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.
7. Member’s contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work.

8. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
9. Member(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Division office located in the Laguna Woods Village Community Center, an executed and notarized "Recordable Common Area Agreement" for a proposed improvement that would utilize any portion of the Mutual's Common Area. Prior to the issuance of a Mutual Consent for Manor Alterations, that "Recordable.
10. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Manor Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
11. Prior to the issuance of a Mutual Consent for Manor Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.
12. Prior to the Issuance of a Mutual Consent for Manor Alterations, the approved exterior surface colors should match the Building color; fence/gate color of white vinyl or black or white tubular steel or wrought iron is approved as identified at Resident Services, located on ground floor of Community Center.
13. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
14. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
15. During construction, both the Mutual Consent for Manor Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
16. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
17. The Mutual Consent for Manor Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an

extension. Only one extension for a maximum of an additional six months may be granted.

18. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
19. Mutual member shall indemnify, defend and hold harmless United and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.
20. The Mutual Consent Applicant or agent must contact the Manor Alterations Division as soon as the project is complete and has received a Final City of Laguna Woods permit approval in order to arrange a final inspection for Mutual Consent.

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

- 393-A (Madrid, Plan 4) – Bathroom Addition

RESOLUTON 01-17-109
Variance Request

RESOLVED, October 17, 2017, the Board of Directors hereby approves the request for variance of **Mr. and Mrs. John and Renee Mead of 393-A (Madrid, Plan 4) – Bathroom Addition**, provided that the proposed alterations meet the following criteria:

1. Member must provide an existing copy or execute the City's Non-Sleeping Room Certification form to affirm the Member/occupant's understanding that the rooms with egress eliminated by Atrium Enclosure shall not be used as sleeping rooms (per Resolution 01-10-89).
2. No improvement shall be installed, constructed, modified or altered at Manor **393-A**, ("Property") within the United Laguna Woods Mutual ("Mutual") without an approved Mutual Consent for Manor Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Manor Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member s ("Member ") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
3. A Mutual Consent for Manor Alterations has been granted at **393-A** for **Bathroom Addition**, subject to the attached plans stamped approved and is subject to a final

inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.

4. Member hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
5. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member at 393-A and all future Mutual members at 393-A.
6. Member shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations. Member shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.
7. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.
8. Member's contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.
9. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
10. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Manor Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
11. Prior to the issuance of a Mutual Consent for Manor Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.

12. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member must have conducted an inspection of the waste lines, by a VMS Plumber, to assure no repairs are needed. The inspection will be a chargeable service to the member. Inspection appointments are to be made with Resident Services, by authorized persons only. Findings from the video inspection will be recorded on the chargeable service ticket for Manor Alterations staff to review.
13. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
14. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
15. During construction, both the Mutual Consent for Manor Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
16. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
17. The Mutual Consent for Manor Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
18. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
19. Mutual member shall indemnify, defend and hold harmless United and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.
20. The Mutual Consent Applicant or agent must contact the Manor Alterations Division as soon as the project is complete and has received a Final City of Laguna Woods permit approval in order to arrange a final inspection for Mutual Consent.

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

- 414-C (San Sebastian Plan 7) – Living Room Extension.

RESOLUTION 01-17-110**Variance Request**

RESOLVED, October 17, 2017, the Board of Directors hereby approves the request for variance of **Donald E Miller and Marie L Miller of 414-C (San Sebastian Plan 7) – Living Room Extension**, provided that the proposed alterations meet the following criteria:

1. No improvement shall be installed, constructed, modified or altered at Manor **414-C**, (“Property”) within the United Laguna Woods Mutual (“Mutual”) without an approved Mutual Consent for Manor Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. (“VMS, Inc.”), Manor Alterations Division (“Division”), or, in the event of a Variance from the Mutual’s Alteration Standards, the Architectural Control and Standards Committee (“ACSC”). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member s (“Member”) agrees to comply with the Mutual’s Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. A Mutual Consent for Manor Alterations has been granted at **414-C** for a **Living Room Extension**, subject to the attached plans stamped approved and is subject to a final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
3. Member hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
4. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property’s Member at 414-C and all future Mututal members at 414-C.
5. Member shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual’s Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual’s Rules and Regulations. Member shall be liable for any violation of the Mutual’s Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.
6. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.
7. Member’s contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other

amenities while they are in the Village for performance of work in connection with the Property.

8. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
9. Member(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Division office located in the Laguna Woods Village Community Center, an executed and notarized "Recordable Common Area Agreement" for a proposed improvement that would utilize any portion of the Mutual's Common Area. Prior to the issuance of a Mutual Consent for Manor Alterations, that "Recordable Common Area Agreement" must be filed with the Orange County Clerk/Recorder.
10. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Manor Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
11. Prior to the issuance of a Mutual Consent for Manor Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.
12. Prior to the issuance of a Mutual Consent for Manor Alterations, if required, a Mutual Roof Alteration Notification ("Tie-In Form") must be submitted to the Division. All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member may hire a C-39 Licensed Contractor of his/her own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member's expense. All tie-ins may only be made to sound structural elements. Existing structural elements proposed to be tied to, which exhibit signs of dry rot or other structural defects, must be repaired at the Mutual's expense prior to installation.
13. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member shall request a Landscape Department inspection in order to assure all landscape, irrigation, and drainage modifications associated with the improvements are identified and completed by the Landscape Department at the expense of the Member. All gutter drainage shall be directed away from structures, free standing walls, foundations, and pedestrian walkways.
14. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member shall request a Broadband infrastructure inspection to assure that Mutual property is appropriately identified in order to be addressed during construction.
15. Prior to the Issuance of a Mutual Consent for Manor Alterations, the approved exterior surface colors should match the Building color; fence/gate color of white vinyl or black or

white tubular steel or wrought iron is approved as identified at Resident Services, located on ground floor of Community Center.

16. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
17. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
18. During construction, both the Mutual Consent for Manor Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
19. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
20. The Mutual Consent for Manor Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
21. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
22. Mutual member shall indemnify, defend and hold harmless United and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.
23. The Mutual Consent Applicant or agent must contact the Manor Alterations Division as soon as the project is complete and has received a Final City of Laguna Woods permit approval in order to arrange a final inspection for Mutual Consent.

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

- 607-A (Valencia 9) - Modification to previously approved Variance for unit remodel

RESOLUTION 01-17-111
Variance Request

RESOLVED, October 17, 2017, the Board of Directors hereby approves the request for variance of **Mr. Michael J. Francis of 607-A (Valencia, Plan 9) – Revisions to previously approved Variance for Manor remodel**, provided that the proposed alterations meet the following criteria:

1. Member execute the City's Non-Sleeping Room Certification form to affirm the Member/occupant's understanding that the rooms with egress eliminated by proposed alterations shall not be used as sleeping rooms.
2. No improvement shall be installed, constructed, modified or altered at Manor **607-A**, ("Property") within the Manored Laguna Woods Mutual ("Mutual") without an approved Mutual Consent for Manor Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Manor Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member s ("Member ") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
3. A Mutual Consent for Manor Alterations has been granted at **607-A** for **Manor Remodel**, subject to the attached plans stamped approved and is subject to a final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
4. Member hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
5. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member at 607-A and all future Mututal members at 607-A.
6. Member shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations. Member shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.
7. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.
8. Member's contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.

9. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
10. Member(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Division office located in the Laguna Woods Village Community Center, an executed and notarized "Recordable Common Area Agreement" for a proposed improvement that would utilize any portion of the Mutual's Common Area. Prior to the issuance of a Mutual Consent for Manor Alterations, that "Recordable Common Area Agreement" must be filed with the Orange County Clerk/Recorder.
11. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Manor Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village CommManory Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
12. Prior to the issuance of a Mutual Consent for Manor Alterations, a complete set of Manor specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village CommManory Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.
13. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member must have conducted an inspection of the waste lines, by a VMS Plumber, to assure no repairs are needed. The inspection will be a chargeable service to the member. Inspection appointments are to be made with Resident Services, by authorized persons only. Findings from the video inspection will be recorded on the chargeable service ticket for Manor Alterations staff to review.
14. Prior to the issuance of a Mutual Consent for Manor Alterations, if required, a Mutual Roof Alteration Notification ("Tie-In Form") must be submitted to the Division. All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member may hire a C-39 Licensed Contractor of his/her own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member's expense. All tie-ins may only be made to sound structural elements. Existing structural elements proposed to be tied to, which exhibit signs of dry rot or other structural defects, must be repaired at the Mutual's expense prior to installation.
15. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member shall request a Landscape Department inspection in order to assure all landscape, irrigation, and drainage modifications associated with the improvements are identified and completed by the Landscape Department at the expense of the Member. All gutter drainage shall be directed away from structures, free standing walls, foundations, and pedestrian walkways.

16. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member shall request a Broadband infrastructure inspection to assure that Mutual property is appropriately identified in order to be addressed during construction.
17. Prior to the Issuance of a Mutual Consent for Manor Alterations, the approved exterior surface colors should match the Building color; fence/gate color of white vinyl or black or white tubular steel or wrought iron is approved as identified at Resident Services, located on ground floor of Community Center.
18. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
19. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
20. During construction, both the Mutual Consent for Manor Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
21. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
22. The Mutual Consent for Manor Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
23. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
24. Mutual member shall indemnify, defend and hold harmless Manored and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.
25. The Mutual Consent Applicant or agent must contact the Manor Alterations Division as soon as the project is complete and has received a Final City of Laguna Woods permit approval in order to arrange a final inspection for Mutual Consent.

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

- 935-A (Cordoba 1A4) – Replace Atrium's Exterior Wall Decorative Blocks with a Window

RESOLUTION 01-17-112
Variance Request

RESOLVED, October 17, 2017, the Board of Directors hereby approves the request for variance of **Ms. Beth A. Page of 935-A (Cordoba 1A4) – Replace Atrium’s Exterior Wall Decorative Blocks with a Window**, provided that the proposed alterations meet the following criteria:

1. No improvement shall be installed, constructed, modified or altered at Manor **935-A**, (“Property”) within the United Laguna Woods Mutual (“Mutual”) without an approved Mutual Consent for Manor Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. (“VMS, Inc.”), Manor Alterations Division (“Division”), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee (“ACSC”). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member s (“Member”) agrees to comply with the Mutual’s Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. A Mutual Consent for Manor Alterations has been granted at **935-A** for **Replace Atrium’s Exterior Wall Decorative Blocks with a Window**, subject to the attached plans stamped approved and is subject to a final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
3. Member hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
4. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property’s Member at 935-A and all future Mututal members at 935-A.
5. Member shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual’s Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual’s Rules and Regulations. Member shall be liable for any violation of the Mutual’s Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.
6. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.
7. Member’s contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other

amenities while they are in the Village for performance of work in connection with the Property.

8. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
9. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Manor Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
10. Prior to the issuance of a Mutual Consent for Manor Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.
11. Prior to the Issuance of a Mutual Consent for Manor Alterations, the approved exterior surface colors should match the Building color; fence/gate color of white vinyl or black or white tubular steel or wrought iron is approved as identified at Resident Services, located on ground floor of Community Center.
12. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
13. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
14. During construction, both the Mutual Consent for Manor Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
15. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
16. The Mutual Consent for Manor Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
17. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Member. Such fines left unpaid will result in

forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.

18. Mutual member shall indemnify, defend and hold harmless United and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.
19. The Mutual Consent Applicant or agent must contact the Manor Alterations Division as soon as the project is complete and has received a Final City of Laguna Woods permit approval in order to arrange a final inspection for Mutual Consent.

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

9b. Landscape Committee Recommendations

None

9c. Finance Committee Recommendations

The Board upheld the recommendations of the Finance Committee to:

- Approval of Resolution to **Record Lien** against Member's ID; 947-400-09

RESOLUTION 01-17-113 **Recording of a Lien**

WHEREAS, Member ID 947-400-09; 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, October 17, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-400-09 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.

- Approval of Resolution to **Record Lien** against Member's ID; 947-381-35

RESOLUTION 01-17-114
Recording of a Lien

WHEREAS, Member ID 947-381-35; 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, October 17, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-381-35 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.

- Approval of Resolution to **Record Lien** against Member's ID; 947-415-05

RESOLUTION 01-17-115
Recording of a Lien

WHEREAS, Member ID 947-415-05; 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, October 17, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-415-05 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.

- Approval of Resolution to **Record Lien** against Member's ID; 947-387-43

RESOLUTION 01-17-116
Recording of a Lien

WHEREAS, Member ID 947-387-43; 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, October 17, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-387-43 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.

- Approval of Resolution to **Record Lien** against Member's ID; 947-455-60

RESOLUTION 01-17-117
Recording of a Lien

WHEREAS, Member ID 947-455-60; 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, October 17, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-455-60 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.

- Approval of Resolution to **Record Lien** against Member's ID; 947-445-05

RESOLUTION 01-17-118
Recording of a Lien

WHEREAS, Member ID 947-445-05; 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, October 17, 2017, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-445-05 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.

- Chargeable Services—Payment Plan Proposal for ID# 161820
Staff recommends an approval of the proposed payment plan to pay-off a Chargeable Services balance of \$10,811.65 with thirty-six monthly installments of approximately \$300.00 beginning September 2017.

- Chargeable Services—Payment Plan Proposal for ID# 142164
Staff recommends an approval of the proposed payment plan to pay-off a Chargeable Services balance of \$1,033.20 with four monthly installments of approximately \$260.00 beginning August 2017.

- Chargeable Services—Payment Plan Proposal for ID# 157335
Staff recommends an approval of the proposed payment plan to pay-off a Chargeable Services balance of \$500.00 with five monthly installments of \$100.00 beginning July, 2017.

Director English made a motion to approve the Consent Calendar as presented.

Director Dorrell seconded the motion and passed unanimously.

10. Unfinished Business

10a. Entertain a Motion to Suspend Cable/Internet in the Event of Disciplinary Action - Resolution

Secretary of the Board, Maggie Blackwell read the following Resolution to Suspend Cable/Internet in the Event of Disciplinary Action.

RESOLUTION 01-17-119

Deactivation of Cable Service at a Delinquent Member's (Shareholder's) Unit

WHEREAS, United Laguna Woods Mutual desires to strengthen delinquency collection procedures; and

WHEREAS, the Collection and Lien Enforcement Policy And Procedures For Assessment Delinquencies states "Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855"; and

WHEREAS, the GRF Board previously adopted Resolution 90-15-09 which authorizes GRF, at the request of the Mutual, to take disciplinary or suspension action against a Mutual Member which includes, but is not limited to, the suspension of the Mutual Member's right to use the cable TV system; and

WHEREAS, on February 14, 2017, United's Board of Directors approved deactivation of cable service at a delinquent Member's unit when an assessment amount is 60 days or more past due and after providing the Member with an opportunity to be heard, except when a Member's payment plan is approved by the Board and remains current; and

WHEREAS, on November 7, 2017 the GRF Board adopted Resolution **90-17-38**, resolving that the GRF Board of Directors and the Board of Directors for each of the Mutuels, including, United, each possess the power to take disciplinary action against their respective Mutual Members, including, but not limited to, the suspension of cable television and internet services; and

NOW THEREFORE, BE IT RESOLVED, October 17, 2017, the United Board of Directors may suspend cable television and internet services provided by the Golden Rain Foundation of Laguna Woods after providing the Mutual Member with a duly noticed hearing pursuant to Civil Code Section §5855; and

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

SEPTEMBER Initial Notification

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

Director Blackwell made a motion to approve the Resolution to Suspend Cable/Internet in the Event of Disciplinary Action as amended to add the GRF Resolution number. The motion was seconded by Director English and passed unanimously.

10b. Entertain a Motion to Approve Golf Cart Parking Policies and Procedures - Resolution (initial notification - must postpone to October to conform to the 30-day notification requirement)

Secretary of the Board, Maggie Blackwell read the following Resolution approving the Golf Cart Parking Policies and Procedures.

RESOLUTION 01-17-136
Golf Cart Policy and Procedures

WHEREAS, the Corporation assesses a \$50 fine for **golf carts** that use the common electricity without a permit; and

WHEREAS, cords, plugs and charging devices running through the property create a trip hazard and cause the property to otherwise be in an unsafe condition; and

WHEREAS, the safety risks associated with this conduct expose the Corporation to a risk of liability and expose any persons present on the property to risk of personal injury; and

NOW THEREFORE BE IT RESOLVED, October 17, 2017, in the interest of safety, unattended extension cords may not be used in United **common areas** for any purpose; and

NOW THEREFORE BE IT RESOLVED, all golf cart battery chargers must be elevated a minimum of six inches from the floor; and

NOW THEREFORE BE IT RESOLVED, in the interest of safety, residents found with unattended extension cords and/or golf cart chargers that are not a minimum of six inches above the floor will be subject to fines; and

NOW THEREFORE BE IT RESOLVED, fines for violations of unattended extension cords and **non-elevated** battery chargers are as follows:

- First Offense: \$50
- Second Offense: \$100
- Each Subsequent Offense: \$150

NOW THEREFORE BE IT RESOLVED, that the Corporation's staff is authorized to take action to enforce this Resolution by citing occupants and/or their guests and unplug any **golf carts** found in violation.

BE IT FURTHER RESOLVED, that the officers, directors and agents of this Corporation are authorized to carry out this Resolution.

SEPTEMBER Initial Notification

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

Director Blackwell moved to approve the Resolution to Approve Golf Cart Policies and Procedures as amended to replace "vehicles" with "golf carts" and add "non-elevated" to "battery chargers" and "common areas." The motion was seconded by Director Morrison

Discussion ensued among the Directors. Director Torng asked for clarification on the resolution. Director Blackwell commented that this resolution complies with City Code. Director Leonard requested to change the word vehicles to golf carts, add non-elevated to batteries and specify that this resolution applies to golf carts in the common areas.

Mary Stone (356-C) felt this resolution should apply to all common electrical uses.

President Skillman called for a vote and the motion passed by a vote of 6-2-2 (Directors Torng and English opposed; Director Bastani and Armendariz abstained)

10c. Entertain a Motion to Approve the 2018 Collection and Lien Enforcement Policy

Secretary of the Board, Maggie Blackwell read the following Resolution approving the 2018 Collection and Lien Enforcement Policy.

RESOLUTION 01-17-120
2018 Collection & Lien Enforcement Policy

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

WHEREAS, legal counsel has reviewed the existing Collection and Lien Enforcement Policy and recommends some clarifying language and the late charge is proposed to increase from a flat fee of \$20 to \$50 per month per delinquency, pursuant to Civil Code Section 5650(b)(2) which allows the association to recover a late charge not exceeding 10 percent of the delinquent assessment;

NOW THEREFORE BE IT RESOLVED, October 17, 2017, that the Board of Directors hereby adopts the 2018 United Laguna Woods Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

RESOLVED FURTHER, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2017 as part of the Annual Policy Statement.

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

SEPTEMBER Initial Notification
30-day notification to comply with Civil Code §4360 has been satisfied.

Director Blackwell made a motion to approve the Resolution for the 2018 Collection and Lien Enforcement Policy. The motion was seconded by Director Tibbitts and passed by a vote of 10-1-0 (Director Bastani opposed)

10d. Entertain a motion to Approve Amendments to the Financial Qualifications Policy for Consistency with the Bylaws–Resolution

Secretary of the Board, Maggie Blackwell read the following Resolution approving Amendments to the Financial Qualifications Policy for Consistency with the Bylaws.

RESOLUTION 01-17-XX

FINANCIAL QUALIFICATION POLICY

WHEREAS, it is in the best interest of the Corporation to protect and preserve the financial integrity of the Corporation;

NOW THEREFORE BE IT RESOLVED, December 12, 2017, that the minimum financial requirements for membership are adopted per the United Laguna Woods Mutual Financial Qualifications Policy (attached):

RESOLVED FURTHER, that Staff is hereby directed to disseminate this information to the realty community serving Laguna Woods Village; and

RESOLVED FURTHER, that Resolution 01-17-93, adopted August 8, 2017, is hereby superseded and canceled; and

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

OCTOBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Blackwell made a motion to approve the Amendment to the Financial Qualifications Policy for Consistency with the Bylaws with the Resolution to be included at the December 11, 2017 meeting. The motion was seconded by Director Leonard.

Discussion ensued among the Directors. Director Torng asked if this resolution would limit immigrants from purchasing in our community. Director Skillman commented that immigrants can file for an exception if they do not have a FICA score. In response to a statement by Director Leonard, Director Blackwell called for a vote to stop discussion on the resolution. The motion failed 6-5-0, lack of 2/3 vote and discussion continued.

President Skillman called for a vote and the motion passed by a vote of 8-2-1 (Directors Torng and Armendariz opposed; Director Bastani abstained).

11. New Business

11a. Entertain a Motion to Approve Proposed Fee Schedule for Manor Alterations – Resolution

Secretary of the Board, Maggie Blackwell read the following Resolution approving proposed fee schedule for Manor Alterations:

RESOLUTION 01-17-XXX

Proposed Fee Schedule for Manor Alterations

WHEREAS, variance requests require significant staff time for proper processing, including research, report preparation, and then presentation to the appropriate committee and then the Board; and

WHEREAS, in order to offset administrative costs associated with processing variance requests, which is often followed by an appeal of the Board's decision as mandated in accordance with Resolution 01-09-101; and

WHEREAS, the Mutual currently charges a \$100 fee to offset administrative costs associated with processing variance requests; and

WHEREAS, the Board realizes the fee should be non-refundable;

NOW THEREFORE BE IT RESOLVED, December 11, 2017, that in order to partially further offset administrative costs associated with processing variance requests, which may be followed by an appeal of the Board's decision as permitted in accordance with Resolution 01-09-101, the Board of Directors of this Corporation hereby sets the variance request processing fee at \$150; and

RESOLVED FURTHER, that Resolution 01-16-113 adopted December 13, 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.

OCTOBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Blackwell made a motion to introduce a proposed fee schedule for Manor alterations with the Resolution to be adopted at the December 11, 2017 meeting. The motion was seconded by Director Dorrell.

Discussion ensued among the Directors. Directors Bastani and Torng would like to review the manor alteration procedures.

Mary Stone (356-C) commented that the fee is more than the cost of some projects. Barbary Coopley (410-D) spoke against the new fee schedule. Director Skillman asked staff to include responses in the December agenda packet addressing the reason for the different fees on the schedule.

President Skillman called for a vote and the motion passed by a vote of 9-1-0 (Director Torng opposed).

11b. Entertain a Motion to Approve the requirement of a Conformance Deposit for Manor Alterations – Resolution

Secretary of the Board, Maggie Blackwell read the following Resolution approving the requirement of a Conformance Deposit for Manor Alterations:

RESOLUTION 01-17-XXX
Proposed Conformance Deposit

WHEREAS, in order to partially offset Mutual costs associated with Contractors and residents performing alterations that have damaged Mutual Property or violated Mutual Policies such as illegally throwing away construction debris in Mutual dumpsters or not following the proper protocol for regulated materials; and

WHEREAS, the Mutual currently does not require any conformance deposit fee capture; and

WHEREAS, the Mutual desires to enact a one-year pilot program, beginning January 1, 2018, to study the effectiveness of the conformance deposit.

WHEREAS, the fee will be required for all construction with a value of \$500 or greater and be refundable given that the contractor or resident performing the alterations conform to all Mutual rules and Standards;

NOW THEREFORE BE IT RESOLVED December 12, 2017, that in order to partially further offset Mutual costs associated with contractors and residents performing alterations to their manor, the Board of Directors of this Corporation hereby sets the Conformance Deposit fee at \$250; and

RESOLVED FURTHER, that Resolution 01-17-105 adopted September 12, 2017, 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.

OCTOBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Blackwell made a motion to introduce the requirement of a Conformance Deposit for Manor alterations to be adopted in the December 12, 2017 meeting. Director Torng amended the motion to make it mandatory for two or three neighbors to sign off on the work; motion failed due to a lack of a second. Director Leonard seconded the original motion.

Discussion ensued among the Directors. Several Directors asked staff for the purpose of the Conformance Deposit.

Kurt Weimann, Manor Alterations Manager, commented that the deposit is refundable if the work is done in accordance to the variance agreement and no damage of Mutual property.

President Skillman called for a vote and the motion passed by a vote of 9-1-1 (Director Torng opposed, Bastani abstained).

11c. Entertain a Motion to Approve Policy for the Handling and destruction of Recordings for Board and Committee Meetings

Secretary of the Board, Maggie Blackwell read the following Resolution approving a Policy for the Handling and destruction of Recordings for Board and Committee Meetings.

Resolution 01-17-XX
**Policy for the Handling and Destruction of Recordings for
Board and Committee Meetings**

WHEREAS, United Laguna Woods Mutual (“United”) contracts with Village Management Services, Inc. (“VMS”) for management services pursuant to the terms of a Management Agreement; and

WHEREAS, United’s Board holds regular board meetings during which minutes are taken in accordance with United’s Bylaws and the Management Agreement;

WHEREAS, committees appointed by the Board also hold meetings during which minutes are taken in accordance with United’s Bylaws and the Management Agreement; and

WHEREAS, United desires to strengthen procedures with respect to documenting and maintaining meeting minutes;

NOW, THEREFORE, BE IT RESOLVED, December 12, 2017, United’s Board of Directors of this Corporation hereby establishes the following policy with respect to the handling and destruction of recordings from Board and committee meetings:

- (1) The recording secretary will cause the Board and committee meetings to be audibly recorded to facilitate efficient and accurate taking of meeting minutes;
- (2) The recording secretary will maintain custody and control of all such **audio** recordings;
- (3) All such recordings are not subject to inspection by Members of United, only the Board and VMS staff will be provided access to such **audio** recordings; and
- (4) All such **audio** recordings will be destroyed following the approval of the meeting minutes by the Board or committee in question;

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

OCTOBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to

ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Blackwell made a motion to introduce a policy for the handling and destruction of recordings for Board and Committee Meetings as amended to be adopted at the December 12, 2017 meeting. The motion was seconded by Director Dorrell.

Discussion ensued among the Directors. Director English asked staff to destroy all closed session documents after the meeting. Director Torng asked for clarification of the resolution. Director Leonard asked to add the word “audio” in the resolution for clarification.

President Skillman called for a vote and the motion passed by a vote of unanimously.

11d. Entertain a Motion to Approve Revisions to the United Mutual’s Standard 31: Windows and Window Attachments

Secretary of the Board, Director Blackwell read the following resolution:

RESOLUTION 01-17-XXX
REVISION OF SECTION 31 WINDOWS AND WINDOW ATTACHMENTS

WHEREAS, United Laguna Woods Mutual established rules related to window modifications and installations through its Alteration Standards and Standard Plans, specifically Section 31 Windows and Window Attachments; and

WHEREAS, approval of non-standard window modifications and installations have been handled through the Variance Request process; and

WHEREAS, United Laguna Woods Mutual recognizes VMS Manor Alterations staff is qualified to determine whether a proposed alteration meets the architectural and aesthetic requirements for the Community;

NOW THEREFORE BE IT RESOLVED, on December 12, 2017, the Board of Directors of United Laguna Woods Mutual hereby revises Section 31 Windows and Window Attachments, Subsection 2.0, Applications with the following requirements:

- 2.1.** Retrofit windows shall be defined as those installations where the original window frame is not removed
- 2.2.** Window modifications shall be defined as those installations which alter the width or height of an existing window. All window modifications shall comply with the requirements of this Standard and the principles of Standard Plans.
- 2.3.** New windows shall be defined as those installations that include installation of a new window in a location that did not previously contain a window. All new windows shall comply with the requirements of this Standard and the principles of the Standard Plans.
- 2.4.** Window modifications and new windows shall not adversely affect the structural integrity or aesthetics of the Manor or the surrounding Manors.

- 2.5. Top of window heights shall match those of existing windows on the same side of the building.
- 2.6. Size and location of windows shall be as per Standard Plans.
- 2.7. Windows frames must be white vinyl only. Window frames and glazing shall match existing windows in all aspects and shall comply with the requirements set forth in this Standard.

RESOLVED FURTHER, the member is required to comply with all of the contingencies typically required for a Mutual Consent; and

RESOLVED FURTHER, that Resolution 01-16-08, adopted January 12, 2016, is hereby amended; and

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

OCTOBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Blackwell made a motion to introduce revisions to the United Mutual's Standard 31: Windows and Window Attachments to be included adopted at the December 12, 2017 meeting. The motion was seconded by Director Morrison.

Discussion ensued among the Directors. Director Bastani asked about the window sizes and why the regulations are so stringent. Staff will follow up with him.

President Skillman called for a vote and the motion passed by a vote of 9-1-0 (Director Bastani opposed).

11e. Disband the Preparedness for Disaster Ad Hoc Committee.

President Skillman commented that Chair Torng has done a wonderful job recruiting building and block captains in United, but resigned so he can focus on other United areas. Also the energy will continue as those recruited will join the greater Village DPTF.

Director English moved to disband the United Disaster Preparedness Task Force. The motion was seconded by Director Blackwell and passed by a vote of 9-0-1 (Director Armendariz abstained).

12. Future Agenda Items

12a. Entertain a Motion to Increase Assessment Late Charges

12b. Management Agreement review for closed session.

13. Director's Comments

Director Armendariz looks forward to being on the Board to help make changes in the Variance process.

Director Torng asked the VMS Board to prepare a Performance Evaluation of the General Manager.

Director Leonard made a recommendation that Members start using the website and view the Board Meetings. Happy Face Your Fears Day.

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

The meeting recessed at 3:49 p.m. into the Executive Session

Closed Executive Session Agenda

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) September 12, 2017 - Regular Executive Session

Discuss and Consider Member Matters

Discuss Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Litigation Matters

15. Adjourn

Maggie Blackwell, Secretary
United Laguna Woods Mutual



FINANCIAL QUALIFICATIONS POLICY

Revised October 17, 2017

Prospective Shareholders of Units in (United) are required to meet minimum financial requirements for Membership as set forth below. All income and assets claimed must be verified by presenting documentation acceptable to the Mutual Board of Directors.

All applicants shall submit the most recent year's Federal income tax return, signed and dated, including Schedules A and B, in addition to other verification documents. If income is derived from an owned business, the appropriate business tax schedules and a profit and loss statement are required.

Where there is more than one prospective Shareholder, income and assets can be calculated collectively, if each is eligible to reside.

Once a Shareholder/Member has qualified within United, said Shareholder need not re-qualify for purchase of a replacement Unit as long as the person or persons in whose name the Membership Stock Certificate remains the same.

Guarantor's assurances cannot be transferred. A Shareholder will be required to obtain a new guarantor's qualification, if needed.

Membership applicants to United are required to submit a completed Financial Statement/Credit Information form, together with satisfactory verification of identity, income and assets.

ASSET REQUIREMENT

The prospective Shareholder shall submit satisfactory verification of assets equal to the purchase price of the Unit plus \$125,000. Prospective transferees (i.e., outside escrow) are required to demonstrate a minimum asset base of \$125,000 only.

Acceptable assets will be those that are considered to be liquid, marketable or income producing. Only aged accounts (180 days) will be considered. Acceptable assets include, among others:

- Equity in U.S. residential property
- Savings accounts in U.S. financial institutions
- Cash value life insurance

- Certificates of deposit, money market accounts in U.S. financial institutions.
- IRA, SEP, 401(k) and Keogh accounts
- US, state or municipal government bonds - valued at current market prices
- American traded investments, (NYSE, Amex, OTC, NASDAQ, etc.) valued at current market prices
- Mortgages and promissory notes, provided that interest is reported on the applicant's tax return
- Equity in U.S. income producing real estate

Excluded from consideration are the following, among others:

- Mobile Homes
- Recreational vehicles, boats and trailers
- Vacant land
- Automobiles
- Artwork, jewelry, furs and collections such as coins, dolls, stamps and other similar items
- Term life insurance
- Annuity funds, which cannot be withdrawn in lump sum
- Anticipated bequests or inheritances
- Promissory Notes whose income is not reported on the perspective transferee tax return
- Community property

INCOME REQUIREMENTS

Prospective Shareholders shall submit from a recognized Credit Reporting Agency (e.g. Equifax, TransUnion, Experian), a full credit report and FICO score dated within 60 days prior to the application submittal.

Prospective Shareholders and transferees must provide satisfactory verification of income of at least \$36,000 per year at the time of purchase.

1. Acceptable verifications include, among others:

- The most recent Federal Tax returns
- W - 2 Forms or paycheck stubs
- Bank, credit union or investment account statements
- Letters from bankers
- Notices of annuities and Social Security payments
- Pensions
- Trust income
- Disability income

- Residential / commercial property rental income

2. Unacceptable income verifications include, among others:

- Letters from employers, accountants, bookkeepers and attorneys
- Income not reported on Federal income tax returns
- Funds held outside US borders

GUARANTORS

United may permit the prospective Shareholder who does not meet the financial requirements to have a Guarantor. The Guarantor shall provide satisfactory verification of annual income of at least \$90,000 and marketable or income producing assets of at least \$250,000 plus the Unit purchase price. Guarantors may guarantee the financial obligation of only one Membership.

Shareholder Financial Requirements for the Shareholder occupant(s) when they have a Guarantor include the following:

- Minimum Annual Income - \$24,000
- Minimum Verifiable Liquid, Marketable and/or Income Producing Assets - \$75,000

The income and assets of the Guarantor are in addition to the minimum income and assets needed by the prospective Shareholder occupant(s).

OWNERSHIP OF MULTIPLE MEMBERSHIPS

United does not permit ownership of more than one cooperative Membership, except under an interim dual Membership agreement which is issued for six months.

FINANCIAL QUALIFICATION WAIVERS

Shareholders who purchase a replacement Unit do not have to re-qualify financially for Membership, if there is no change to the Membership vesting and the dual interim agreement is in effect.

Current members of one Mutual who wish to purchase in another Mutual are required to meet the financial requirements of the Mutual in which they are purchasing.

A former member may obtain a waiver of financial qualifications if the replacement Membership is purchased within 90 days of the closing of the sale of the previously owned Membership, and vesting in the new Unit is exactly the same as the vesting in the Unit previously owned.

DISCRETIONARY AUTHORITY

United Board of Directors may, but is not obligated to, deny or approve applications for Membership based on the conditions herein. The Board of Directors, exercising prudent business judgement, may also deny or approve, in its sole and absolute discretion, applications based on other material factors, such as, but not limited to, history of bankruptcy, excess liabilities, or history of non-compliance as a member in United, GRF, or other Mutuals in Laguna Woods Village.

MEMBERSHIP

Membership in United is created, and starts, with the later occurring of the following:

- Written approval of Membership by the United Mutual Board of Directors;
- Issuance of a Membership Stock Certificate; and
- The signing of an Occupancy Agreement.

Upon Membership approval the Occupancy Agreement entitles the Member to occupy the Unit for three years, which is automatically renewed for three-year terms per Article 4 of the Occupancy Agreement, unless terminated by transfer or United's non-renewal or termination by the Board of Directors.



YEAR 2018 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:

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 (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.

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 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 (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.

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

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount

of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

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

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

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

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

9. Account Sent to United's Collection Agent In Error. In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within

twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

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

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

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

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

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

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

plan, United may resume its collection action from the time the payment plan was approved.

16. Termination of Shareholder's Rights under Occupancy Agreement.

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

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

18. No Right of Offset. There is no right of offset. 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.

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

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

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

22. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the Shareholder's right to vote, and suspend the

Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

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

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

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

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

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**