



OPEN MEETING

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

**Tuesday, September 14, 2021, 9:30 a.m.
Open Session, Virtual Meeting
24351 El Toro Road, Laguna Woods, California**

Directors Present: Sue Margolis, Manuel Armendariz, Carl Randazzo, Elsie Addington, Neda Ardani, Cash Achrekar, Azar Asgari, Diane Casey, Andre Torng

Directors Absent: Reza Bastani

Staff Present: Jeff Parker, CEO; Siobhan Foster, COO; Ellyce Rothrock, Eileen Paulin, Manuel Gomez, Bart Majia, Guy West, Robbie Doncost, Steve Hormuth, Jose Campos, Richu Saju, Linda Shepard, Ian Barnette, Ada Montesinos, Grant Schultz and Cheryl Silva

Others Present: VMS: Juanita Skillman, Cynthia Rupert, Norman Kahn

1. Call Meeting to Order/Establish Quorum

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

2. Pledge of Allegiance to the Flag

Director Randazzo led the pledge of allegiance.

3. Acknowledge Media

The Village Television Camera Crew, by way of remote cameras, was acknowledged as present. The virtual meeting was recorded.

4. Approval of Agenda

President Margolis asked if there were any changes to the agenda.

Director Torng asked to move the United Committee Assignments to new business for discussion.

Director Asgari made a motion to approve the agenda as amended. Director Casey seconded the motion. Hearing no objection, the board approved the agenda as amended by unanimous consent.

5. Approval of Minutes

5a. August 10, 2021 – Regular Open Meeting

President Margolis asked for a motion to approve the minutes.

Director Addington made a motion to approve the minutes of August 10, 2021. The motion was seconded by Director Asgari.

President Margolis called for the vote and the minutes of August 10, 2021 were approved by unanimous consent.

6. Report of the Chair

President Margolis commented this is her last meeting and she thanked the residents and staff for their support. This is a wonderful place to live. She reminded members to vote.

7. Open Forum (Three Minutes per Speaker)

At this time Members addressed the Board of Directors regarding items not on the agenda

Ellyce Rothrock read the member comments received:

- A Member commented she supports more EV Charging Stations.

Grant Schultz called on members in the board room:

- A Member commented about plumbing problems at her unit.
- A Member commented about resident parking their golf carts in the carports.
- A Member commented about landscaping problems.

8. Responses to Open Forum Speakers

- Jeff Parker-CEO commented they will look into these problems and will contact the residents.
- Director Randazzo commented about working with resident to resolve these issues.
- Director Asgari commented about the landscape problems.

8a. Director Armendariz gave an update to the Open Forum comments from the August 10 2021 board meeting.

- Staff contacted the resident regarding painting colors.
- Staff contacted the resident regarding a ramp request and helped her submit a variance for a ramp in the common area for residents with a disability.
- Director Armendariz explained the Reserve Funding.

9. Update from VMS – Director Rupert

VMS Director Rupert gave an update from the VMS Board. She showed a presentation:

- Key Performance Indicators (KPI)
- Resident Services Calls
- Completed Service Orders
- Landscape Tickets – 2018 to Date
- Landscape Services Customer Satisfaction
- Resale Activity
- Community Services Resale Efficiencies
- Operational Enhancements/Cost Savings
- Client Services Meetings
- Manor Alterations News Bulletin

- Restructured Fixed Bus Routes
- Sunset of Vehicle Decal Program
- Conclusion

Director Rupert answered questions from the board.

10. CEO Report

CEO Jeff Parker reported on the following topics:

- Update on NCB and the loan process. As of August 15, 2021, NCB stopped processing loans for Laguna Woods Village. All pending applications have been processed.
- Update on Insurance: Tomorrow there will be an All Board Meeting at 1:30 p.m. with our insurance broker Marsh with regards to property insurance. On September 24, 2021, the final decision on what insurance to bind will be made.
- He thanked the board members whose terms have expired for their service.

COO Siobhan Foster showed the new managers video:

10a. Meet the New Managers Video was shown

11. Consent Calendar

All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the board by one motion. In the event that an item is removed from the Consent Calendar by members of the board, such item(s) shall be the subject of further discussion and action by the board.

11a. Accept the Review of the United Sub-Leasing and Transfer of Trust Documents Approved in August, 2021 and such review is hereby ratified.

Directors Armendariz made a motion to approve the sub-leasing and transfer of trust documents. Hearing no objections, the motion was approved.

11b. Recommendation from the Landscape Committee:

- (1) Recommendation to Deny the Tree Removal Request: 407-C Via Castilla (Choi) – One Bottle Brush tree

RESOLUTION 01-21-55 **Deny Removal of One Bottle Brush Tree** **407-C Avenida Castilla**

WHEREAS, on August 12, 2021, the Landscape Committee reviewed a request to remove one Bottle Brush tree from the Member at 407-C, who cited the reason as bees, and;

WHEREAS, staff and the committee determined since it is not the tree policy of United Mutual to remove trees solely based on bee activity, to thereby recommend denying the request for the removal of one Bottle Brush tree located at 407-C Avenida Castilla.

NOW THEREFORE BE IT RESOLVED, September 14, 2021, the Board of Directors denies the request for the removal of one Bottle Brush tree;

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

- (2) Recommendation to Deny the Tree Removal Request and Instead Perform Root Grinding of the Surface Roots, followed by Turf Repair: 2059-A Via Mariposa (Murphy) – One Rusty Leaf Fig tree

RESOLUTION 01-21-56

**DENY REQUEST FOR REMOVAL OF ONE RUSTY LEAF FIG TREE
BUT PERFORM ROOT TRENCH AND TURF REPAIR
2059-A VIA MARPOSA E.**

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

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

WHEREAS, on August 12, 2021, the Landscape Committee reviewed a request to remove Rusty Leaf Fig tree from the Member at 2059-A, who cited the reasons as structural damage, overgrown, and poor condition, and;

WHEREAS, the Committee determined that the tree does not meet the guidelines established in Resolution 01-13-17, and recommends to deny this request and instead perform root grinding of the surface roots, followed by turf repair on the Rusty Leaf Fig tree located at 2059-A Via Mariposa E.

NOW THEREFORE BE IT RESOLVED, September 14, 2021, the Board of Directors denies the request for the removal of one Rusty Leaf Fig tree and instead to perform root grinding of the surface roots, followed by turf repair;

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

Hearing no objections, the recommendations from the Landscape Committee were approved.

11d. Recommendation from the United Finance Committee:

- (1) Approve a Resolution for Recording of Lien against Member ID# 947-420-87

RESOLUTION 01-21-57
RECORDING OF A LIEN

WHEREAS, Member ID 947-420-87; 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, September 14, 2021, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-420-87 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.

Hearing no objections, the recommendations from the Finance Committee were approved.

11d. Approve a Resolution to Update the Committee Appointments

RESOLUTION 01-21-58
United Laguna Woods Mutual Committee Appointments

RESOLVED, September 14, 2021, that the following persons are hereby appointed to serve the Corporation in the following capacities:

Architectural Control and Standards Committee

Carl Randazzo, **Chair**

Elsie Addington

Neda Ardani

Andre Torng

Reza Bastani

~~Brian Gilmore~~

Non-Voting Advisors: Michael Mehrain, Juanita Skillman

Communications Committee (Dissolve Committee)

~~Neda Ardani, Chair~~

~~Elsie Addington~~

~~Cash Achrekar~~

Finance Committee

Azar Asgari, Chair

Sue Margolis

Carl Randazzo

Andre Torng

Diane Casey

Advisor: Dick Rader

Governing Documents Review Committee

Elsie Addington, Chair

Sue Margolis

Diane Casey

Reza Bastani

Advisor: Dick Rader, Juanita Skillman, Bevan Strom, Mary Stone

Landscape Committee

Manuel Armendariz, Chair

Neda Ardani

Elsie Addington

~~Andre Torng, Chair~~

~~Brian Gilmore~~

Advisors: Theresa Frost, Mike Peters, Annie Zipkin

Maintenance and Construction Committee

Carl Randazzo, Chair

Reza Bastani

Diane Casey

~~Brian Gilmore~~

Non-voting Advisor: Ken Deppe

Members Hearing Committee

Cash Achrekar, Chair

Elsie Addington

Reza Bastani

New Resident Orientation

Per Rotation List

Resident Advisory Committee

Neda Ardani, Chair

Andre Torng

~~Reza Bastani~~

RESOLVE FURTHER that all directors are considered alternate members of each committee "Alternate." Each Alternate may serve as a substitute for another director that is unable to attend a meeting ("Substitute"). Committee Member Alternates cannot substitute for more than two (2) consecutive meetings. This will allow any director to ask any other director to sit in their stead during a temporary absence or unavailability. Of course, we can modify this and structure this any way the Board feels is best. However, the concept is that the Board, in advance, will approve any director sitting on a committee on a temporary basis when necessary to fill in for another director.

RESOLVED FURTHER Resolution 01-21-51, adopted August 10, 2021, is hereby superseded and canceled.

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

RESOLUTION 01-21-59

Golden Rain Foundation Committee Appointments

RESOLVED, September 14, 2021, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted January 18, 2021, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

GRF Strategic Planning Committee

Sue Margolis

Andre Torng

Cash Achrekar, Alternate

Customer Experience Subcommittee

Andre Torng (United)

Facilities Ad Hoc Committee

Carl Randazzo (United)

GRF Community Activities Committee

Elsie Addington

Andre Torng

Cash Achrekar, Alternate

GRF Finance

Azar Asgari

Carl Randazzo

Diane Casey, Alternate

GRF Landscape Committee

Azar Asgari

Manuel Armendariz

~~Andre Torng~~

GRF Maintenance & Construction

Carl Randazzo

Reza Bastani

~~Brian Gilmore~~

Clubhouses (Facilities) Renovation Ad Hoc Committee

Carl Randazzo

Manuel Armendariz

Diane Casey, Alternate

GRF Media and Communications Committee

Neda Ardani

Elsie Addington

GRF Mobility and Vehicles Committee

Elsie Addington

Reza Bastani

Neda Ardani, Alternate

GRF Security and Community Access

Manuel Armendariz

Reza Bastani

Andre Torng, Alternate

Disaster Preparedness Task Force

Diane Casey

Cash Achrekar

Reza Bastani, Alternate

Laguna Woods Village Traffic Hearings

Neda Ardani

Elsie Addington, Alternate

Town Hall Meetings

As-Needed

Budget Ad Hoc Committee

~~Sue Margolis~~

~~Azar Asgari~~

~~Diane Casey~~

Insurance Ad Hoc Committee

Sue Margolis

Manuel Armendariz

Non-Voting Advisors: Diane Fortner

Purchasing Ad Hoc Committee

Carl Randazzo

Cash Achrekar

~~Diane Casey~~

IT Steering Committee

Sue Margolis

~~Diane Casey~~

~~Andre Torng~~

Service Improvement Ad Hoc Committee

~~Andre Torng~~

Investment Ad Hoc Committee

Diane Casey

RESOLVED FURTHER, that Resolution 01-21-52, adopted August 10, 2021, is hereby superseded and cancelled.

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

Hearing no objections, the recommendation to update the United Committee Assignments were approved.

President Margolis answered questions from the board regarding the committee assignments.

12. Unfinished Business

12a. Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the board consisting of the Treasurer and at least one other board member reviewed the United Laguna Woods Mutual preliminary financials for the month of July 2021; such review is hereby ratified.

Directors Asgari and Casey reviewed the preliminary financial for the month of July 2021 and made a motion to approve this item.

Discussion ensued among the directors.

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

12b. Entertain a Motion to Adopt a Resolution to Update the Financial Requirements for Members with Guarantor

Director Addington read the following resolution:

RESOLUTION 01-21-60 **Financial Qualifications Policy**

WHEREAS, United Laguna Woods Mutual (“United”) is formed to provide housing to its Members on a mutual nonprofit basis;

WHEREAS, United is authorized to adopt, amend or repeal necessary or desirable rules and regulations, through its Board of Directors, to carry out the purposes of this Corporation;

WHEREAS, United reaffirms its position that guarantors are not a substitute for prospective shareholders and further affirms that guarantors do not have an ownership interest in the membership;

WHEREAS, United desires to clarify its asset requirement for prospective shareholders who require a guarantor to satisfy the financial requirements;

NOW THEREFORE BE IT RESOLVED, September 14, 2021, that the Board of Directors of this Corporation hereby amends the Financial Requirements for

Members with Guarantor section of the Financial Qualification Policy as attached to the official meeting minutes of this meeting; and

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

AUGUST Initial Notification

28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.

President Margolis asked for a motion to adopt the resolution.

Director Addington made a motion to adopt a resolution for Financial Requirements for Members with Guarantor. Director Randazzo seconded the motion.

Discussion ensued among the directors.

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

12c. Entertain a Motion to Approve the 2022 United Business Plan

RESOLUTION 01-21-61
2022 BUSINESS PLAN RESOLUTION

RESOLVED, September 14, 2021, that the Business Plan of this Corporation for the year 2022 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$45,696,179 is required by the Corporation to meet the United Laguna Woods Mutual operating expenses and reserve contributions for the year 2022. In addition, the sum of \$16,503,883 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2022. Therefore, a total of \$62,200,062 is required to be collected from and paid by the members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$14,349,385, all of which is planned from the Reserve Fund.

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2022, inclusive of property taxes and property insurance as filed in the records of the Corporation, and said assessments to be due and payable by the members of this Corporation on the first day of each month; 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.

Staff recommends the board approve the 2022 Business Plan Resolution.

President Margolis made a motion to amend the 2022 Business Plan to increase the assessments by \$5 back into the contingency fund. Director Addington seconded the motion.

Discussion ensued among the directors.

President Margolis called for the vote on the amendment and the motion failed by a vote of 4-5-0 (Directors Armendariz, Asgari, Torng, Ardani, Casey opposed)

Director Randazzo made a motion to approve the 2022 United Business Plan. Director Achrekar seconded the motion.

Discussion ensued among the directors.

President Margolis called for the vote and the motion passed by a vote of 6-3-0 (Directors Addington, Randazzo, Margolis opposed).

13. New Business

13a. Entertain a Motion to Introduce a Resolution for Pet Restrictions

Director Addington read the following resolution:

RESOLUTION 01-21-XX
PET RESTRICTIONS

WHEREAS, the Governing Documents Review Committee is tasked to review policy and processes for efficiency and consistency; and

WHEREAS, the Committee recognized that need to update the Pet Restrictions;

NOW THEREFORE BE IT RESOLVED; October 12, 2021, that the Board of Directors of this Corporation hereby approves the amended the Pet Restrictions, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution U-76-44 adopted February 24, 1976 is hereby superseded in its entirety and cancelled;

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.

SEPTEMBER Initial Notification

Should the Board endorse the proposed resolution, 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 28-days from the postponement to comply with Civil Code §4360.

Staff recommends the board update the Pet Restrictions.

Director Addington made a motion to introduce a resolution for pet restrictions for 28-day review. Director Asgari seconded the motion.

Discussion ensued among the directors.

President Margolis called for the vote and the motion passed by a vote of 9-0-1 (Directors Armendariz abstained).

13b. Entertain a Motion to Cancel all EV Charging Station Applications for United Submitted for the SCE Charge Ready Program

Staff recommends the board review and accept the Maintenance and Construction Committee's recommendation to cancel all electric vehicle charging station applications submitted for the SCE Charge Ready 2 Program.

Director Randazzo made a motion to cancel all electric vehicle charging station applications submitted for the SCE Charge Ready Program. Director Armendariz seconded the motion.

Discussion ensued among the directors.

President Margolis called for the vote and the motion passed by a vote of 9-0-1 (Director Achrekar abstained).

13c. Entertain a Motion to Introduce a Resolution for a Contractor Violation Policy.

Director Randazzo read the following resolution:

RESOLUTION 01-21-XX
Contractor Violation Policy

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of penalties for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

WHEREAS, this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of temporary or potentially permanent suspension from work within Laguna Woods Village, reduction of MC lifespan to ninety (90) days superseding Resolution 01-2-159; and

WHEREAS, the United ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the United

ACSC.

NOW THEREFORE, BE IT RESOLVED, on September 14, 2021, the United Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; 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.

AUGUST Initial Notification—Referred back to Committee for Corrections--SEPTEMBER Re-Introduced--Should the Board endorse the proposed resolution, 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 28-days from the postponement to comply with Civil Code §4360.

Director Randazzo made a motion to introduce a resolution for a Contractor Violation Policy. Director Armendariz seconded the motion.

Discussion ensued among the directors.

President Margolis called for the vote and the motion passed unanimously.

14. Committee Reports

- 14a.** Report of the Finance Committee / Financial Report – Director Asgari showed a presentation on the Treasurer’s Report, reported on the last Finance Committee meeting and reviewed the resale and lease reports. The committee met on August 31, 2021; next meeting will be September 28, 2021, 1:30 p.m. in the board room and as a virtual meeting.
- 14b.** Report of the Architectural Control and Standards Committee – Director Addington gave an update from the last committee meeting. The committee discussed Manor Alterations. The committee met on August 19, 2021; next meeting September 16, 2021, at 9:30 a.m. in the board room and as a virtual meeting.
- 14c.** Report of Member Hearings Committee – Director Achrekar. The committee met on August 26, 2021; next meeting October 28, 2021, at 9:00 a.m. in the Sycamore Room and as a virtual meeting.
- 14d.** Report of the Governing Documents Review Committee – Director Addington gave a report from the last Committee meeting. The committee discussed pet restrictions, operating rules guidebook and sub-lease requirements. The committee met on August 19, 2021; next meeting will be October 21, 2021, 1:30 p.m. in the board room and as a virtual meeting.
- 14e.** Report of the Landscape Committee – Directors Armendariz and Casey gave an update on the Landscape Committee. The committee discussed removal of pine trees. The committee met on September 9, 2021; next meeting October 14, 2021, at 1:30 p.m. as a virtual meeting.
- 14f.** Report of the Maintenance & Construction Committee – Directors Randazzo and Casey

gave a report from the last committee meeting. The committee discussed EV charging stations, and appliances. The committee met on August 25, 2021; next meeting October 27, 2021, at 9:30 a.m. in the board room and as a virtual meeting.

- 14g.** Report of the United Resident Advisory Committee – Directors Ardani and Torng. The committee met on September 9, 2021; next meeting October 14, 2021 at 4:00 p.m. in the board room and as a virtual meeting.

President Margolis stated that the board would be skipping the GRF Committee reports this month.

15. GRF Committee Highlights

16. Future Agenda Items

- 16a.** 360 Investigation

17. Director's Comments

- VMS Director Skillman thanked the board members with expiring terms for their service.

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

The meeting recessed at 12:15 p.m. into the Closed Session.

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

During the August 10, 2021, Regular Closed Session, the Board:

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) July 13, 2021 – Regular Closed Session

Discussed and Considered Litigation, Legal and Legislation Matters

Discuss and Consider Contractual Matters

Discussed Personnel Matters

Discuss Member and Board Disciplinary Matters

18. Adjourn

The meeting was adjourned at 3:15 p.m.

DocuSigned by:

Neda Ardani

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Neda Ardani, Secretary of the Board
United Laguna Woods Mutual

Financial Qualifications Policy Resolution 01-20-63

Adopted October 13, 2020

Resolution 01-21-32 Adopted May 11, 2021

Resolution 01-21-xx Adopted xxx, 2021

I. Purpose

The purpose of this policy is to set forth guidelines by United Laguna Woods Mutual (United) necessary to protect the financial integrity of the corporation.

II. Definitions

- A.** Shareholder - individual approved by the Board of Directors as a Member of the corporation. Also known as Member.
- B.** Applicant – individual seeking approval by the Board of Directors as a member of the corporation.
- C.** Financial Statement/Credit Information form – United’s document to be completed by Applicant which summarizes age, income and asset qualifications being considered by the Board of Directors in keeping with the membership application process.
- D.** Asset – a resource with economic value that an individual or business owns or controls with the expectation of future benefit; must be liquid, marketable or income producing.
- E.** Equity – total assets minus total liabilities.
- F.** Annuity funds – a long-term investment that is issued by an insurance company and is designed to help protect an individual from the risk of outliving one’s income.
- G.** Community property – property acquired during the marriage by either spouse is presumed to be owned by each spouse equally.
- H.** Guarantor – individual who meets United’s financial qualifications and guarantees to pay for the Member’s debt and/or obligations if the Member defaults or fails to pay a debt and/or obligation to United; guarantor may guarantee only one unit within the Village.
- I.** Personal Unconditional Continuing Guaranty and Security Agreement -
- J.** Guaranty “contract” between prospective member and qualified individual whereby guarantor is responsible to pay any debt or obligation owed by the Member to United in the event of a failure by Member to pay same; non-revocable by guarantor.
- K.** Indebtedness – includes the monthly carrying Charge payable by the Member to United, including all assessments, fines or other monetary charges levied in the name of United.

- L. Carrying Charges – monthly assessments estimated by United to meet its annual expenses, including but not limited to operating expenses, management and administration, property taxes, insurance, utilities, reserves, and repair and maintenance.
- M. Uniform Commercial Code (UCC) filing – provides for the filing of certain financing statements and other lien documents. Filing with the Secretary of State's office serves to perfect a security interest in named collateral and establish priority in case of debtor default or bankruptcy.
- N. Interim Dual Membership Agreement – a “contract” between a Member and United which allows the Member to temporarily own two co-ops.
- O. Community Rules – the Articles of Incorporation and Bylaws of United, the Occupancy Agreement, and any rules and regulations adopted by United. Any reference to the “Governing Documents” shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- P. Member – any person entitled to membership in United.

III. Conditions

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 and intends to reside.

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

A. 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.

1. 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:
 - a. Equity in U.S. residential property
 - b. Savings accounts in U.S. financial institutions
 - c. Cash value life insurance
 - d. Certificates of deposit, money market accounts in U.S. financial

institutions

- e. IRA, SEP, 401(k) and Keogh accounts
 - f. US, state or municipal government bonds - valued at current market prices
 - g. American traded investments (NYSE, Amex, OTC, NASDAQ, etc.) valued at current market prices
 - h. Mortgages and promissory notes, provided that interest is reported on the applicant's tax return
 - i. Equity in U.S. income producing real estate
2. Excluded from consideration are the following, among others:
- a. Mobile Homes
 - b. Recreational vehicles, boats and trailers
 - c. Vacant land
 - d. Automobiles
 - e. Artwork, jewelry, furs and collections such as coins, dolls, stamps and other similar items
 - f. Term life insurance
 - g. Annuity funds, which cannot be withdrawn in lump sum
 - h. Anticipated bequests or inheritances
 - i. Promissory Notes whose income is not reported on the prospective transferee tax return
 - j. Community property

B. INCOME REQUIREMENTS

1. Prospective Shareholders shall submit from a recognized Credit Reporting Agency (e.g. Equifax, TransUnion, Experian) a full credit report if FICO score is less than 700 or FICO score is 700 or higher with an outside mortgage. Submit a credit summary report if FICO score is 700 or higher without an outside mortgage. These reports must be dated within 60 days prior to the application submittal.
2. Prospective Shareholders and transferees must provide satisfactory verification of income of at least \$40,000 per year at the time of purchase.
3. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit

Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:

- a. The mandatory annual distributions for the Applicant's retirement accounts; **or**
- b. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:

$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$

Traditional retirement accounts may not concurrently satisfy both the income and asset side of the qualification requirements. Only traditional retirement accounts may be calculated to generate "attributable income".

4. Acceptable verifications include, among others:
 - a. The most recent Federal Tax returns
 - b. W - 2 Forms or paycheck stubs
 - c. Bank, credit union or investment account statements
 - d. Letters from bankers
 - e. Notices of annuities and Social Security payments
 - f. Pensions
 - g. Trust income
 - h. Disability income
 - i. Residential / commercial property rental income
5. Unacceptable income verifications include, among others:
 - a. Letters from employers, accountants, bookkeepers and attorneys
 - b. Income not reported on Federal income tax returns
 - c. Funds held outside US borders

C. GUARANTORS

United will permit the prospective shareholder who does not meet the financial requirements to have a guarantor.

1. 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 manor purchase price.**
2. *Shareholder financial requirements for the occupying shareholder(s) when they have a guarantor:*
 - a. Minimum annual income of \$24,000
 - b. **Minimum verifiable liquid, marketable and/or income producing assets of at least \$75,000 plus the manor purchase price at the close of escrow**
3. The income and assets of the guarantor are not a substitute for the minimum income and assets needed by the prospective shareholder(s) occupant(s).
4. In addition to these requirements, the guarantor shall be required, as set forth herein (Exhibit A) to identify assets from which the financial obligation may be satisfied and authorize UCC financing statements to be filed.
5. Guarantor and assets must be located in California.
6. A guarantor may only guarantee one unit in the Village.

CI. 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.

CII. FINANCIAL QUALIFICATION WAIVERS

1. 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.
2. 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.

3. 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.

F. 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.

G. MEMBERSHIP

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

1. Written approval of Membership by the United Board of Directors;
2. Issuance of a Membership Stock Certificate;
3. The signing of an Occupancy Agreement; and
4. Upon close of escrow.

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.

IV. Procedure

Applicants must complete and submit all required forms and verification documents to the escrow firm handling the sales transaction. The required forms and verification documents include:

- The Membership Application with age and identity verification for each person on title;
- Most recent signed tax returns for each person on title;

- Responsibility Agreement for Nonstandard Landscape;
- Responsibility Agreement for Alterations;
- Memorandum of Occupancy Agreement signed by each applicant;
- Golden Rain Foundation Trust Facility Fee form;
- Promissory Note;
- Financial Statement and Credit Information (income and asset verification for each person on title);
- Residency Restrictions acknowledgement;
- Occupancy Agreement signed by each proposed applicant;
- Addendum to Occupancy Agreement – Trustee Membership if applicable;
- Interim Dual Membership Agreement if applicable;
- Original Membership Certificate or Lost Instrument Bond or Lender Payoff Demand; and
- Application for Co-occupancy Permit if applicable.

If a Guarantor is applying, the proposed Guarantor must also submit the most recent signed tax returns, Financial Statement and Credit Information (income and asset verification for each guarantor), Personal Unconditional Continuing Guaranty and Security Agreement (Exhibits A and B).

Upon receipt of the above documents and those required of seller and escrow firm, staff reviews documentation to ensure it is complete and evaluates the financial verifications in light of the corporation's membership requirements. A staff report recommending approval or denial of the applicant is prepared and attached to the membership packet for the Board's consideration and action.

Pet Restrictions

Resolution 01-21-XX; October 12, 2021

I. Purpose

The purpose of this document is to define the rules and regulations of United Laguna Woods Mutual (United) regarding restrictions on pets.

The City of Laguna Woods has adopted additional restrictions on pets. The collection of ordinances adopted by the City of Laguna Woods can be found here:

https://library.municode.com/ca/laguna_woods/codes/code_of_ordinances

II. Definitions

- a. Common area - the area which is available for use by more than one person.
- b. Community Rules - the Bylaws, Occupancy Restrictions, Articles of Incorporation, or any rules and regulations of United.
- c. Member - any person entitled to membership in United.
- d. Animal – any domestic animal that does not pose danger, noise, or odors.

III. Conditions

- a. No person shall keep, maintain or permit within any dwelling unit under his control, or within the common area, any dog which by any sound or cry shall disturb the peace and comfort of the inhabitants of the neighborhood or interfere with any person in the reasonable and comfortable enjoyment of life or property.
- b. No person owning or having charge of any dog shall permit the same to run at large within the common area, except as otherwise provided in these rules and regulations.
- c. Dog's must be restrained by a substantial leash not to exceed six (6) feet in length and in the charge of a person competent to restrain such dog.
- d. No person owning or having charge of any animal shall permit the same to enter or remain in the common area contrary to the provisions of any sign posted conspicuously, provided that appropriate exception, as the case of guide dogs for blind persons, may be noted upon any such sign.
- e. No person owning or having charge of any pet shall permit any excrements to remain in the common area. Pet waste shall be disposed of in trash containers.
- f. Whenever any animal suspected of being vicious is reported to United, the officers and agents shall report facts and circumstances thereof to Animal Control of the County of Orange for such action as they may deem appropriate according to law.

- g. A maximum combination of three cats and dogs, no more than two of which can be dogs, are permitted.

III. Enforcement

United is authorized to take disciplinary action against a member found to be in violation of these rules and regulations. When a violation occurs, the Board is obligated to evaluate and impose if appropriate, member-discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action.

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

A complaint may be registered by contacting the Security Department at 949-580-1400. Additionally, you may contact the Compliance Division at 949-268-CALL or compliance@vmsinc.org.

CONTRACTOR VIOLATION POLICY

It is crucial that contactors hired by shareholders strictly follow mutual rules and restrictions related to construction, improvement and repair projects. Given the proximity between units and age of the buildings, among other related factors, any deviation from mutual rules or the shareholder's approved scope of work has the potential to have a significant impact on the property as well as the adjacent neighbors. Staff has discovered a material increase in violations by shareholder contractors who are either unfamiliar with or fail to abide by mutual rules and restrictions or who perform work outside of what was approved. Oftentimes this can lead to delays; increased project costs for shareholders; increased noise, inconvenience and disturbance to neighbors; and unnecessary staff time and resources diverted to regulating and overseeing contractor violations and corrections.

This Contractor Violation Policy (policy) provides for penalties in the form of prohibiting offending contractors from performing work in United in an effort to protect shareholders and United property and to encourage contractors to adhere to the rules and obligations governing the shareholders and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (United). This policy classifies the noticing, violation severity, enforcement, ramifications of disciplinary actions and remedies relating to the offenses. MA would use the policy criteria listed herein to evaluate the contractors' behavior and administer notices and violations to shareholder contractors.

The circumstances for providing a potential violation notice or notice of violation and issuing violation suspensions are based on the severity of the offense listed in two categories as defined below:

Moderate Violation

1. Any violation of Exhibit A – Conditions Rules & Obligations unless noted as a severe violation.

Severe Violations

1. Any violation by a contractor performing demolition or initiating renovation work without all appropriate governmental and MA approvals inclusive of mutual consents issued by MA and City of Laguna Woods approvals, and
2. Any contractor performing work contrary to the work specifically noted on the mutual consent (MC) issued by MA for the following:
 - a. Performing any structural removal or modification, including, but not limited to, the widening of an opening of a doorway, passageway or window or removal or modification of a structural building element (inclusive of columns, bearing walls, shear walls, foundations, exterior walls, any work that would have required a variance approval from the board or lapse of any insurance coverage so disclosed by the contactor on the mutual standard certificate of liability insurance [COLI]).
 - b. Performing any work that is beyond the scope of work as defined by the mutual consent (MC). This expanded work will include, but not be limited to, installing a larger quantity of materials, amending the parameters initially identified, revised layout, increased dimensions of an approved renovation or using differing materials as was indicated on the MC.
3. Any expansion of the MC description for demolition or improvement work previously issued without further authorization from MA. Any unauthorized asbestos release contrary to city code, SCAQMD or Cal/OSHA regulations, or
4. The reluctance to complete the approved MC scope of work within 90 calendar days of permit issuance, or such reasonable time for the work so described on the MC as agreed to with MA

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when the MC was initially issued, exempting therefrom, any reasonable extension of time for force majeure condition affecting the timely completion of the work. See Exhibit A – Construction Rules & Obligations Contractor, Item 17, for complete terms relating to time of completion. A force majeure event shall be defined as an event beyond the control of the contractor affecting the timely completion of the work. Allowable force majeure events shall be considered as an event(s) affecting the entire local contracting community that would include major material shortages, war, strike, riot, catastrophic weather event, labor disputes or governmental orders relating to a pandemic. The contractor's time shall only be extended for the duration of the force majeure event.

MA is responsible for providing the following enforcement actions of this policy:

1. Substantiate violations with notices, notes and photographs; document and archive the violation events; and transmit violation material to contractor and shareholder,
2. Maintain a log of violations recording at a minimum the contractor's name and address; detail of the violation circumstances; notes regarding the rules, regulations and obligations of violation; and other pertinent information of the event,
3. MA shall notify the manor shareholder and contractor of all violations and potential consequences within seven working days from time of MA's knowledge of the violation,
4. Issuance of all violation notice documents are to be posted on the manor with a description of the violation(s). Contractor violations shall also be published in the biweekly news bulletin only after validation of the violation.
5. Maintain a master list of contractors who are ultimately determined to have engaged in violation of and/or have been suspended under this policy.

Contractor Violations

Also see the contractor violation description below:

1. Moderate first violations – Any violation of the Exhibit A – Construction Rules & Obligations unless noted as a severe violation. Contractor and shareholder will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.
2. Severe violations – If the first violation is a severe first violation (or a second moderate violation) then MA shall issue a potential violation notice. MA shall allow the contractor the opportunity to explain the circumstances of the violation. Under special circumstances shall the contractor be allowed to continue work. MA shall then determine if the potential violation notice shall become a violation notice and invoke those actions described in the contractor violation description.
3. In the event a suspension is issued, the contractor will no longer be allowed to do work within United. After the second suspension, board approval is necessary for contractor reinstatement. Thereafter, any violation would result in permanent suspension from United.
 - a. The shareholder is responsible for any supplemental cost to mitigate the actions of his/her contractor that might be attributable to the consequences of damage, including, but not limited to, remediation of emergency asbestos cleanup and mitigation, damage to mutual property and fines established by governmental agencies.
 - b. The shareholder is responsible for any increased costs in replacing a suspended contractor from an existing project, subject to No. 4 below.
4. Upon issuance of a notice of severe violation, the contractor shall not be allowed to submit any new application(s), and existing applications will be refused and/or the contractor will not be allowed to perform any further work in the mutual. However, the shareholder of the manor issued the offense and any shareholder who is currently using this contractor shall be allowed, with consultation, under special circumstances and only with the express written approval of MA to continue to use the offending contractor to finish an existing contract at the discretion of MA and in consideration of code compliance.

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Contractor Violation Description

Any violation or suspension due to a violation hereunder will be viewed in totality for any work performed by the contractor in the mutual, and not on a per-project/mutual basis.

Moderate Violation

1. First offense – Notice of moderate violation and no further action to be taken.
2. Second offense – Escalation to severe violation pending MA conference (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). If MA determines no further action is needed, it remains a moderate violation without suspension. If determined to be a second violation, MA will apply a 30-calendar-day suspension from working in the mutual.

Severe Violation

1. First offense – Notice of potential violation. Pending conference with MA (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). The result of this conference will be the basis a 30-calendar-day suspension.
2. Second offense – Notice of violation and mandatory 90-day suspension.
3. Third offense – Notice of violation and mandatory termination of contractor from all work within the mutual. Only board reinstatement can result in the contractor continuing to work in the mutual.

Suspensions resulting from the second and third offense violations will occur after a conference is held between MA and the contractor to determine if there was a violation or a misunderstanding. It shall also be determined if the shareholder of the manor issued the offense and any shareholder that is currently using this contractor, shall be allowed, under special circumstances, to continue to use the offending contractor to finish their existing contract at the discretion of MA and in consideration of code compliance.

Regardless of the violations levied as noted herein, contractor and shareholder may be subject to other costs as a result of damages to mutual property.

Contractor Right to Dispute

The contractor's right to dispute the violation shall be as follows:

1. The contractor has the right to dispute the MA notice of violation by emailing a hearing request to alterations@vmsinc.org and copying the MA supervisor and MA manager within seven calendar days of the notice of violation issuance to contractor.
2. Said hearing request will be heard by United's ACSC at its next appropriate hearing date.
3. Should the contractor make a hearing request, all conditions of the violation, including the suspension, will remain in effect until the ACSC provides a final determination.

Exhibit A – Construction Rules & Obligations

Both shareholder and contractor shall abide by Exhibit A – Construction Rules & Obligations, may be held responsible for damages and take responsibility for the violations as a result of not complying with Exhibit A – Construction Rules & Obligations. Contractor agrees to comply with all rules and regulations, and violation provisions as stated in Exhibit A – Construction Rules & Obligations and the Contractor Violation Policy.

1. Mutual consent (MC) approvals: No improvement shall be installed, constructed, modified or altered at any manor (property) within United Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and

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- demolitions made to and approved in writing by Village Management Services Inc. (VMS), Manor Alterations Division (MA) or, in the event of a variance from the mutual's alteration standards, the Architectural Control and Standards Committee (ACSC) and the United board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the shareholder 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. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's shareholder and/or all future mutual shareholders. Contractor may be held responsible to repair mutual property damaged and/or modified in the course of its work without having obtained the approval to do so via a duly executed MC.
 3. 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.
 4. A City of Laguna Woods permit may be required as well as a clearance requirement from the South Coast Air Quality Management District (SCAQMD) (asbestos hotline, 909-396-2336). Prior to the issuance of an MC for alterations and/or demolition, the appropriate City of Laguna Woods permit number(s) must be submitted to the MA office located in the Laguna Woods Village Community Center. The city permit must be approved within the prescribed timeframe, and a copy of the final permit must be submitted to MA.
 5. Shareholder hereby consents and grants to the mutual, MA, the Maintenance and Construction Department and their representatives a right of property entry at any time to inspect said property and its improvements and for the mutual and the department, including its representatives and contractors, to remedy any violation upon the property, including, but not limited to, removing trash and/or any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
 6. Subject to the Contractor Violation Policy, shareholder and contractor shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents, any others who perform work on the property and 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, damage to mutual property and use of mutual property for storage of equipment or materials without prior approval. Shareholder acknowledges and agrees that all such persons are his/her invitees. Shareholder shall be responsible for informing all his/her invitees of the mutual's rules and regulations; however, that does not relieve contractor from compliance with the rules due to ignorance or otherwise, as contractor will sign the MC for alterations and/or demolition as a condition to and requirement of any approval. Shareholder shall be liable for any violation of the mutual's governing documents or for any damage caused by any invitee, including any fine, assessment or other charge levied in connection therewith; however, contractor is also responsible to repair all damage that was done in the execution of the alteration, consistent with item number two in this exhibit.
 7. Shareholder and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <http://www.lagunawoodsvillage.com>.
 8. Shareholder'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 Laguna Woods Village for performance of work in connection with the property.

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9. All improvements must be installed in accordance with California State building code, and the published mutual architectural alterations standards, policies and guidelines. See <http://www.lagunawoodsvillage.com>.
10. 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. Except in an emergency, work hours from 8 a.m. to 5 p.m. on weekdays; no work is permitted on holidays and weekends.
11. During construction, both the MC for demolition, alterations and the city building permit must be on display for public view at all times in a location approved by MA.
12. No waste or materials associated with the construction may be dumped in Laguna Woods Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
13. Call the Security Services Department at 949-580-1400 to receive dumpster location approval. All dumpsters must conform to the policy for temporary containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
14. Call Security at 949-580-1400 for portable bathroom placement approval.
15. The MC for alterations is expected to be completed within 90 calendar days after the date of approval, unless an application is submitted with fees and approved by MA for an extension or documentation is submitted with the MC that justifies the need for a period longer 90 days and MA has agreed to this extension in writing. If the MC has an established completion period of more than 90 days but less than 180 days, the date established by the MC shall govern. An extension for a maximum of an additional 90 calendar days beyond the maximum 180-day period may be granted at the request of the shareholder prior to expiration and at the discretion of MA. The contractor shall not perform any work beyond this 180-day period or six months unless authorized by MA in writing.
16. 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 shareholder as presented in the Contractor Violation Policy.
17. Mutual shareholder and his/her contractor shall indemnify, defend and hold harmless United and its officers, directors, committee members, employees and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from the mutual shareholder's improvements and installation, construction, design and maintenance of same.