



OPEN MEETING

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

Thursday, June 18, 2020 – 1:30 P.M.  
VIRTUAL MEETING  
Laguna Woods Village Community Center

**NOTICE & AGENDA**

Laguna Woods Village owner/residents are welcome to participate in committee meetings and submit comments or questions regarding virtual committee meetings using one of two options:

1. Via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and manor number must be included.
2. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and manor number.

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of the Report from May 21, 2020
5. Chair's Remarks
6. Member Comments (Items Not on the Agenda)
7. Response to Member Comments

Reports:

- |   |                 |
|---|-----------------|
| 8. OA – Occupancy Agreement                             | Andre Torng     |
| 9. Compare and Discuss Third Mutual Sales Qualification | Pamela Bashline |
| 10. Guide to Operating Rules Update                     | Francis Gomez   |

Items for Discussion and Consideration:

- |  |                 |
|--|-----------------|
| 11. Authorize Sales to Sign Membership Trust Transfer and Sublease Agreement | Pamela Bashline |
| 12. Code of Conduct  | Andre Torng     |
| 13. Operating Rules issues review  | Andre Torng     |

Concluding Business:

14. Committee Member Comments
15. Future Agenda Items

United Mutual Governing Documents Committee

June 18, 2020

- a. Review GRF Donation Policy (Andre Torng)
- b. Discuss standardizing Village-wide working groups which aren't specific to certain Mutual a uniformed structure and scope of work
- c. Requirements for heirs to become members
- d. Roles, responsibilities and protocols
- e. Mission, vision, and strategic directives
- f. Committee Advisor Qualification Procedure and Policy
- g. Establish Legal Support Requirement Resolution
- h. Committee Advisor Qualifications Procedure and Policy

16. Date of next meeting: July 16, 2020

17. Adjournment to Close Session

Andre Torng, Chair  
Francis Gomez, Staff Officer



UNITED LAGUNA WOODS  
M U T U A L

**OPEN MEETING**

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

Thursday, May 21, 2020 – 1:30 p.m.  
VIRTUAL MEETING

Laguna Woods Village Community Center  
24351 El Toro Road, Laguna Woods, CA 92637

**MEMBERS PRESENT:** Andre Torng - Chair, Sue Margolis, and Neda Ardani  
**MEMBERS ABSENT:** None  
**ADVISORS PRESENT:** None  
**ADVISORS ABSENT:** Bevan Strom  
**OTHERS PRESENT:** Dick Rader and Anthony Liberatore  
**STAFF PRESENT:** Francis Gomez, Pamela Bashline, and Debbie Ballesteros

**CALL TO ORDER**

Andre Torng, Chair, called the meeting to order at 1:35 p.m.

**ACKNOWLEDGEMENT OF PRESS**

The Media was not present.

**APPROVAL OF THE AGENDA**

President Margolis made a motion to approve the agenda as presented. Director Ardani seconded the motion.

By unanimous vote the motion carried.

Without objection, the Committee agreed to take items out of order.

**APPROVAL OF MEETING REPORTS**

Director Ardani made a motion to approve the April 16, 2020 and April 23, 2020 meeting reports as presented. President Margolis seconded the motion.

By unanimous vote the motion carried.

## **CHAIR'S REMARKS**

Chair Torng thanked everyone for joining the meeting and wished everyone was healthy and safe. Chair Torng also advised the Committee that he is distributing free face masks on Saturday, May 23, at 4:00 p.m. on Avenida Sosiega, closed to Gate 9.

## **MEMBER COMMENTS ON NON-AGENDA ITEMS**

The members commented on social distance guidelines at the Aliso Viejo Creek, the City of Laguna Woods City Council meeting, and refunds from assessments.

## **RESPONSE TO MEMBER COMMENTS ON NON-AGENDA ITEMS**

The Committee requested that the matters be forwarded to Jeff Parker, CEO, and the Recreation & Special Events Department for a response.

## **REPORTS**

### **New Topics Selection and Assignment**

Chair Torng discussed new topics selection and assignments. The Committee commented and asked questions.

Chair Torng stated he will review the Occupancy Agreement and present at the next meeting.

## **ITEMS FOR DISCUSSION AND CONSIDERATION**

### **Code of Conduct**

The Committee reviewed and discussed the Code of Conduct. The Committee members made changes and asked questions.

President Margolis made an amendment to remove "All Board members must present themselves to our Members with high level of professionalism during our meetings, as well as when meetings are not held." Director Ardani seconded the motion.

Without objection, the amendment passed.

Chair Torng made an amendment to add "All open and closed Board, committee, subcommittee meetings assigned under the Board shall be announced to the public and restricted audience with schedule and discussion/review material distributed before the meeting;" at the end of the "Board Responsibilities".

Without objection, the amendment passed.

The Committee requested that the document be brought back for final review.

### **Establish Legal Support Requirement Resolution**

Due to time constraints, the matter was tabled for another meeting.

### **Review and Discuss Committee Advisor Qualifications Procedure and Policy**

Due to time constraints, the matter was tabled for another meeting.

### **Committee Member Comments**

There were no comments.

### **Future Agenda Items**

- Discuss standardizing Village-wide working groups which aren't specific to certain Mutual a uniformed structure and scope of work
- Review and Discuss Committee Advisor Qualification Procedure and Policy
- Review GRF Donation Policy (Andre Torng)
- Requirements for heirs to become members
- Roles, responsibilities and protocols
- Mission, vision, and strategic directives

### **Date of next Meeting**

The next meeting is scheduled for Thursday, June 18, 2020 at 1:30 p.m. via virtual meeting.

### **Adjournment**

With no further business before the Committee, the Chair adjourned the meeting at 3:40 p.m.



Andre Torng, Chair  
United Laguna Woods Mutual





## STAFF REPORT

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**DATE:** June 18, 2020  
**FOR:** Governing Documents Review Committee  
**SUBJECT:** Directors Code of Conduct

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### **RECOMMENDATION**

Staff recommends approval of the Directors Code of Conduct.

### **BACKGROUND**

On May 9, 2017, the board adopted resolution 01-17-57 approving the United Laguna Woods Mutual Director Code of Conduct. The purpose of the rules was to ensure that any meetings board members attend (including open and executive session, as well as member forums) are conducted in a professional, expedient, and efficient manner and in compliance with United governing documents and applicable statutory requirements.

### **DISCUSSION**

In late 2019, the board and legal counsel initiated a process to update the Directors Code of Conduct. The proposed Directors Code of Conduct would be implemented with the purpose of protecting and advancing the interests of United Laguna Woods Mutual. The proposed Directors Code of Conduct would be mandatory for and binding on all directors, officers, committee members or other volunteers of United.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Siobhan Foster, Chief Operating Officer

### **ATTACHMENT(S)**

Attachment 1: Directors Code of Conduct  
Attachment 2: Resolution

# UNITED LAGUNA WOODS MUTUAL

## **DIRECTORS CODE OF CONDUCT**

*This Code of Conduct is implemented with the purpose of protecting and advancing the interests of United Laguna Woods Mutual (“United”). This Code of Conduct is mandatory for and binding on all directors, officers, committee members or other volunteers of United.*

### **BOARD & MEMBERSHIP MEETINGS**

Directors should be respectful to one another and to Members, staff and all residents and vendors in the community, to ensure that business is carried out in an orderly and expedient fashion during and outside meetings. Directors should respect United’s parliamentary rules, policies, practices, and decorum. Director comments and deliberations must be in clear and simple terms, and must avoid repetition, disruptive behavior, profanity, personal attacks, rhetorical concerns discussed by the same person, or harassment. Directors are expected to act with integrity, demonstrating zero tolerance for unethical behavior, both for themselves and their colleagues. Directors are expected to have courage and demonstrate a willingness to do the right thing and make the right decisions, even if it is difficult or unpopular (i.e., no fence sitting). The violation of these rules may result in a director’s or officer’s involuntary recusal pursuant to United’s Governing Documents and applicable law, and may result in discipline pursuant to the Governing Documents and applicable law.

### **BOARD RESPONSIBILITIES**

The general duties for directors are to oversee United’s governing documents enforcement, oversee United’s financial resources collection and preservation, insure United’s assets against loss as required by the governing documents or applicable law, and oversee the common areas so that they remain in a state of good repair. To fulfill that responsibility, directors must:

- Attend all Regularly Scheduled Board meetings and committee meetings for assigned committees. If you miss three (3) consecutive Regularly Scheduled Board meetings you are subject to discipline as detailed in the “Violations of Policy” section of this Code of Conduct. If you miss three (3) consecutive committee meetings you are subject to being removed from the committee.
- Regularly Scheduled Board meetings includes each of the following:
  - The open and closed sessions of United held on the second Tuesday of each month, which open and closed sessions together shall constitute a single Regularly Scheduled Board meeting. Attendance at both the open and closed session shall constitute attendance at this Regularly Scheduled Board meeting; (special board meeting?)



- The agenda prep meeting held in advance of the open and closed sessions of United held on the Thursday of each month a week before the Board meeting.

If advanced notice and good cause of a planned absence (illness, planned trip) is given to the Board President and Board Secretary prior to any Regularly Scheduled Board meeting, that absence will not be counted for purposes of discipline as detailed in this section. All Board members should:

- Be prepared for all meetings that you are attending.
- Review material provided in preparation for board meetings.
- Be punctual and on time for all meetings.
- Demonstrate professional etiquette and behavior.
- Stay focused at meetings and do not be distracted by doing outside activities, such as pleasure reading, using electronic devices, etc.
- Actively participate in board and committee deliberations; recognize the difference between productively participating in discussions and counter-productively dominating deliberations through the volume or length of comments. Work with other members of the Board/committee to create workable compromises as necessary.
- Stay on topic, ask questions as they are needed but be sure the questions are related to the current topic being discussed.
- Make relevant, informed comments focused on the specific aspect of the issue being considered.
- Review the Association's financial reports.
- Make reasonable inquiry before making decisions.
- Make all decisions and actions in good faith, and in consideration of the best interests of United corporation and residents, and not in the best interests of the individual director or faction of the community.
- Board members must not take actions or make decisions that result in a personal financial benefit to the director at the expense of United.
- Avoid relationships, such as unique business, financial or personal relationships (or hoped-for-relationships) that create an actual conflict of interest.
- Act with professional courtesy and respect towards fellow directors, members, residents, staff and vendors.
- Do not respond to the mass emails within our community, with your email response, especially those that pertain to issues before the Board. Any such emails can be used in legal disputes against you and our Board. (Legal Counsel advice)

- Legal issues must be advised from United Board Members to the President who will advise United's legal counsel, and as direction is provided from legal counsel the President will so advise the Board. Any two directors may contact United's legal counsel if they believe, based on good cause and support, that the President is breaching his/her obligations as President and/or director.
- All open and closed Board, committee, subcommittee meetings assigned under the Board shall be announced to the public and restricted audience with schedule and discussion/review material distributed before the meeting.

### **DUTY OF LOYALTY**

Directors have a duty of loyalty to act in the best interest of the association. This means when a Director walks into the board room, they must take off their "homeowner hat" and put on their "Director hat." Directors must put the interested of the association above:

- Their personal interests;
- The interests of their friends and neighbors;
- The interests of their families; and
- The interests of any other group or entity in which they are involved or have a financial interest.

In short, Directors must disclose potential conflicts of interest.

Directors should passionately and constructively debate issues in the board room. Directors should feel free to disagree and debate the pros and cons of issues prior to making tough decisions. However, once a decision is made, directors have the responsibility to speak with one voice. That means Directors should not attempt to undermine the actions of the board. If a Director does not agree with the ultimate decision of the board, the Director should say nothing about the decision. If a Directors cannot keep quiet, the Director should resign from the board prior to speaking out against the board action. Directors should not contribute to unrest by breaching their duty of loyalty to the association.

### **PROFESSIONAL CONDUCT**

In general, directors and committee members must conduct all dealings with Members, residents, vendors and staff with professional courtesy, honesty and fairness. This means that directors must not engage in any harassing, abusive, threatening, intimidating or discriminatory conduct. The Board has a "no discrimination and harassment" policy. The following will not be tolerated:

- Disparaging, offensive, racist and/or bigoted remarks, including any remarks and statements made to any Member, resident and their family members or visitors, including but not limited to, any contractor, sub-contractor, plumber, landscaper, vendor, communications and service provider.
- Disparaging, offensive and/or bigoted remarks, including remarks and/or statements made to any person that enters the community.
- Disparaging, offensive, racist and/or bigoted remarks made to any resident, and any person that enters the community.

Directors must safeguard information that belongs to United. Directors and committee

members are responsible for protecting United's confidential information. As such, they may not use confidential information for the benefit of themselves, or their relatives, or for persons with whom they have a business relationship. Except when disclosure is duly authorized by the Board or committee (i.e., majority), or legally mandated, no director or committee member may disclose confidential information. Confidential information includes, without limitation:

- Private personal information of fellow directors, committee members or staff.
- Private personal information of United's members/Residents.
- Disciplinary actions against or concerning members of United.
- Assessment collection information against or concerning members of United.
- Legally privileged communications (including disputes or otherwise), and communications deemed confidential by the board, in which the board is or may be involved--directors may not discuss such matters with persons not on the board without the prior approval of the board of directors, which may also require the approval of United's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and result in the loss of confidential information.

### **INTERACTING WITH STAFF**

Directors shall not direct staff unless with Board authority (i.e., majority). However, directors may work with staff when necessary in the following situations: to carry out decisions of the Board; to carry out decisions of a committee made within the scope and authority of the committee; ask policies and procedure related to directive execution, and to gather information in preparation of an upcoming action of the Board as proposed in a pending agenda. Notwithstanding, directors shall not interact with staff in a manner that prevents them from fulfilling their primary job responsibilities. Unless authorized by VMS Leadership.

### **DISCLOSURE & RECUSAL**

Directors and committee members must immediately disclose the existence of any actual and potential conflict of interest relating to him- or herself or his or her membership or manor. Directors and committee members must withdraw from participation in decisions in which they have an actual material interest; however, it is strongly recommended that directors withdraw from participation in decisions in which they also have a potential material interest.

A director or member of a committee who is accused of the following matters shall not vote on any of the following matters:

- Discipline of the directors or committee members.
- An assessment or fee against the director or committee member for damage to the common area or facilities.
- A request, by the director or committee member, for a payment plan for overdue assessments.

- A decision whether to foreclose on a lien on the separate interest of the director or committee member.
- Review of a proposed variance to the manor of the director or committee member.
- A grant of exclusive use common area to the director or committee member.

The accusing director(s) or committee member(s) cannot vote either.

**VIOLATIONS OF POLICY**

Directors and committee members who violate this policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:

- Censure.
- Removal from committees.
- Removal as a director, but only as to the failure to attend Board meetings (as required by the Bylaws and this Code of Conduct). (bylaws has Director Removal process)
- Removal as a Board officer of the board.
- Request for resignation from the board.
- Recall by the membership.
- Legal proceedings.

Prior to taking any of the actions described above, the Board (or an executive committee appointed for this purpose) shall investigate the potential violation. The Board or committee shall review the evidence of violation, endeavor to meet with the director/committee member believed to be in violation, confer with United's legal counsel, and (if a committee) present its findings and recommendations to the Board for appropriate action. The Board shall endeavor to meet with the director/committee member in executive session prior to imposing disciplinary action against that person.

**ACKNOWLEDGMENT**

I acknowledge that I have received and read the United's Directors Code of Conduct and have had the opportunity to ask questions about same. I understand my obligations as a director/committee member under this Code of Conduct and will act in accordance with my obligations.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print name: \_\_\_\_\_

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**Comment [AT1]:** etiquette

### **BOARD RESPONSIBILITIES**

The general duties for directors are to ~~enforce~~ oversee United's governing documents enforcement, ~~collect and preserve~~ oversee United's financial resources collection and preservation, insure United's assets against loss as required by the governing documents or applicable law, and ~~keep~~ oversee the ~~common areas~~ so that they remain in a state of good repair. To fulfill that responsibility, directors must:

**Comment [AT2]:** Board is execution, not oversee

**Comment [AT3]:** Collect and preserve are executions, not oversee

**Comment [AT4]:** Ensure, OK oversee

**Comment [AT5]:** Keep is execution, not oversee

- Attend all Regularly Scheduled Board meetings and committee meetings for assigned committees. If you miss three (3) consecutive Regularly Scheduled Board meetings you are subject to discipline as detailed in the "Violations of Policy" section of this Code of Conduct. If you miss three (3) consecutive committee meetings you are subject to being removed from the committee.
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- Board members must not take actions or make decisions that result in a personal financial benefit to the director at the expense of United.
- Avoid relationships, such as unique business, financial or personal relationships (or hoped-for-relationships) that create an actual ~~or the perception of a~~ conflict of interest.
- Act with professional courtesy and respect towards fellow directors, members, residents, staff and vendors.
- ~~All Board members must present themselves to our Members with high level of professionalism during our meetings, as well as when meetings are not held.~~
- Do not respond to the mass emails within our community, with your email response, especially those that pertain to issues before the Board. Any such emails can be used in legal disputes against you and our Board. (Legal Counsel advice)

**Comment [AT6]:** OK to have personal benefit if not at the expense of United

- Legal issues must be advised from United Board Members to the President who will advise United's legal counsel, and as direction is provided from legal counsel the President will so advise the Board. Any two directors may contact United's legal counsel if they believe, based on good cause and support, that the President is breaching his/her obligations as President and/or director.

**Comment [AT7]:** Needs majority

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- All open and closed Board, committee, subcommittee meetings assigned under the Board shall be announced to the public and restricted audience with schedule and discussion/review material distributed before the meeting.;

## DUTY OF LOYALTY

Directors have a duty of loyalty to act in the best interest of the association. This means when a Director walks into the board room, they must take off their "homeowner hat" and put on their "Director hat." Directors must put the interested of the association above:

- Their personal interests;
- The interests of their friends and neighbors;
- The interests of their families; and
- The interests of any other group or entity in which they are involved or have a financial interest.

In short, Directors must disclose potential conflicts of interest.

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- Disparaging, offensive, racist and/or bigoted remarks, including any remarks and statements made to any Member, resident and their family members or visitors, including but not limited to, any contractor, sub-contractor, plumber, landscaper, vendor, communications and service provider.
- Disparaging, offensive and/or bigoted remarks, including remarks and/or statements made to anyone claiming to be, or perceived to be, homosexual, transgender, bi-sexual, trans-sexual, disabled, or any person that enters the community.
- Disparaging, offensive, racist and/or bigoted remarks regarding the race, color, creed, culture, ethnicity, country of origin, citizenship, citizenship status, and/or disability made to any resident, their family members, visitors, including, but not limited to, any contractor, sub-contractor, landscaper, plumber, vendor, communications and service provider.

**Comment [AT8]:** Harassment only on personal attack, not on execution issues, or without studying issues.

**Comment [AT9]:** Can this be voted on or is there a absolute standard?

**Comment [AT10]:** Voted personal matter

**Comment [AT11]:** Voted personal matter

any person that enters the community.

Directors must safeguard information that belongs to United. Directors and committee members are responsible for protecting United's confidential information. As such, they may not use confidential information for the benefit of themselves, or their relatives, or for persons with whom they have a business relationship. Except when disclosure is duly authorized by the Board or committee (i.e., majority), or legally mandated, no director or committee member may disclose confidential information. Confidential information includes, without limitation:

- Private personal information of fellow directors, committee members or staff.
- Private personal information of United's members/Residents.
- Disciplinary actions against or concerning members of United.
- Assessment collection information against or concerning members of United.
- Legally privileged communications (including disputes or otherwise), and communications deemed confidential by the board, in which the board is or may be involved--directors may not discuss such matters with persons not on the board without the prior approval of the board of directors, which may also require the approval of United's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and result in the loss of confidential information.

**Comment [AT12]:** Who defines "confidential? Freedom of information act duration?

**Comment [AT13]:** Committee can decide disclosure???

**Comment [AT14]:** Board act illegally?



**INTERACTING WITH STAFF**

Directors shall not direct staff unless with Board authority (i.e., majority). However, directors may work with staff when necessary in the following situations: to carry out decisions of the Board; to carry out decisions of a committee, made within the scope and authority of the committee; ask policies and procedure related to directive execution, and to gather information in preparation of an upcoming action of the Board as proposed in a pending agenda. Notwithstanding, directors shall not interact with staff in a manner that prevents them from fulfilling their primary job responsibilities. Unless authorized by VMS Leadership.

**DISCLOSURE & RECUSAL**

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**Comment [AT15]:** Reza and Architecture Committee

A director or member of a committee who is accused of the following matters shall not vote on any of the following matters:

- Discipline of the directors or committee members.
- An assessment or fee against the director or committee member for damage to the common area or facilities.
- A request, by the director or committee member, for a payment plan for overdue assessments.
- A decision whether to foreclose on a lien on the separate interest of the director or committee member.
- Review of a proposed physical changevariance to the separate-interestmanor of the director or committee member.
- A grant of exclusive use common area to the director or committee member.
- The accusing director(s) or committee member(s) cannot vote either.

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**VIOLATIONS OF POLICY**

Directors and committee members who violate this policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:

- Censure.
- Removal from committees.

- Removal as a director, but only as to the failure to attend Board meetings (as required by the Bylaws and this Code of Conduct). (bylaws has Director Removal process)
- Removal as a ~~Board~~ officer of the board.
- Request for resignation from the board.
- Recall by the membership.
- Legal proceedings.

**Comment [AT16]:** Violate Bylaws

**Comment [AT17]:** What does this mean?

**Comment [AT18]:** What does this mean?

Prior to taking any of the actions described above, the Board (or an executive committee appointed for this purpose) shall investigate the potential violation. The Board or committee shall review the evidence of violation, endeavor to meet with the director/committee member believed to be in violation, confer with United's legal counsel, and (if a committee) present its findings and recommendations to the Board for appropriate action. The Board shall endeavor to meet with the director/committee member in executive session prior to imposing disciplinary action against that person.

**Comment [AT19]:** Decision requested before the meeting, drafted by the Legal Counsel, announced during the meeting, voted during the meeting, all sanctions need to be nullified

**ACKNOWLEDGMENT**

I acknowledge that I have received and read the United's Directors Code of Conduct and have had the opportunity to ask questions about same. I understand my obligations as a director/committee member under this Code of Conduct and will act in accordance with my obligations.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print name: \_\_\_\_\_

**RESOLUTION 01-20-XX**  
**DIRECTORS CODE OF CONDUCT**

**WHEREAS**, pursuant to California’s Common Interest Development Meeting Act (California Civil Code § 1363.05) and the governing documents of the United Laguna Woods Mutual (“United”), United’s Board of Directors (the “Board”) is required to hold meetings in open session and executing session, as may be applicable, to deliberate and act upon the business and affairs of United; and

**WHEREAS**, the board believes that efficient Board meetings are not possible unless those meetings are conducted in a professional, orderly and timely fashion; and

**WHEREAS**, the Board wishes to promote such professionalism, order and timelessness, and regulate Board meeting time in an even and consistent fashion; and

**WHEREAS**, the Board believes that a Board member code of conduct (the “Code of Conduct”) is necessary to effectuate the items described above.

**NOW THEREFORE BE IT RESOLVED**, on [DATE] that Resolution 01-17-57 adopted May 9, 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.