



OPEN SESSION

**MINUTES OF THE REGULAR OPEN MEETING OF THE
THIRD LAGUNA HILLS MUTUAL BOARD OF
DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Tuesday, November 16, 2021 - 9:30 a.m.
Laguna Woods Village Community Center
24351 El Toro Road
Laguna Woods, California**

Directors Present: Robert Mutchnick, Annie McCary, Craig Wayne, Ralph Engdahl, John Frankel, Cush Bhada, Jim Cook, Mark Laws, Nathaniel Ira Lewis, Donna Rane-Szostak

Directors Absent: None

Staff Present: Jeff Parker-CEO, Siobhan Foster-COO, Connie Habal, Eileen Paulin, Cindy Shoffeitt and Grant Schultz

Others Present:

1. Call meeting to order / Establish Quorum – President Mutchnick, Chair

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

2. Pledge of Allegiance

Director Bhada led the Pledge of Allegiance.

3. Acknowledge Media

The media was acknowledged online and through Village Television.

4. Approval of Agenda

President Mutchnick asked for a motion to approve the agenda.

Director Rane-Szostak made a motion to approve the agenda. Director Bhada seconded the motion.

President Mutchnick called for the motion passed without objection.

5. Approval of Minutes

- a. October 1, 2021 – Tabulation Meeting
- b. October 7, 2021 – Annual Meeting
- c. October 8, 2021 – Agenda Prep Meeting
- d. October 19, 2021 – Regular Board Meeting

President Mutchnick asked for a motion to approve the minutes.

Director Cook made a motion to approve the minutes of October 1, 2021–Tabulation Meeting, October 7, 2021---Annual Meeting, October 8, 2021---Agenda Prep Meeting, and the October 19, 2021—Regular Board Meeting. Director Wayne seconded the motion and the motion passed without objection.

Directors Laws, Lewis, Cook abstained from the approval of October 1, 2021. Tabulation Meeting minutes. Director Jarrett was not seated at the October 7, 2021 and October 8, 2021 meetings.

6. Report of the Chair

President Mutchnick commented on need for Advisors for Third Mutual and stated to contact him at Thirdmutual@lagunawoodsvillage.com if interested in being an advisor for a committee.

7. Update from the VMS Board

VMS Director Tao gave an update from the last VMS Board Meeting accompanied with a presentation:

- Community Center Art Exhibit
- New temporary positions in resale division
- Landscaping customer satisfaction
- Garden center water conservation
- Transportation revenue enhancement
- 2022 Mulch Days

VMS Director Tao answered questions from the board.

8. Open Forum (Three Minutes per Speaker) - *At this time Members only addressed the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum to thirty minutes. A member can speak only once during the forum. Speakers may not give their time to other people, no audio or video recording by attendees, and no rude or threatening comments. Members an attend the meeting by joining the Zoom link <https://zoom.us/j/94899806730> or call 1 (699)900-6833 or email meeting@vmsinc.org to have your message read during the Open Forum.*

- A member commented on means of contacting directors/board.

- A member commented on an electrical engineer
- A member commented on more lighting availability.
- A member commented on electric golf carts and light posts.
- A member commented on golf carts and charging spaces.
- A member commented on carports and EV charging for golf carts and cars.
- A member commented on property insurance and figures.
- A member commented on common area compliance.
- A member commented on architectural landscaping in common areas.
- A member commented on termite inspections.
- A member commented on pet waste pick-ups.
- A member commented on boards and staff.

9. Responses to Open Forum Speakers

- Director Bhada commented on EV charging/parking of golf carts.
- CEO commented on termite inspection process.
- CEO commented on an electrical engineer.
- Director Laws commented on Board contacts.

10. CEO/COO Report (Jeff Parker-CEO and Siobhan Foster-COO)

- CEO Jeff Parker commented on rise in COVID numbers
- CEO Jeff Parker commented on nominations for VMS Board positions due November 30, 2021, 5:00 p.m.
- COO Siobhan Foster showed Employee Recognition of Excellence Video

Jeff Parker – CEO, and Siobhan Foster – COO answered questions from the Board.

11. Consent Calendar - *All matters listed under the Consent Calendar were recommended for action by committees and were enacted by the Board by one motion. Items removed from the Consent Calendar by members of the Board were moved for further discussion and action by the Board.*

- a. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of September 2021, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.
- b. **Recommendation from the Landscape Committee:**
 1. Recommend to Approve Landscape Revision Request: 3428-A Bahia Blanca W.

RESOLUTION 03-21-81
Approve the Landscape Revisions Request
3428-A Bahia Blanca W.

WHEREAS, on November 4, 2021, the Landscape Committee reviewed a request from the Member at 3428-A for landscape revisions to the rear of her manor, at her expense. The Member cited the reasons as resident preference;

WHEREAS, the Committee recommends approving the request for landscape revisions, at the Member's expense, located at 3428-A Bahia Blanca W., with the following conditions:

1. All costs for design, construction, and maintenance of the improvement are the responsibility of the Property's Member Owner at 3428-A.
2. All materials and installation shall be approved by the Landscape Department prior to start of work.
3. The requesting Member understands that the area will remain Common Area subject to the use and passage of all members of Third Mutual.
4. The alterations are limited to be within the seven foot by 30-foot area indicated in the submitted plan.
5. Mulch must be placed around the tree in front of her patio to avoid any gap there with grass that would be difficult to mow.
6. All potted plants within the mulched area shown on plan to be either planted into the ground or removed

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the request for a landscape revision, with the conditions stated above, at the Member's expense, at 3428-A;

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

2. Recommend to Approve Tree Removal Request: 3143-Q Via Vista – One Carrotwood tree

RESOLUTION 03-21-82

**Approve the Request
For Removal of One Carrotwood Tree
3143-Q Via Vista**

WHEREAS, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

"...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 shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee...”

WHEREAS, on November 4, 2021, the Landscape Committee reviewed a request from the Member at 3143-Q to remove one Carrotwood tree. The Member cited the reasons as overgrown;

WHEREAS, the Committee determined that the tree meets the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Carrotwood tree located at 3143-Q Via Vista.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the request for the removal of one Carrotwood tree located at 3143-Q;

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

3. Recommend to Deny Tree Removal Request: 3244-3A San Amadeo – One Canary Island Pine tree

RESOLUTION 03-21-83

**Deny the Request
For Removal of One Canary Island Pine Tree
3244-3A San Amadeo**

WHEREAS, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

“...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 shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee...”

WHEREAS, on November 4, 2021, the Landscape Committee reviewed a request from the Member at 3244-3A to remove one Canary Island Pine tree. The Member cited the reasons as litter/debris, overgrown, and a fire hazard;

WHEREAS, the Committee determined that the tree does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Canary Island Pine tree located at 3244-3A San Amadeo, however, during the next trim cycle in 2022, a clearance trim away from the roof line and manor patios will be performed.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors denies the request for the removal of one Canary Island Pine tree located at 3244-3A;

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

c. Approve a Resolution to Update Committee Appointments

RESOLUTION 03-21-84
Third Mutual Committee Appointments

RESOLVED, November 16, 2021, that the following persons are hereby appointed to serve on the committees and services of this Corporation.

RESOLVED FURTHER, that each committee chair in consultation with the vice chair may appoint additional members and advisors with interim approval by the President subject to the approval of the Board of Directors:

Architectural Standards and Control Committee

Robert Mutchnick, Chair

John Frankel

Ralph Engdahl

James Cook

Craig Wayne, ~~Alternate~~

~~Reza Karimi~~

Voting Advisors: Mike Butler and Mike Plean

Communications Committee

Annie McCary, Chair

Donna Rane-Szostak

~~Steve Parsons~~

James Cook

Mark Laws

Lynn Jarrett

Cush Bhada, Alternate

Executive Hearing Committee

Annie McCary, Chair
Ralph Engdahl, Co-Chair
Robert Mutchnick
John Frankel, Alternate
Mark Laws, Alternate

Finance (Committee of the Whole)

Donna Rane-Szostak, Chair
Non-Voting Advisors: John Hess, Wei-Ming Tao

Investment Ad Hoc Committee

Robert Mutchnick
Craig Wayne
Donna Rane-Szostak

Garden Villa Recreation Room Subcommittee (Quarterly)

~~Steve Parsons, Chair~~
Lynn Jarrett, Chair
Donna Rane-Szostak
Nathaniel Ira Lewis
Voting Advisors: Sharon Molineri, Stuart Hack, Randy Scott

Landscape Committee

~~Steve Parsons, Chair~~
Lynn Jarrett
Annie McCary, Chair
Ralph Engdahl
Donna Rane-Szostak
Nathaniel Ira Lewis
Cush Bhada, Alternate
Advisor: Cindy Baker

Maintenance and Construction Committee

Ralph Engdahl, Chair
Robert Mutchnick
John Frankel
Craig Wayne
James Cook
Cush Bhada, Alternate

New Resident Orientation

Everybody Participates on a Rotating Basis

Water Conservation Committee (Quarterly)

Donna Rane-Szostak, Chair
John Frankel
Cush Bhada
Nathaniel Ira Lewis
Lynn Jarrett
Advisor: Katheryn Freshley, Kay Havens

Parking & Golf Cart Task Force

~~Steve Parsons, Chair~~

John Frankel
Cush Bhada, Chair
Mark Laws
Advisor: Hal Horne

Resident Policy and Compliance Committee

~~Steve Parsons, Chair~~

Robert Mutchnick, **Chair**
Cush Bhada
Annie McCary
Mark Laws
Nathaniel Ira Lewis, Alternate
Lynn Jarrett
Voting Advisors: Stuart Hack

Energy Research Group

Ralph Engdahl
John Frankel
Nathaniel Ira Lewis
Advisors: Sue Stephens, Bill Walsh

RESOLVED FURTHER, that Resolution 03-21-78, adopted October 19, 2021, 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.

RESOLUTION 03-21-85
GRF Committee Appointments

RESOLVED, November 16, 2021, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Community Activities Committee

Annie McCary
Cush Bhada

Equestrian Center Ad Hoc Committee

Cush Bhada

Annie McCary

GRF Finance Committee

Donna Rane-Szostak

Mark Laws

Craig Wayne, Alternate

Purchasing Ad Hoc Committee

Donna Rane-Szostak

Ralph Engdahl

Robert Mutchnick, Alternate

GRF Landscape Committee

~~Steve Parsons~~

Nathaniel Ira Lewis

Annie McCary, Alternate

Lynn Jarrett

GRF Maintenance and Construction Committee

Ralph Engdahl

James Cook

Cush Bhada, Alternate

John Frankel, Alternate

~~Reza Karimi, Alternate~~

Clubhouse Renovation Ad Hoc Committee

John Frankel

Ralph Engdahl

~~Cush Bhada, Alternate~~

Media and Communication Committee

Annie McCary

James Cook

~~Steve Parsons, Alternate~~

Lynn Jarrett, Alternate

Broadband Ad Hoc Committee

Annie McCary

Lynn Jarrett

Mobility and Vehicles Committee

James Cook

Cush Bhada

Security and Community Access Committee

Annie McCary
Craig Wayne
Donna Rane-Szostak, Alternate

Disaster Preparedness

John Frankel
Donna Rane-Szostak
James Cook

Laguna Woods Village Traffic Hearings

John Frankel
Mark Laws

Strategic Planning Committee

Robert Mutchnick
Nathaniel Ira Lewis

Budget Ad Hoc Committee

Robert Mutchnick
Annie McCary
Donna Rane-Szostak, Alternate

Trash Task Force

Craig Wayne
John Frankel, Alternate

IT Technology Advisory Committee (ITAC)

Mark Laws
~~Steve Parsons~~
Lynn Jarrett

RESOLVED FURTHER, that Resolution 03-21-79, adopted October 19, 2021, 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

President Mutchnick asked for a motion to approve the Consent Calendar.

Director McCary made a motion to approve the Consent Calendar. Director Wayne seconded the motion and the motion passed without objection.

12. Unfinished Business

12a. Entertain a Motion to Approve a Resolution for the 2022 Collection and Lien Enforcement Policy

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

RESOLUTION 03-21-86

2022 Collection & Lien Enforcement Policy

WHEREAS, in accordance with California Civil Code, Third Laguna Hills 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 determined that the updated policy complies with Civil Code requirements and reflects current practices for collection of Mutual delinquencies.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, that the Board of Directors hereby adopts the 2022 Third Laguna Hills 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 2021 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.

Director Rane-Szostak made a motion to adopt the resolution. Director McCary seconded the motion.

President Mutchnick stated that he would like to make the following addition:

“A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or, for special assessments, if it is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due). A reminder notice **and email** may be sent to the Member. It is each Member’s responsibility to pay assessments in full each month regardless of whether a reminder notice is received.”

Hearing no objection, the amendment was approved.

Director Engdahl suggested that “written notice” be added to the paragraph, to read: “...A **written** reminder notice **and email** may be sent to the Member....”

Hearing no objection, the amendment was approved.

President Mutchnick called for the vote on the main motion as amended and it passed without objection.

12b. Entertain a Motion to Approve a Resolution for a Stepping Stones Policy and Guidelines

RESOLUTION 03-21-XX

Stepping Stone Policy and Guidelines

WHEREAS, on January 16, 2007, that the Board of Directors adopted Resolution 03-07-02 Approval to Revoke Alteration Standard Section 36 – Stepping Stones;

WHEREAS, Resolution 03-07-02, revoked the standard for stepping stones and required a variance application to the Architectural Committee;

WHEREAS, the Landscape Committee determined that stepping stones are temporary in nature and are placed within common area landscaping;

WHEREAS, the Landscape Committee determined that requiring a variance application is unduly burdensome for Members and the process could be simplified by use of the Landscape Request form process. All stepping stone installations must be approved by the Board of Directors prior to installation.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the change from variance request to landscape request form and consideration thereof shall be performed by the Landscape Committee;

RESOLVED FURTHER, all new stepping stone installations shall be performed following the attached Stepping Stone Guidelines and all existing stepping stone installations not approved by variance shall be removed upon resale;

RESOLVED FURTHER, Resolution 03-07-02, adopted January 16, 2007, is hereby superseded in their entirety and no longer in effect;

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

Director McCary made a motion to approve the Stepping Stone Policy and Guidelines. Director Engdahl seconded the motion.

Discussion ensued among the directors.

Director Jarrett made a motion to amend the motion to send the policy back to the Landscaping Committee for discussion. Director McCary seconded the motion.

Director McCary withdrew her motion to approve the Stepping Stone Policy and Guidelines. Director Engdahl withdrew his second.

Discussion ensued among the directors.

Director Jarrett made a motion send the policy back to the Landscaping Committee for discussion. Director Laws seconded the motion.

Hearing no objections, the motion was approved by unanimous consent

12c. Entertain a Motion to Provide a Company cell phone for Board President.

CEO Parker gave an overview the plan for providing a company cell phone for the Board president.

Director McCary made a motion to approve a company cell phone for the Board president at a cost of \$35 per month. The motion was approved by Director Rane-Szostak.

Discussion ensued among the directors.

President Mutchnick called the motion to a vote and the motion passed 9-0-1 (Director MUTchnick abstained, Director Frankel absent)

13. New Business

13a. Entertain a Motion to Introduce the Alteration Fee Schedule Revision

Director Cook motioned to send the Alteration/Variance Processing Fee Policy back to committee. Director Jarrett seconded the motion.

Hearing no objection, the motion was approved by unanimous consent.

13b. Entertain a Motion to Introduce the Contractor Violation Policy

Director Jarrett read the following resolution:

RESOLUTION 03-21-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 with the possibility for an approved timeline extension; and

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

NOW THEREFORE, BE IT RESOLVED, on November 16, 2021, the Third 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.

Director Rane-Szostak motioned to place under 28-day review. Director Frankel seconded the motion.

Hearing no objection, the motion passed by unanimous consent.

14. Committee Reports

14a. Report of the Finance Committee / Financial Report – Director Rane-Szostak gave the Treasurer's Report. The committee met on November 2, 2021; next meeting December 7, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

(1) Treasurer's Report

(2) Third Finance Committee Report

(3) Resale/Leasing Reports

14b. Report of the Architectural Controls and Standards Committee – Director Mutchnick gave an update from the last committee meeting. The committee met on October 13, 2021; next meeting November 22, 2021, at 9:30 a.m. in the Willow Room and as a virtual meeting.

14c. Report of the Communications Committee – Director McCary gave an update from the committee. The committee met October 13, 2021; next meeting is scheduled for January 12, 2022 at 1:30 p.m. in the Willow Room as a virtual meeting.

14d. Report of the Maintenance and Construction Committee – Director Engdahl gave an update from the M&C Committee. The committee met on November 1, 2021; next meeting January 3, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

1) Report of the Parking and Golf Cart Subcommittee – Director Bhada gave an update from the subcommittee. The subcommittee met on August 18, 2021; next meeting TBA.

2) Report of the Garden Villa Rec. Room Subcommittee – Director Jarrett gave an update from the subcommittee. The Garden Villas Rec. Room Subcommittee met on September 29, 2021; next meeting February 23, 2022, at 9:30 a.m. in the Board Room.

14e. Report of the Landscape Committee – Director McCary gave an update from the Landscape Committee. The committee met on November 4, 2021; next meeting December 2, 2021, at 9:30 a.m. in the Board Room and as a virtual meeting.

14f. Report of the Water Committee – Director Rane-Szostak gave a presentation on Water Conservation. The committee met on November 9, 2021; next meeting January 27, 2022, at 2:00 p.m. in the Board Room and as a virtual meeting.

14g. Report of the Resident Policy and Compliance Committee – Director Mutchnick. The committee met on August 24, 2021; next meeting November 23, 2021 at 9:30 a.m. in the Board Room and as a virtual meeting.

15. GRF Committee Highlights

15a. Community Activities Committee – Director McCary shared highlights from the last Community Activities Committee. The committee met on November 8, 2021; next meeting December 9, 2021, at 1:30 p.m. as a virtual meeting.

(1) Equestrian Center Ad Hoc Committee – Director Bhada shared highlights from the last committee meeting. The committee met on November 4, 2021; next meeting January 26, 2022 at 1:00 p.m. in the Board Room and as a virtual meeting.

15b. GRF Finance Committee – Director Rane-Szostak shared highlights from the last committee meeting. The committee met on October 20, 2021; next meeting December 15, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

15c. GRF Landscape Committee – No report available. The committee met on November 10, 2021; next meeting November 18, 2021 at 1:30 p.m. in the Board Room and as a virtual meeting.

15d. GRF Maintenance & Construction Committee – Director Engdahl shared highlights from the last committee meeting. The committee met October 13, 2021; next meeting December 8, 2021, at 9:30 a.m. in the Board Room and as a virtual meeting.

(1) Clubhouse Facilities Renovation Ad Hoc Committee – Director Engdahl shared highlights from the last committee meeting. The committee met on July 9, 2021; next meeting TBA.

- 15e.** Media and Communications Committee – Director McCary shared highlights from the last committee meeting. The committee met on October 18, 2021; next meeting November 17, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.
- 15f.** Mobility and Vehicles Committee – No report available. The committee met on October 6, 2021; next meeting December 1, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.
- 15g.** Security and Community Access Committee – Director McCary shared highlights from the last committee meeting. The committee met on October 25, 2021; next meeting December 27, 2021 at 1:30 p.m. in the Board Room and as a virtual meeting.
- (1) Disaster Preparedness Task Force – Director McCary updated the board on the last task force meeting. The task force met on September 28, 2021; next meeting November 30, 2021, 9:30 a.m. in the Board Room and as a virtual meeting.
- 15h.** Report of the Laguna Woods Village Traffic Hearings – Director Frankel reported on the last traffic hearings held on October 20, 2021; next meeting November 17, 2021 at 9 a.m. as a virtual meeting.
- 15i.** Report of the GRF Strategic Planning Ad Hoc Committee – Director Mutchnick shared highlights from the last committee meeting. The committee met on June 28, 2021; next meeting TBA.
- 15j.** Report of the Trash Task Force – Director Wayne commented about the increase in trash fees. No meeting has been scheduled.
- 15k.** Information Technology Advisory Committee – Director Laws made presentation on work of this committee.

16. Future Agenda Items-- *All matters listed under Future Agenda Items are items for a future board meeting. No action will be taken by the Board on these agenda items at this meeting. The Board will take actions on these items at a future Board meeting.*

- a. Resident Suggestion Program
- b. Alterations Review
- c. Property and Casualty Insurance
- d. Presentation from El Toro Water District

17. Director's Comments


- Director Mutchnick commented on all Boards training success.
- Director McCary commented that holiday scams are on the rise.
- Director Jarrett commented on ITAC Committee

18. 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.

19. Adjournment

The meeting was adjourned at 12:42 p.m.



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

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~~YEAR 2021~~2022 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement of the specific procedures, policies, and practices (“Policy Statement”) employed by Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation (the “Mutual”) in enforcing lien rights or other legal remedies for default in payment of its assessments against its owners (“Members”). This Policy Statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7).

The collection of delinquent assessments is of vital concern to all Members of the Mutual. Such efforts ensure that all Members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members’ failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those Members who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. These rights and remedies are described in this Policy Statement.

~~WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION AND RECOGNIZING THEIR LEGAL OBLIGATIONS, WILL FAILURE TO MAKE~~ TIMELY PAYMENTS ~~AND AVOID~~CAN RESULT IN THE IMPOSITION OF LATE CHARGES, INTEREST, COSTS OF COLLECTION, POSSIBLE RESULTANT LEGAL ACTION,~~—AND THE LEGAL OBLIGATION~~AGREE MEMBERS CAN BE REQUIRED TO REIMBURSE THE MUTUAL FOR ~~THE COSTS OF~~ SUCH LEGAL COSTS, REGARDLESS OF WHETHER FORMAL LEGAL ACTION IS TAKEN. IT IS IN ~~THE BEST INTEREST OF YOU YOUR~~ AND EVERY OTHER ~~MEMBER OF THE MUTUAL MEMBER’S BEST INTEREST~~ FOR EACH OF YOU TO MAKE YOUR MONTHLY ASSESSMENT PAYMENTS ON TIME.

REGARDLESS OF WHETHER THE MUTUAL RECORDS A LIEN ON YOUR PROPERTY DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL MEMBERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are ~~made~~prepared monthly by the Mutual’s managing agent to the Mutual’s Board of Directors ~~of the Mutual~~ (“Board”), identifying the delinquent Member, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted

resolution of the Mutual's Board, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted statutes or court decisions. In accordance with the Mutual's governing documents (including, without limitation, the Articles of Incorporation, the Bylaws, the recorded CC&Rs, rules and regulations, and written policies) (collectively, the "Governing Documents") and the California Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including for the collection of assessments, late charges, ~~finer~~ interest, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

1. Assessment Due Date

Regular assessments ("Carrying Charges" as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first (1st) day of each month. It is each Member'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 in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed.

2. Reminder Notice

~~If the current~~ monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or ~~if a, for special assessments,~~ if it is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), ~~a Reminder Notice is~~. A written reminder notice and email may be sent to the Member. It is each Member's responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

~~PLEASE NOTE THAT~~ TO BE CONSIDERED TIMELY, ~~THE~~ PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN ~~THIS~~ THE FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS ~~NOT~~ SUFFICIENT INSUFFICIENT.

IN ADDITION TO THE FOREGOING, CHARGEABLE SERVICES ARE LATE IF NOT PAID WITHIN 25 DAYS AFTER BECOMING DUE.

3.

Administrative Collection Fee

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred "Costs of Collection." "Costs of Collection" as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Five Hundred Dollars (\$500) (the "Administrative Collection Fee"), which is charged by the Mutual's managing agent to cover staff's costs to prepare ~~the~~ files for delivery to the Mutual's legal counsel and/or collection agent in order to carry out authorized legal and/or collection actions ~~authorized hereunder~~, as well as direct costs incurred in recording and/or mailing documents attendant to ~~this~~ the legal and/or collection process.

The Administrative Collection Fee may be increased by majority vote of the Mutual's Board and may be collected by the Mutual's legal counsel and/or collection agent on its behalf, and remitted to the Mutual's managing agent, or may be directly collected by the Mutual's managing agent. Any change to

the Administrative Collection Fee shall not be deemed a change to this Policy and shall not require rule change or member review period procedures to be undertaken by the Board.

4. Late Charge

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE ~~THE DELINQUENCY DATE. THEY BECOME DELINQUENT.~~ Any notices or invoices for assessments (Are these "regular" monthly assessments and/or "special" assessments???) will be sent to Members by first-class and/or certified mail addressed to the Member at his-~~or~~ /her/their/its address as shown on the books and records of the Mutual. However, it is the Member's responsibility to be aware of the assessment payment amounts and due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code section 4041.

A late payment charge for a delinquent assessment will be assessed in the amount of ~~Sixty~~Seventy-Five Dollars (\$~~60~~75.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both ~~state law~~Civil Code section 5650 and the Mutual's Governing Documents provide for interest on ~~the all sums imposed in accordance with Section 5650, including on~~ delinquent assessment, reasonable fees and ~~the late charge~~costs of collection, and ~~accordingly interest~~reasonable attorney's fees, which may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of twelve percent (12%) ~~as allowed by Civil Code section 5650. %).~~ Such interest may be imposed and collected ~~per the foregoing sentence~~ regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for ~~further~~ handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

5. Demand Letter (aka Pre-Lien Notice)

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of ~~the Reminder Notice~~, a Demand Letter (also known reminder notice, as described in section 2 above, or if no reminder notice was sent, then within thirty (30) days after the date when the delinquent amount became due, then a Pre-Lien Notice ~~demand letter~~ pursuant to ~~California~~ Civil Code ~~sections~~section 5660), (a "Pre-Lien Notice"), as detailed ~~further~~ below, will be sent to the Member by Certified Mail. The Mutual, through its managing agent, ~~will~~may also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay off the delinquency whether or not a reminder notice ~~or~~ telephone reminder is actually received by the Member.

6. Alternate Means to Collect Delinquent Sums

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late charges and interest) is not received by the close of business on the thirtieth (30th) day after the date of ~~the Demand Letter/Pre-Lien Notice~~ a demand letter for payment of same (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor") ~~which is governed by the Mutual,~~), on the thirtieth (30th) day after receipt of ~~the Demand Letter/a~~ Pre-Lien Notice), the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, and based on the circumstances of the

delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or ~~GRF~~ Golden Rain Foundation of Laguna Woods ("GRF") facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) other means permitted by law.

A demand letter and/or Pre-Lien Notice is presumed to have been received in the regular course of mail within five (5) days of mailing if the mailing address is within California and within ten (10) days if the mailing address is within the United States but outside of California and within twenty (20) days if the mailing address is outside of the United States.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's Governing Documents, suspend a delinquent Member's right to ~~vote on matters as to which the Member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, late charges, and/or the Administrative Costs of Collection Fee, as may have been imposed or incurred in a particular instance. Failure to pay the assessments, interest, late charges, and/or the Administrative Collection Fee in full such amounts~~ may also result in suspension of certain Membership rights and the ability to use the facilities or services provided by ~~the Golden Rain Foundation of Laguna Woods~~ GRF or by this Mutual.

The Mutual may also take various legal actions to enforce the collection of delinquencies. **THESE ACTIONS MAY BE TAKEN SEPARATELY OR CONCURRENTLY.**

7.

Small Claims Court

A civil action in small claims court may be filed, with a management company representative or bookkeeper appearing and participating on behalf of the Mutual.

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT, (LIEN), AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court ~~proceeding~~; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments, fines, fees, or chargeable services, and any reasonable late charges, fees and Costs of Collection (~~which costs shall, as stated above, include, without limitation, the Administrative Collection Fee), attorney's fees including attorney's fees~~), and interest, all up to the jurisdictional limits of the small claims court.

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

8.

Lien

The Mutual may secure the delinquency by recording a notice of delinquent assessment (lien) on the owner's Manor with the county Orange County recorder ~~of the county in which the Manor is located.~~

The debt shall be a lien on the owner's Manor from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with ~~subdivision (b) of Section 5650 of the California~~ Civil Code; section 5650(b); a legal description of the owner's Manor ~~against which the assessment and other sums are levied~~; and the name of the record owner of the Manor ~~against which the lien is imposed~~.

~~The An~~ itemized statement of the ~~charges~~ debt owed by the owner, as described in ~~subdivision (b) of Section 5660 of the California~~ Civil Code section 5660(b), shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in ~~Sections Civil Code sections~~ 5700 to 5710 ~~of the California Civil Code~~, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the ~~association~~ Mutual to enforce the lien by sale of the Manor. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the ~~association~~ Mutual for that purpose, or if no one is designated, by the president of the ~~association~~ Mutual. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an owner of the Manor in the ~~association's~~ Mutual's records, and ~~the notice~~ shall be mailed no later than ten (10) calendar days after recordation.

~~The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the Member.~~ If it is determined that the Mutual has recorded a lien for a delinquent assessment in error, the Mutual shall promptly reverse all related late charges, fees, interest, attorney's fees, ~~costs and~~ Costs of collection, ~~costs imposed for the notice prescribed in Section 5660 of the California Civil Code, and costs of recordation and release of the lien authorized under subdivision (b) of Section 5720~~ Collection, and pay all costs incurred by the Mutual related to any related an internal dispute resolution (IDR) or alternative dispute resolution ~~-(ADR)~~.

2.

Foreclosure/ADR

After ~~the expiration of~~ thirty (30) days following the recording of a delinquent assessment lien ~~created pursuant to California Civil Code Section 5675~~, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, ~~attorney's fees~~, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), ~~or~~ OR any unpaid assessments are more than twelve (12) months delinquent, then, subject to the conditions specified conditions below, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual ~~must~~ shall participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Civil Code section 5965 requires ~~the~~ the following statement to be included in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any “meet and confer” session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the statutory minimum as to the delinquent amount or duration of the delinquency has been met, ~~a proceeding may be commenced to foreclose~~ the Mutual may commence foreclosing the lien against the Member’s Manor and sell the Manor at a private sale or by a judicial sale. If this occurs, the Member may lose title to his ~~or~~ /her/their/its Manor.

10. Board Decision to Initiate Foreclosure

The decision to initiate foreclosure of a ~~lien for delinquent assessments that has been~~ validly recorded delinquent assessment lien shall be made only by the Board and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the delinquent Member ~~or Members~~. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

~~The Board must~~ If the Board votes to foreclose upon an owner’s Manor, the Board shall provide notice by personal service to an owner of a Manor if the owner occupies the Manor or to their legal representative, ~~if the Board votes to foreclose.~~ For a non-occupying owner, the Board ~~must~~ shall provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the owner’s Manor may be treated as the owner’s mailing address.

11. Non-Judicial Foreclosure/Right of Redemption

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the Manor may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per ~~California~~ Civil Code section 5715.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of ~~the Davis-Stirling Common Interest Development Act~~ California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late ~~payment penalties for charges on~~ the delinquent assessments and/or interest charges and/or ~~charges for~~ Costs of Collection ~~that are incurred by the Mutual and/or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments~~ (including, but not limited to, attorney’s fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member’s ~~Manor~~.

Moreover, pursuant to ~~the Davis-Stirling Common Interest Development Act~~ California law, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member’s guests or tenants were responsible may also be enforced as a lien against the Member’s Manor.

12. Prerequisites to Recording a Lien: Offer of IDR/ADR and Thirty (30) Day Pre-Lien Notice to the Delinquent Member

Before a lien ~~can~~ may be recorded ~~in the chain of title to the~~ against a Manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in ~~dispute resolution~~ IDR pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the ~~California~~ Civil Code.

Any choice by a Member to pursue IDR or any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue IDR/ADR, whether it is before a lien can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest Development Act or the Mutual's Governing Documents authorize or allow a Member to choose IDR/ADR. A Member's right to pursue IDR/ADR may be triggered, by, among other things, a decision by the Board and/or Executive Hearing Committee, as applicable, following any right to appeal pursuant to the Mutual's Appeal Policy.

THE DECISION TO PURSUE ~~DISPUTE RESOLUTION~~ IDR OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

13. Pre-Lien Notice

Prior to recording a lien against a Member's Manor, the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given.

The Pre-Lien Notice must include the following information (per ~~California~~ Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount, a statement that the owner of the Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed;

"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION"
- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any;
- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the board as provided in Section 5665;

- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure;

14. Member's Right to Request a Meeting with the Board, or ~~Dispute Resolution~~IDR or ADR.

Upon receipt of the certified Pre-Lien Notice described above, the noticed Member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The Member has the right to dispute the assessment debt by submitting a written request for ~~dispute resolution~~IDR to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code sections 5900-5920;
- (b) The Member may exercise his-~~or~~-her/~~their~~/~~its~~ right to participate in ~~alternative dispute resolution~~ADR with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;
- (c) The Member has a right to submit a written request to meet with the Board-~~of Directors~~ to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member ~~if there is no regularly scheduled Board~~ in a specially called executive session meeting that will occur within forty-five (45) days of the Member's request.

15. Payment Plan Requests

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member 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 Notice. The Mutual's Board will consider payment plan requests on a case-by-case basis, and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's Manor to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into

the payment plan. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

16. Application of Payments

~~Additionally, in~~ accordance with state law, unless otherwise waived in writing by the Member, payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: ~~first, to the principal assessments owed;~~ then ~~to accrued interest fees and late charges;~~ ~~then to costs of collection, attorney's fees;~~ ~~then to title company and foreclosure service company charges and other Costs of Collection;~~ ~~late charges, interest.~~ Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 5655.

17. Secondary Address

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code section 4041 and the Governing Documents, the Mutual must send additional notices to this secondary address. Pursuant to Civil Code section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the ~~onsite manor~~ Manor shall be deemed to be the address to which notices are to be delivered.

18. No Right of Offset

There is no right of offset. This means that a Member may not withhold assessments and related charges owed to the Mutual on the alleged grounds that the Member would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.

19. Returned Checks

The Mutual may charge the Member a twenty-five dollar (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with ~~California~~ Civil Code section 1719.

20. Charges and Fees Subject to Change

All charges and fees set forth in this Policy Statement are subject to change upon thirty (30) days prior written notice.

21. **Overnight Payments**

The mailing address for overnight payment of assessments is:

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

22. **Rights Reserved by Mutual**

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

23. **Attachments**

Notice of Assessments and Foreclosure (pursuant to Civil Code Section 5730): Attachment ""A"".

State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act disclosures: Attachment "B".

BOARD OF DIRECTORS

THIRD LAGUNA HILLS MUTUAL

ATTACHMENT "A"

**NOTICE OF
ASSESSMENTS AND FORECLOSURE**

The following notice is provided pursuant to California Civil Code Section 5730

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

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

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, 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.

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

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

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

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

ATTACHMENT "B"

The following Disclosure is made pursuant to California Civil Code Sections 1812.700-1812.703

“The State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.”



2022 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement of the specific procedures, policies, and practices (“Policy Statement”) employed by Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation (the “Mutual”) in enforcing lien rights or other legal remedies for default in payment of its assessments against its owners (“Members”). This Policy Statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7).

The collection of delinquent assessments is of vital concern to all Members of the Mutual. Such efforts ensure that all Members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members’ failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those Members who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. These rights and remedies are described in this Policy Statement.

FAILURE TO MAKE TIMELY PAYMENTS CAN RESULT IN THE IMPOSITION OF LATE CHARGES, INTEREST, COSTS OF COLLECTION, POSSIBLE RESULTANT LEGAL ACTION AND AGREE MEMBERS CAN BE REQUIRED TO REIMBURSE THE MUTUAL FOR SUCH LEGAL COSTS, REGARDLESS OF WHETHER FORMAL LEGAL ACTION IS TAKEN. IT IS IN YOUR AND EVERY OTHER MEMBER’S BEST INTEREST FOR EACH OF YOU TO MAKE YOUR MONTHLY ASSESSMENT PAYMENTS ON TIME.

BASIC POLICIES AND PROCEDURES

Delinquency reports are prepared monthly by the Mutual’s managing agent to the Mutual’s Board of Directors (“Board”), identifying the delinquent Member, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted statutes or court decisions. In accordance with the Mutual’s governing documents (including, without limitation, the Articles of

Incorporation, the Bylaws, the recorded CC&Rs, rules and regulations, and written policies) (collectively, the “Governing Documents”) and the Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including for the collection of assessments, late charges, interest, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

1. Assessment Due Date

Regular assessments (“Carrying Charges” as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first (1st) day of each month. It is each Member’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 in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed.

2. Reminder Notice

A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or, for special assessments, if it is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due). A written reminder notice and email may be sent to the Member. It is each Member’s responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

TO BE CONSIDERED TIMELY, PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN THE FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS INSUFFICIENT.

IN ADDITION TO THE FOREGOING, CHARGEABLE SERVICES ARE LATE IF NOT PAID WITHIN 25 DAYS AFTER BECOMING DUE.

3. Administrative Collection Fee

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred “Costs of Collection.” “Costs of Collection” as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Five Hundred Dollars (\$500) (the “Administrative Collection Fee”), which is charged by the Mutual’s managing agent to cover staff’s costs to prepare files for delivery to the Mutual’s legal counsel and/or collection agent in order to carry out authorized legal and/or collection actions, as well as direct costs incurred in recording and/or mailing documents attendant to the legal and/or collection process.

The Administrative Collection Fee may be increased by majority vote of the Mutual’s Board and may be collected by the Mutual’s legal counsel and/or collection agent on its behalf, and remitted to the Mutual’s managing agent, or may be directly collected by the Mutual’s managing agent. Any change to the Administrative Collection Fee shall not be deemed a change to this Policy and shall not require rule change or member review period procedures to be undertaken by the Board.

4. Late Charge

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THEY BECOME DELINQUENT. Any notices or invoices for assessments and/or special assessments will be sent to Members by first-class and/or certified mail addressed to the Member at his/her/their/its address as shown on the books and records of the Mutual. However, it is the Member's responsibility to be aware of the assessment payment amounts and due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code section 4041.

A late payment charge for a delinquent assessment will be assessed in the amount of Seventy-Five Dollars (\$75.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both Civil Code section 5650 and the Mutual's Governing Documents provide for interest on all sums imposed in accordance with Section 5650, including on delinquent assessment, reasonable fees and costs of collection, and reasonable attorney's fees, which may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of twelve percent (12%). Such interest may be imposed and collected regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

5. Demand Letter (aka Pre-Lien Notice)

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of a reminder notice, as described in section 2 above, or if no reminder notice was sent, then within thirty (30) days after the date when the delinquent amount became due, then a demand letter pursuant to Civil Code section 5660 (a "Pre-Lien Notice"), as detailed below, will be sent to the Member by Certified Mail. The Mutual, through its managing agent, may also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay off the delinquency whether or not a reminder notice or telephone reminder is actually received by the Member.

6. Alternate Means to Collect Delinquent Sums

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late charges and interest) is not received by the close of business on the thirtieth (30th) day after the date of a demand letter for payment of same (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor"), on the thirtieth (30th) day after receipt of a Pre-Lien Notice) the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or Golden Rain Foundation of Laguna Woods ("GRF") facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) other means permitted by law.

A demand letter and/or Pre-Lien Notice is presumed to have been received in the regular course of mail within five (5) days of mailing if the mailing address is within California and within ten (10) days if the mailing address is within the United States but outside of California and within twenty (20) days if the mailing address is outside of the United States.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's Governing Documents, suspend a delinquent Member's right to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, late charges, and/or Costs of Collection, as may have been imposed or incurred in a particular instance. Failure to pay in full such amounts may also result in suspension of certain Membership rights and the ability to use the facilities or services provided by GRF or by this Mutual.

The Mutual may also take various legal actions to enforce the collection of delinquencies. **THESE ACTIONS MAY BE TAKEN SEPARATELY OR CONCURRENTLY.**

7. **Small Claims Court**

A civil action in small claims court may be filed, with a management company representative or bookkeeper appearing and participating on behalf of the Mutual.

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT (LIEN), AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments, fines, fees, or chargeable services, and any reasonable late charges, fees and Costs of Collection (including attorney's fees), and interest, all up to the jurisdictional limits of the small claims court.

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

8. **Lien**

The Mutual may secure the delinquency by recording a notice of delinquent assessment (lien) on the owner's Manor with the Orange County recorder. The debt shall be a lien on the owner's Manor from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with Civil Code section 5650(b); a legal description of the owner's Manor; and the name of the record owner of the Manor.

An itemized statement of the debt owed by the owner, as described in Civil Code section 5660(b), shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in Civil Code sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Mutual to enforce the lien by sale of the Manor. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the Mutual for that purpose, or if no one is designated, by the president of the Mutual. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an owner of the Manor in the Mutual's records, and shall be mailed no later than ten (10) calendar days after recordation.

If it is determined that the Mutual has recorded a lien for a delinquent assessment in error, the Mutual shall promptly reverse all related late charges, fees, interest, attorney's fees, and Costs of Collection, and pay all costs incurred by the Mutual related to any related an internal dispute resolution (IDR) or alternative dispute resolution (ADR).

9. Foreclosure/ADR

After thirty (30) days following the recording of a delinquent assessment lien, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), OR any unpaid assessments are more than twelve (12) months delinquent, then, subject to the conditions specified below, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual shall participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Civil Code section 5965 requires the following statement to be included in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any "meet and confer" session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the statutory minimum as to the delinquent amount or duration of the delinquency has been met, the Mutual may commence foreclosing the lien against the Member's Manor and sell the Manor at a private sale or by a judicial sale. If this occurs, the Member may lose title to his/her/their/its Manor.

10. Board Decision to Initiate Foreclosure

The decision to initiate foreclosure of a validly recorded delinquent assessment lien shall be made only by the Board and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the delinquent Member. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

If the Board votes to foreclose upon an owner's Manor, the Board shall provide notice by personal service to an owner of a Manor if the owner occupies the Manor or to their legal representative. For a non-occupying owner, the Board shall provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-

occupying owner to the Mutual, the address of the owner's Manor may be treated as the owner's mailing address.

11. Non-Judicial Foreclosure/Right of Redemption

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the Manor may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per Civil Code section 5715.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late charges on the delinquent assessments and/or interest charges and/or Costs of Collection (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.

Moreover, pursuant to California law, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member's guests or tenants were responsible may also be enforced as a lien against the Member's Manor.

12. Prerequisites to Recording a Lien: Offer of IDR/ADR and Thirty (30) Day Pre-Lien Notice

Before a lien may be recorded against a Manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in IDR pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the Civil Code.

Any choice by a Member to pursue IDR or any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue IDR/ADR, whether it is before a lien can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest Development Act or the Mutual's Governing Documents authorize or allow a Member to choose IDR/ADR. A Member's right to pursue IDR/ADR may be triggered by, among other things, a decision by the Board and/or Executive Hearing Committee, as applicable, following any right to appeal pursuant to the Mutual's Appeal Policy.

THE DECISION TO PURSUE IDR OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

13.**Pre-Lien Notice**

Prior to recording a lien against a Member's Manor, the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given.

The Pre-Lien Notice must include the following information (per Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount, a statement that the owner of the Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed;

"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION"
- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any;
- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the board as provided in Section 5665;
- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure;

14.**Member's Right to Request a Meeting with the Board, or IDR or ADR.**

Upon receipt of the certified Pre-Lien Notice described above, the noticed Member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The Member has the right to dispute the assessment debt by submitting a written request for IDR to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code sections 5900-5920;
- (b) The Member may exercise his/her/their/its right to participate in ADR with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;

- (c) The Member has a right to submit a written request to meet with the Board to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member in a specially called executive session meeting that will occur within forty-five (45) days of the Member's request.

15.**Payment Plan Requests**

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member 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 Notice. The Mutual's Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's Manor to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

16.**Application of Payments**

In accordance with state law, unless otherwise waived in writing by the Member, payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: assessments owed, then fees and costs of collection, attorney's fees, late charges, interest. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 5655.

17.**Secondary Address**

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code section 4041 and the Governing Documents, the Mutual must send additional notices to this secondary address. Pursuant to Civil Code section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the Manor shall be deemed to be the address to which notices are to be delivered.

18. **No Right of Offset**

There is no right of offset. This means that a Member may not withhold assessments and related charges owed to the Mutual on the alleged grounds that the Member would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.

19. **Returned Checks**

The Mutual may charge the Member a twenty-five dollar (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with Civil Code section 1719.

20. **Charges and Fees Subject to Change**

All charges and fees set forth in this Policy Statement are subject to change upon thirty (30) days prior written notice.

21. **Overnight Payments**

The mailing address for overnight payment of assessments is:

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

22. **Rights Reserved by Mutual**

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

23. **Attachments**

Notice of Assessments and Foreclosure (pursuant to Civil Code Section 5730): Attachment "A".

State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act disclosures: Attachment "B".

BOARD OF DIRECTORS

THIRD LAGUNA HILLS MUTUAL

ATTACHMENT "A"

**NOTICE OF
ASSESSMENTS AND FORECLOSURE**

The following notice is provided pursuant to California Civil Code Section 5730

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

Attachment 1

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

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

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, 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.

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

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

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

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

ATTACHMENT "B"

The following Disclosure is made pursuant to California Civil Code Sections 1812.700-1812.703

“The State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.”

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Attachment 2– Contractor Violation Policy 03-21-XX

CONTRACTOR VIOLATION POLICY

It is crucial that contractors hired by members 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 member'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 member 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 members; 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 Third in an effort to protect members and Third property and to encourage contractors to adhere to the rules and obligations governing the members and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (Third). 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 member 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 contractor on the mutual standard certificate of liability insurance (COLI).

Attachment 2 continued – Contractor Violation Policy 03-21-XX

- 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 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. Contractor shall notify MA within 3 business days of knowledge of such delay or the potential of a force majeure event to allow consideration of an appropriate extension of time.

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 member,
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 member 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 member will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.

Attachment 2 continued – Contractor Violation Policy 03-21-XX

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 Third. After the second suspension, board approval is necessary for contractor reinstatement. Thereafter, any violation would result in permanent suspension from Third.
 - a. The member 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 member 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 member of the manor issued the offense and any member 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.

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.

Attachment 2 continued – Contractor Violation Policy 03-21-XX

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 member of the manor issued the offense and any member 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 member 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 Third'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.

Attachment 2 – Exhibit A – Construction Rules & Obligations

Exhibit A – Construction Rules & Obligations

Both member 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 Third Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and 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 Third board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the 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. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's member and/or all future mutual members. 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 time frame, and a copy of the final permit must be submitted to MA.
5. Member 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.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

6. Subject to the Contractor Violation Policy, member 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. 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; 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. Member 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. Member and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <http://www.lagunawoodsvillage.com>.
8. Member 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.
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.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

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 member 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 member as presented in the Contractor Violation Policy.
17. Mutual member and his/her contractor shall indemnify, defend and hold harmless Third 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.

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