

OPEN MEETING

MEETING OF THE GOLDEN RAIN FOUNDATION
COMPLIANCE AD HOC COMMITTEE

Friday, January 27, 2023 - 9:30 a.m.
24351 El Toro Road, Laguna Woods, California 92637
Community Center – Sycamore Room/Virtual

NOTICE AND AGENDA

1. Call to Order Bunny Carpenter
2. Approval of the Agenda Bunny Carpenter
3. Approval of the Report from November 30, 2022 Bunny Carpenter
4. Chair's Remarks Bunny Carpenter
5. Member Comments Bunny Carpenter
Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of two options:
 1. Join the committee meeting via a Zoom link <https://us06web.zoom.us/j/89671074866> or by calling 669-900-6833. Access code: 896 7107 4866
 2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and unit number must be included.
6. Response to Member Comments Bunny Carpenter

Items for Discussion and Consideration:

7. Member Disciplinary Policy Jacob Huanosto
8. Samples of Disciplinary Notices Jacob Huanosto
9. Schedule of Monetary Penalties Jacob Huanosto

Concluding Business:

10. Committee Member Comments
11. Future Agenda Items
 - a. Disciplinary Violations Matrix
12. Adjournment
13. Date of Next Meeting: To be Determined

Bunny Carpenter, Chair
Jacob Huanosto, Interim Staff Officer
(949) 268-2407



OPEN MEETING

**MEETING OF THE GOLDEN RAIN FOUNDATION
COMPLIANCE AD HOC COMMITTEE**

Wednesday, November 30, 2022 - 9:30 A.M.
Laguna Woods Village Community Center- Sycamore Room/Virtual Meeting
24351 El Toro Road, Laguna Woods, CA 92637

MEMBERS PRESENT: Bunny Carpenter- Chair, Juanita Skillman, Cris Prince, Reza Karimi, Maggie Blackwell, Joan Milliman, Pearl Lee and Mark Laws

MEMBERS ABSENT: None

STAFF PRESENT: Francis Gomez, Jacob Huanosto, Allison Giglio and Ruby Rojas

CALL TO ORDER

Bunny Carpenter, Chair, called the meeting to order at 9:33 a.m.

APPROVAL OF THE AGENDA

Chair Carpenter made a motion to approve the agenda as presented.

Without objection the agenda was approved.

APPROVAL OF THE REPORT FROM OCTOBER 19, 2022

Chair Carpenter made a motion to approve the report from October 19, 2022 as submitted.

Without objection the report was approved.

CHAIR'S REMARKS

Chair Carpenter distributed a document and advised that it is the goals for the Committee is to review resolutions and documents.

MEMBER COMMENTS

None

RESPONSE TO MEMBER COMMENTS

None

ITEMS FOR DISCUSSION AND CONSIDERATION

Member Disciplinary Policy and Process

Francis Gomez, Operations Manager, gave an overview of the Member Disciplinary Process. The Committee members made comments and asked questions.

The Committee directed staff to do the following:

1. The jurisdiction of any violation depends on the location of where the incident took place, unless it involves VMS employees;
2. Distribute the Member Disciplinary Process Document dated 2004 to the Committee Members for review and recommended changes for the next meeting;
3. Distribute the Resolution of GRF allowing the Mutuals to suspend amenities to the Committee Members;
4. Provide samples of Courtesy and Final notices mailed to members to the next meeting for review;
5. Separate Harassment and Nuisance Violations in the Schedule for Monetary Penalties;
6. Generate a Disciplinary Violations Matrix prioritizing cases as a future agenda item; and
7. Provide a Disciplinary Update Report ongoing to the regular closed session agenda packet to include active and complied cases.

The Committee also asked Director Milliman to discuss posting of policies on the Operating Rules Guidebook located on the website as part of the Website Ad Hoc Committee.

CONCLUDING BUSINESS:

Committee Member Comments

None

Future Agenda Items

- a. Schedule of Monetary Penalties
- b. Disciplinary Violations Matrix

Date of Next Meeting

To be determined.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 11:30 a.m.

Bunny Carpenter- Chair

Signature: 
Bunny Carpenter (Dec 23, 2022 14:01 PST)

Email: bunnycarpenter1@gmail.com

STAFF REPORT

DATE: January 27, 2023
FOR: Compliance Ad Hoc Committee
SUBJECT: Member Disciplinary Policy

RECOMMENDATION

Review and file.

BACKGROUND

On October 5, 2004, the Board of Directors established a member discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline (Resolution 90-04-72, Attachment 1). The Board of Directors is obligated to evaluate and impose if appropriate, member discipline under its Bylaws and California Civil Code.

The member discipline process is coordinated by the Compliance Division. Upon notice of an alleged violation, staff investigates and should staff identify objective evidence of a violation of the governing documents (bylaws, rules and regulations, resolution, etc.) by a member or anybody they allowed into the Community, staff will send a courtesy notice to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Staff will monitor the situation and if compliance is not evident, staff will send a final notice requesting compliance. Additionally, the matter is then scheduled for a disciplinary hearing with the Board of Directors to determine if member discipline is merited. If the alleged violation has been resolved, no further action is required. Depending on the seriousness of the matter, the Board has the authority to schedule a disciplinary hearing as soon as reasonably possible.

If a disciplinary hearing is merited, staff will proceed with noticing the member for a hearing. During a Member Disciplinary Hearing the member has the right to meet before the Board of Directors in executive session. If the board finds the member to be in violation of the governing documents, the board may impose a fine based on the Monetary Fee Schedule, suspend member privileges, and/or consider legal action.

Violations include but are not limited to abandoned/inoperable vehicles, nuisance, harassment, abuse, intimidation, amenity operating rules (equestrian center, garden center, etc.), the golf course, recreational vehicles and Department of Recreation and Special Events policies, etc. A complaint may be registered by calling the Department of Security Services at 949-580-1400; the Compliance Division at 949-268-CALL; or by emailing compliance@vmsinc.org.

DISCUSSION

On average, the member disciplinary process takes approximately 45 days from when a complaint is reported to when a disciplinary hearing is scheduled. Additionally, at present time, approximately 92% of disciplinary cases are resolved with the courtesy notice. The only exception is garden center violations which comply at a rate of 56% with a courtesy notice. Staff from the Compliance Division and Recreation and Special Events Department are focused on this item and working to create efficiencies. The following categories currently result in an

immediate hearing: violations involving hazardous materials, violations involving safety concerns, and major nuisance violations.

Additionally, following is a list of challenges that staff faces consistently:

1. Due to strict confidentiality restrictions staff is unable to disclose any information of a complaint to the reporting party or any individual that is not the member.
2. The current overall caseload is 754 open cases.
3. Violations not being reported or escalated to the Compliance Division for appropriate action.
4. Violations not being reported or escalated to the Compliance Division in a timely manner for appropriate action.
5. Staff levels have decreased, and it is anticipated that they will continue to decrease. The division is approved for three Compliance Coordinators, however, at present the division has decreased to two Compliance Coordinator handling the entire workload. Additionally, the Operations Manager decrease in January due to an extended leave of absence.

FINANCIAL ANALYSIS

The Board imposes disciplinary monetary penalties as an action for violation of the governing documents. The penalties range from \$25 - \$500 depending on the specifics of the matter. For 2022, the Board has held seven hearings and imposed monetary penalties in total of \$1,600.

Prepared By: Francis Gomez, Operations Manger

Reviewed By: Jacob M. Huanosto, Interim Compliance Supervisor

ATTACHMENT(S)

Attachment 1: Timely Processing of Member Discipline, Resolution 90-04-72



Professional Community Management, Inc. Agent
Leisure World, Laguna Woods

Timely Processing of Member Discipline

DATE: July 22, 2004

FOR: United Laguna Hills Mutual, the
Golden Rain Foundation, Third
Laguna Hills Mutual, and Laguna
Woods Mutual Fifty Boards of
Directors

SUMMARY OF REQUEST

Offered in this report are recommendations for standardizing the criteria currently used by Staff when preparing cases for member-disciplinary review by the Boards. This standardized criteria will help the Boards hold disciplinary hearings in a timely manner, ensure progressive discipline, and develop procedures to use at disciplinary hearings. Staff recommends adopting the following recommended guidelines to allow for the reasonable and timely processing of disciplinary issues that will help ensure that due process and due diligence guidelines are met.

BACKGROUND INFORMATION

Areas of member-discipline addressed in this report that may result in disciplinary hearings include: Nuisance Violations/Neighbor Disputes, Violations Involving Tortious Behavior, Clutter, and Unapproved Alterations. Note that any violation of the Boards' governing documents, rules, policies or procedures may result in a disciplinary hearing; however, these four categories represent the majority of the violations. This section discusses the legal basis for disciplinary action, timely processing of member-discipline, and progressive discipline.

It is important to note that Corporate Counsel has advised that the Board of Directors should become involved with member-disciplinary issues only when convinced by their hearing of objective evidence that the rules and/or regulations of the Corporation have been violated. However, once the determination has been made that a violation has occurred thorough careful evaluation of the objective evidence presented to them, the Boards are compelled to take action.

Legal Authority for Disciplinary Hearings and Taking Disciplinary Action

Each Member is obligated to comply with the rules, terms, and conditions as set forth in their Mutual's governing documents. United Laguna Hills Mutual's Occupancy Agreement, Third Laguna Hills Mutual's CC&R's, and Laguna Woods Mutual Fifty's CC&Rs all contain a clause that, to paraphrase, provides:

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No Member or Owner shall permit or suffer anything to be done or kept within their manor or other premises of the Corporation which will increase insurance rates on any building or contents thereof, or will obstruct or interfere with the rights of other members or annoy them by unreasonable noises or commit any nuisance or illegal or immoral act within the Corporation. The Member or Owner shall comply with the requirements of all governmental authorities.

There are occasions when these rules are ignored by Members, or the actions of a Member are so grievous, that disciplinary action is necessary. When a member violates the governing documents, the Board has the authority and obligation to impose member-discipline under the Bylaws and §1363 of the Davis-Stirling Act. The disciplinary action should be carried out in good faith and in a timely, fair, consistent, and reasonable manner; the discipline must be commensurate with the violation and progressive in severity.

Note that the Board has the ability to fine (ultimately lien the separate interest of) only the member, but may suspend privileges (such as the use of the swimming pools) of non-members such as co-occupants, guests, etc., for the purpose of disciplinary action. Should it be found that the actions of the non-member are so egregious, the Board may suspend their privileges and fine the member.

Timely Processing of Member Discipline

If complaints are not acted on in a timely manner by the Board, the complainant(s) may be critical of the Board's inaction and/or may litigate due to the perceived failure of the Board to enforce their Bylaws and rules and regulations. If on the other hand, the Board imposes discipline without sufficient evidence, it may be at risk for a harassment claim. Mediation services may be offered, and if accepted, may aid in the reconciliation process. Third-party mediators may be able to resolve disputes between neighbors in a timely and amicable manner, without the need for a Board hearing or involvement.

Timely processing of violations is often made difficult when the infractions occur sporadically; Staff and the Community leadership will need to work together in these cases, exercising sound judgment to ensure timely follow up. A clear, consistent, documented "paper-trail" will limit untimely action by the Boards.

Progressive Disciplinary Measures

In addition to ensuring the timely processing of complaints, the Boards are obligated to engage in what is termed "progressive discipline." This means that the Boards must entertain disciplinary measures of increasing and proportional severity to attempt to achieve compliance in a fair and measured fashion. A progressive discipline policy demonstrates that a Board's action are warranted under the circumstances and that the Member is given ample opportunity to understand the nature of the problem, the prospective outcome of uncorrected behavior, and take corrective action. Should a court challenge the Board's

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actions, a policy of progressive discipline will demonstrate that the action was reasonable and circumspect and not unfair nor hasty.

Progressive discipline available to the Board may include the following elements:

- *Request for Compliance:* A letter is sent advising the Member that an alleged violation of the Community's rules has been reported to the Association. The Member is advised of the violation and the disciplinary action that may ensue if not corrected (including the following two steps).
- *Fine:* Depending on the severity of the violation or the frequency of occurrence, the Member may be fined after a finding by the Board of Directors that the violation merited this response; a fine may be levied in response to a particularly egregious violation or as a second (or additional) step in the progression of member-discipline;
- *Suspension of Membership Rights and/or Termination of Membership:* The Board of Directors may suspend a Membership for the willful or repetitive failure of the Member to observe the obligations of a Member as set forth in the Mutual or GRF Bylaws. This suspension may include restriction of the use of the Clubhouses or CATV by GRF, or the suspension of voting privileges or service on the Boards. Note that should a housing corporation desire that GRF suspend member privileges (such as CATV as an added disciplinary measure) a hearing before the Board of GRF is required to suspend member privileges in the Golden Rain Foundation.
- *Termination of Membership:* As a final step in the disciplinary process, the Board of Directors may find that an action or cumulative actions are so egregious that the Board is compelled to terminate the membership of the violator. Note that such action is rare and that the Boards would proceed with the utmost in due-diligence and advice from legal counsel.

Note that resident membership in the Golden Rain Foundation is appurtenant to the membership in the housing corporation; accordingly, staff infers that GRF may only suspend member privileges and may not terminate membership in GRF, whereas termination of membership in a housing corporation simultaneously terminates the resident membership in the Golden Rain Foundation¹.

ANALYSIS / ALTERNATIVES

Nuisance Violations/Neighbor Disputes—Incidents Where a Member's Behavior Negatively Impacts Another Member

A nuisance occurs when a Member's behavior causes an annoyance, inconvenience or discomfort which interferes with the ordinary use or occupation of another Member's

¹ Should GRF desire to test this issue, staff recommends seeking guidance from legal counsel.

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property, especially a continuing or repeated invasion or disturbance of another Member's right to use and occupancy. Staff recommends the following procedure for this category of member-discipline:

- 1) Upon receipt of a complaint, Staff investigates and files an Incident Report (IR). Note that both the complaining party(s) and alleged violator(s) are identified in the IR.
- 2) By way of the initial investigation, should Staff identify objective evidence of a violation by a Member or their guests, Staff will send a letter to the offending party describing the allegation with an explanation of the Corporation's disciplinary procedures and jurisdiction. If the violation is considered severe, Staff will copy the Board of Directors recommending that they consider a hearing to determine if member-discipline is merited.
- 3) Third-party intervention will be offered to all parties involved. Professional third party mediation services may be utilized to amicably resolve issues without involving the Board. If successful, such intervention may preclude Board involvement. Social Services will be contacted to assess if any assistance may be provided by either GRF, Adult Protective Services, The Leisure World Foundation, etc.
- 4) If another complaint is received, another IR is filed, and by way of the second investigation should Staff identify objective evidence of a violation, Staff will send another letter to the alleged offender with a copy to the Board of Directors recommending that the Board consider a hearing to determine if member-discipline is merited. Note that if this policy is adopted, the Board will entertain up to 10 prospective matters for hearings per month.
- 5) Considering this information and any other information gathered subsequently, the Board will determine if a hearing is merited and direction will be given to Staff to proceed with noticing a hearing². So that Directors will have all information on hand at the time of the hearing, Staff will produce a subject report on the matter.

Violations Involving Tortious Behavior, i.e., Threats to Persons or Property, Personal Injury, etc.

Violence or behavior that is a threat to the welfare of the Community requires assistance from outside public agencies. When a resident poses a threat to the safety of others, the following procedure is used:

1. If an allegation of tortious behavior is made to Staff, the case is immediately reported to Emergency 9-1-1 or the Sheriff depending on the nature of the report.
2. Staff will assist the Public Agency(s) responding to the investigation and will also file an IR on behalf of the Corporation.
3. Social Services will be contacted to assess if any assistance may be provided to the parties.

² Depending on the frequency of the incidents and their severity, the Board may wish to review the issue during their Closed Sessions either during their regularly scheduled meeting or, at a Special Meeting if the issue is deemed immediate and/or is required due to scheduling difficulties.

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4. If, by way of the investigation, Staff identifies objective evidence of a violation, and, due to the potential for or actual enactment of injury to person or property, Staff will send a letter to the offender with a copy to the Board of Directors recommending that the Board consider a hearing to determine if member-discipline enacted by the Board is merited.
5. Considering this information and any other information gathered subsequently, the Board will determine if a hearing is merited and direction will be given to Staff to proceed with noticing a hearing. So that Directors will have all information on hand at the time of the hearing, Staff will produce a subject report on the matter.

Clutter Violations

Under current public policy, only clutter in common area may be acted on by the Boards. If the personal belongings are left in an exclusive use common area, the Mutual can only remove them in an emergency situation. Staff recommends the following procedure when dealing with clutter issues:

- 1) Upon notice of alleged violation, Staff inspects the condition of patio, balcony, breezeway, manor exterior, carport, laundry room, recreation rooms, etc., photographs the site, and files an IR.
- 2) If by using the Corporation's criteria for ascertaining "clutter," i.e., anything in a carport other than a Corporation-approved storage container, Staff may then issue a request for compliance without Board involvement; or,
- 3) Any subjective evaluations of clutter, i.e., use of patio for storage, will require confirmation of such by the Board or its designee, e.g., as currently performed by the Landscape Committee. With a finding in hand by the Committee³, Staff will send a request for compliance to the Member including a time-certain required for compliance, i.e., 10 days.
- 4) After the noticed period has expired, Staff again inspects the property, and if compliance with the request is not evident, a second IR is filed, and a second notice of violation is sent to the Member with a copy of the correspondence sent to the Board of Directors recommending consideration of a hearing to determine if member-discipline is merited; or, if the condition is resolved, no further action is required at this time.
- 5) Considering this information and any other information gathered subsequently, the Board will determine if a hearing is merited, and direction will be given to Staff to proceed with noticing a hearing. If the directive is given to Staff to notice a member-disciplinary hearing, Staff will produce a subject report on the matter so that Directors will have all information on hand at the time of the hearing.
- 6) The Board of Directors may direct Staff to remove personal belongings that are left in common areas. There is no statutory obligation to store the items; however, consideration should be given to the nature and apparent value of the property.

³ Staff recommends that the Security Committee review such subjective evaluations of clutter during their regularly scheduled meetings, by way of photographs taken by staff.

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Unapproved Alterations

1. Upon identification of an alleged unapproved alteration, Staff will inspect the property to confirm the alteration's status and to assess any damage to the property.
2. Should Staff find that the alteration did not follow the required application process, a letter will be sent to the Member under the signature of the Board President advising of the unapproved alteration. In this notice, the Member is advised that they may apply for a alteration permit with no guarantee that the application will be approved. The Member is requested to comply within 30 days and they are advised that upon expiration of the compliance date that if an alteration application is not submitted, Staff will inspect the property to ascertain if the alteration has been removed. The letter will also advise that if neither of these requests are met, the Member will be noticed for a disciplinary hearing. Also, if damage to the common area is noted, the Member is requested to effect the repair or pay the Corporation to effect the repair.
- 2) By way of adoption of this policy, the Board is authorizing Staff to notice a hearing. To accelerate the hearing process while providing due process for all parties, Staff recommends adoption of the aforementioned steps.

Alternative One:

Approve the noted procedures.

Alternative Two:

Approve the noted procedures with modifications.

RECOMMENDATION

To ensure appropriate and timely processing of member-disciplinary issues, Staff recommends Alternative One.

Prepared by:

Reviewed by:

STAFF REPORT

DATE: January 27, 2023
FOR: Compliance Ad Hoc Committee
SUBJECT: Samples of Disciplinary Notices

RECOMMENDATION

Receive and file.

BACKGROUND

On August 2, 2022, the Board established a Compliance Ad Hoc Committee for the following purpose:

1. Review the Member Disciplinary Process to reflect new and updated operating policies, including but not limited to the Inter-board Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy (if adopted), Internal Dispute Resolution Policy, and various Recreation and Special Events Department policies, procedures and rules;
2. Review the Schedule of Monetary Penalties to reflect new and updated operating policies, including but not limited to the Inter-board Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy (if adopted), Internal Dispute Resolution Policy, and various Recreation and Special Events Department policies, procedures and rules;
3. Review process for enforcement of safety protocols outlined in various Recreation and Special Events Department policies, procedures, and rules;
4. Review Compliance Division investigative processes and verification; and
5. Review resolution(s) granting Mutuals authority to suspend GRF privileges, such as cable television and internet services.

DISCUSSION

On November 30, 2022, the Committee directed staff to provide samples of Courtesy and Final Disciplinary Notices.

FINANCIAL ANALYSIS

None

Prepared By: Francis Gomez, Operations Manager

Reviewed By: Jacob M. Huanosto, Interim Compliance Supervisor

ATTACHMENT(S)

Attachment 1: Disciplinary Notices



Courtesy Notice

[Date]

Via First Class Mail and Email
[Email]

[Name]

[Address Block]

Re: Request for Compliance – [Citation]

Dear [Greeting]:

The purpose of this notice is to advise that you may be in violation of the Golden Rain Foundation (GRF) Governing Documents. The GRF Board of Directors has received a report alleging that [insert details here].

You may not be aware, that [insert citation here].

As managing agent for the GRF Board of Directors we are asking that you take the necessary action to ensure compliance to the cited restrictions.

If you feel you have received this notice in error or have any questions, please feel free to contact us by email at compliance@vmsinc.org or by phone at 949-268-2255 or written correspondence to the Compliance Department, P.O. Box 2220, Laguna Hills, CA 92654.

Thank you for your anticipated compliance with the above stated restrictions.

Sincerely,
FOR THE BOARD OF DIRECTORS

[Name]

Compliance Coordinator, VMS, Inc.



Final Notice

[Date]

Via First Class Mail and Email

[\[Email\]](#)

[Name]

[Address Block]

Re: Request for Compliance – [Citation]

Dear [Greeting],

The Golden Rain Foundation (GRF) Board of Directors has received another report [insert details here] in violation of GRF's Governing Documents.

Due to the continued non-compliance, this matter will be referred to the Board of Directors for a disciplinary hearing. The Board of Directors has the authority to impose monetary penalties, suspend Member privileges and/or bring forth legal action.

As a reminder, [insert citation here].

As managing agent for the GRF Board of Directors, we are requesting that you take the necessary action to ensure compliance to the cited restrictions. As a GRF Member, please be advised that you are personally responsible for ensuring that the rules, regulations, and policies are followed by anyone you allow into the community. This includes any Co-occupant, Lessee, or Guest.

If you feel that this notice has been sent to you in error, please respond to these allegations by email me at compliance@vmsinc.org or call me at 949.268.2255 or to the Compliance Department, PO Box 2220, Laguna Hills, CA 92654.

Sincerely,
For the Board of Directors

[Name], CMCA® AMS®
Compliance Coordinator, VMS, Inc.

cc: Security Supervisor, IR [#]



Notice of Disciplinary Hearing

[Date]

Via Certified, First Class Mail, and Email
[Email]

[Name]

[Address Block]

Re: Request for Compliance – [Citation]

Dear [Greeting]:

You were informed in a letter from Village Management Services, Inc. (VMS) Staff, managing agent for Golden Rain Foundation (GRF), of allegations that you may be in violation of GRF's Governing Documents.

The Board of Directors hereby calls you to a disciplinary hearing to address this matter, provide an opportunity to be heard and present evidence to be considered with respect to the above stated violations. The disciplinary hearing will take place via a virtual meeting:

Date: [Day], [Date]
Time: [Time]
Virtual Meeting: [Virtual Information]
Or Telephone: [Virtual Information]

At that time, the Board will determine whether you are in violation of the governing documents. You have the right to attend and may address the Board of Directors at this meeting.

The hearing will take place in the Board's Executive Closed Session meeting. You are strongly urged to log in and attend the virtual hearing, to be heard and present evidence on your behalf. If you will be attending please notify us at least seven (7) days before the hearing date. The hearing will be conducted in accordance with Article 4, Sections 4.4, 4.5 and 4.6 of the Bylaws of the Corporation, a copy of which is enclosed. Please read these sections carefully before attending the hearing.

These sections identify the procedures that will be followed in the hearing and the disciplinary action the Board may take against a Member of the Corporation for a rules violation, including the possible suspension of Membership privileges. The Board may elect to assess an additional fine of up to \$500 pursuant to the Monetary Fee Schedule adopted by the Board.

As a reminder, below is the alleged behavior that will be considered at the disciplinary hearing:
[insert details of violations here]

As a reminder, [insert citations]

[Name]

Attachment 1

[Date]

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Without limitation to the foregoing, this Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief. Any disciplinary or suspension action that is authorized shall not act as a bar to the exercise of any other right or remedy.

Please contact me at 949-268-2255 or at compliance@vmsinc.org to confirm your attendance at the hearing at least seven (7) days prior or to ask any questions you may have regarding the hearing procedure. Use the link above or call in during your assigned time and wait to be allowed into the virtual meeting to address the Board.

Sincerely,

At the Direction of the Board of Directors

[Name], CMCA® AMS®

Compliance Coordinator, VMS, Inc.

Agent for Golden Rain Foundation

Enc.



Disciplinary Hearing Determination Notice

[Date]

Via Certified, First Class Mail, and Email
[\[Email\]](#)

[Name]

[Address Block]

Re: Request for Compliance – [Citation]

Dear [Greeting]:

On [Date], the Golden Rain Foundation (GRF) Board of Directors (Board) noticed and held a disciplinary hearing to consider an allegation that you are in violation of GRF's Governing Documents.

The GRF Board reviewed information presented by Village Management Services, Inc. ("VMS") staff, managing agent for GRF. [if present, insert - The Board also heard oral testimony from *name of person* via video call]. Based on its review of all of the information, the Board of Directors determined that you have failed to comply with GRF's Governing Documents.

As a result, the Board elected to take the following action:

- 1. Impose a \$[amount] monetary penalty for violation of [type of violation] restrictions;**
- 2. [Insert any requirements here with deadlines];**
- 3. [Insert any suspensions here with dates]; and**
- 4. Advise you that failure to comply may result in additional disciplinary action up to and including legal action.**

An invoice reflecting the \$[amount] monetary penalty will be mailed separately. The invoiced amount is due and payable to GRF upon receipt.

As a reminder you have been advised, [insert details and reason for disciplinary hearing here] in violation of [insert citation here].

Without limitation to the foregoing, this Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief. Any disciplinary or suspension action that is authorized shall not act as a bar to the exercise of any other right or remedy.

If you have any questions concerning the Board's disposition of this matter, please contact at compliance@vmsinc.org or (949) 268-2255.

Sincerely,
At the Direction of the Board of Directors

P.O. Box 2220, Laguna Hills, CA 92654-2220

[members name]

[date]

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[Name], CMCA® AMS®
Compliance Coordinator, VMS, Inc.
Agent for Golden Rain Foundation

Enc.

STAFF REPORT

DATE: January 27, 2023
FOR: Compliance Ad Hoc Committee
SUBJECT: Schedule of Monetary Penalties

RECOMMENDATION

Staff recommends the Board approved the updated Schedule of Monetary Penalties and include it as part of the spring annual mailing.

BACKGROUND

On August 2, 2022, the Board established a Compliance Ad Hoc Committee for the purpose, in part, to review the Schedule of Monetary Penalties to reflect new and updated operating policies (Resolution 90-22-36).

Per California Civil Code, the Member Disciplinary Process and Schedule of Monetary Penalties must be disclosed to the membership yearly. A summary of the process and schedule are included as part of the annual mailing in November.

On November 30, 2022, the Committee directed staff to update the Schedule of Monetary Penalties and separate the Harassment and Nuisance Violations.

DISCUSSION

The Schedule of Monetary Penalties was updated to separate the Harassment and Nuisance Violations.

FINANCIAL ANALYSIS

The Board imposes disciplinary monetary penalties as an action for violation of the governing documents. The penalties range from \$25 - \$500 depending on the specifics of the matter. For 2022, the Board has held seven hearings and imposed monetary penalties in total of \$1,600.

Prepared By: Francis Gomez, Operations Manager

Reviewed By: Jacob M. Huanosto, Interim Compliance Supervisor

ATTACHMENT(S)

Attachment 1: Schedule of Monetary Penalties



SCHEDULE OF MONETARY PENALTIES

The following notice is provided pursuant to Civil Code Section §5310 and §5850.

The following schedules identify the violations and potential monetary penalties that may be imposed upon a member. Such penalties may be imposed following a hearing by the Golden Rain Foundation (GRF) Board of Directors (Board) for a violation of those governing documents and rules and regulations by the member, co-occupant, guest or lessee.

Type of Violation	Penalty Ranges
Golf Course Restrictions	
Examples: Slow play, failure to rake traps or repair ball marks, improper operation of golf cart, playing holes out of order, practicing on golf course, hitting more than one ball to each green, playing without payment, etc.	\$25 - \$200
Nonpayment	
Examples: Nonpayment of chargeable services, disciplinary penalties, facilities or services use charges, traffic citations, etc.	\$25 - \$500
Harassment/Abuse/Intimidation Restrictions	
Harassment, Abuse, Intimidation: Please see Inter-Board Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy.	\$25 - \$500
Nuisance Restrictions	
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	\$25 - \$500
Noise: Activities that interfere with quiet enjoyment of another person such as playing music or television too loud, loud conversation, etc.	\$25 - \$500
Violation of Laws: Violation of federal, state or local ordinances. An example would be public nudity, resident engaged in drug dealings, etc.	\$25 - \$500
Harassment, Abuse, Intimidation: Please see Inter-Board Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy.	\$25 - \$500
Other	
Illegal business, nonsmoking policy	\$25 - \$500
Pet Restrictions	
Examples: Dog not on leash, dog not under control, unreasonable noise (barking), not picking up and disposing of feces, etc.	\$25 - \$500
Recreation Services and Special Events Policy	
Examples: Operating rules, soliciting without a permit, tree signage, unauthorized advertisement, room reservation, etc.	\$25 - \$500
Traffic Rules and Regulations	
Examples: Abandoned vehicle, commercial vehicles, excessive vehicles, vehicle oil, recreational vehicle policy, etc.	\$25 - \$500

Any violation of the governing documents or rules and regulations not specifically identified in this schedule.	\$25 - \$500
Second or Subsequent Violations of the Same Rule	
Ongoing violation of the same event may result in a daily fine in accordance with current monetary penalty schedule until compliance is achieved and/or double of fines imposed.	

In addition to, or instead of the monetary penalty, the board of directors may impose the following penalties, following a noticed hearing, for a violation of the governing documents or rules and regulations:

1. Suspension of the right to use any facilities owned, operated or managed by GRF for a period not to exceed 90 days for each breach.
2. GRF may also make an application to a court of competent jurisdiction for legal or equitable relief.
3. GRF may recommend that United Laguna Woods Mutual (United) or Third Laguna Hills Mutual (Third) take disciplinary action against a resident member of GRF, to the extent possible under United/Third's governing documents.

GRF bylaws and rules and regulations provide that members/residents who receive a traffic citation may elect to waive their right to a hearing and attend traffic school or forfeit a fine for certain violations and under certain circumstances. (See Schedule of Traffic Monetary Penalties.)

Delinquent regular or special assessments, plus any costs of collection, late charges and interest, shall become a lien on the owner's interest in the common interest development upon recordation of a Notice of Delinquent Assessment in the Official Records of Orange County, California, and said lien may be enforced as provided by Sections 5650-5690 of the California Civil Code and as otherwise permitted by law.

If you have questions regarding the above information, please contact the Compliance Division during regular business hours at 949-268-CALL or via email at compliance@vmsinc.org.