



OPEN MEETING

MEETING OF THE GOLDEN RAIN FOUNDATION COMPLIANCE AD HOC COMMITTEE

Friday, July 14, 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 June 9, 2023 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 Items Bunny Carpenter
for Discussion and Consideration:
7. Additional Occupancy Fee (Discussion) Pamela Bashline
8. Member Disciplinary Process Francis Gomez
9. Internal Dispute Resolution (IDR) Francis Gomez
- Concluding Business:
10. Committee Member Comments
11. Future Agenda Items
- a. None.
12. Adjournment
13. Date of Next Meeting: To be determined

*A quorum of the GRF Board or more may also be present at the meeting.

Bunny Carpenter, Chair
Francis Gomez, Staff Officer
(949) 268-2255

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

**Friday, June 9, 2023 - 9:30 a.m. Laguna
Woods Village Community Center
Sycamore Room/ Virtual Meeting
24351 El Toro Road, Laguna Woods, CA 92637**

DIRECTORS PRESENT: Bunny Carpenter- Chair, Juanita Skillman, Reza Karimi, Cris Prince and Mark Laws and Maggie Blackwell entered at 9:33 a.m.

DIRECTORS EXCUSED: Joan Milliman and Pearl Lee

STAFF PRESENT: Blessilda Wright, Ruby Rojas and Alison Giglio

OTHERS PRESENT: Third: S.K Park and Andy Ginnochio
GRF: Elsie Addington

CALL TO ORDER

Bunny Carpenter, Chair, called the meeting to order at 9:30 a.m.

APPROVAL OF THE AGENDA

Chair Carpenter made a motion to approve the agenda.

Without objection, the agenda was approved.

APPROVAL OF THE REPORT FROM MAY 3, 2023

Chair Carpenter made a motion to approve the meeting report from May 3, 2023 with changes to include others present.

Without objection, the report was approved.

CHAIR'S REMARKS

None.

MEMBER COMMENTS

Members commented the monetary penalties and Disciplinary Violations Matrix as standalone documents

RESPONSE TO MEMBER COMMENTS

The Committee and Ms. Wright responded to the members comments.

ITEMS FOR DISCUSSION AND CONSIDERATION

7. Member Disciplinary Hearing Procedure

Ms. Blessilda Wright, Compliance Supervisor, gave an overview of the Member Disciplinary Process. The Committee members made comments and asked questions.

Chair Carpenter made a motion to with consult with GRF legal counsel to update the Timely Processing of Member Discipline and marry the following policies Schedule of Monetary Agenda Penalties, Member Disciplinary Violations Matrix, Nuisance Policy and Harassment Policy Item 3

into a singular policy.

By consensus, the motion passed.

8. Disciplinary Violations Matrix

Ms. Wright, gave an overview of the Disciplinary Violations Matrix. The Committee members made comments and asked questions.

Director Karimi made a motion to approve the following changes: apply an X to both columns for 'Improper Use of GRF Property', change Non-Smoking Policy to Violation of Non-Smoking Policy and only apply the X to Follow Normal Hearing Process for Violation of Non-Smoking Policy. Director Blackwell seconded the motion.

By consensus, the motion passed.

9. GRF Club Application

Ms. Alison Giglio, Recreation and Special Events Director, gave an overview of the Recreation Club Requirements. The Committee members made comments and asked questions.

Director Skillman made a motion to forward Recreation Club Requirements recommendations to the Community and Activity Committee for review and consideration. The following are the recommendations: Use of GRF Recreations Facilities section A. All facilities/general #17- Include language suggesting that the club should offer a reasonable accommodation to a member with a disability; Club/Groups/Organizations section A. # 2 and 3 reword to the statements; #4- bold last sentence and #14 – Include clarifying language and member expectation information. Director Blackwell seconded the motion.

By consensus, the motion passed.

Director Laws left the meeting at 11:28 pm

CONCLUDING BUSINESS:

Committee Member Comments

None.

Future Agenda Items

- a. Internal Dispute Resolution (IDR) Policy
- b. Additional Occupancy Fee

Date of Next Meeting

Friday, July 14, 2023 at 9:30 a.m.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 11:36 a.m.

Bunny Carpenter

Bunny Carpenter- Chair

STAFF REPORT

DATE: July 14, 2023
FOR: Compliance Ad Hoc Committee
SUBJECT: Member Disciplinary Policy

RECOMMENDATION

Staff recommends approval of the updated Member Disciplinary Policy.

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.

DISCUSSION

The Member Disciplinary Policy was updated to include the Schedule of Monetary Penalties, and Violations Matrix.

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 2023, the Board has held six disciplinary hearings thus far and imposed monetary penalties in total of \$2,000.

Prepared By: Francis Gomez, Operations Manager

Reviewed By: Jacob Huanosto, Compliance Coordinator

ATTACHMENT(S)

Attachment 1: Member Disciplinary Policy
Attachment 2: Schedule of Monetary Penalties
Attachment 3: Violations Matrix
Attachment 4: Resolution

Member Disciplinary Process
Resolution 90-23-XX; Adopted [Date]

I. Purpose

The purpose of this Member(s) Disciplinary Process is to set forth the due process of enforcement of the Governing Documents in a timely manner and ensure progressive discipline.

The Board of Directors is obligated to evaluate and impose, if appropriate, Member(s) discipline under its bylaws and Civil Code. Each Member(s) is obligated to comply with the rules, terms and conditions as set forth in the Governing Documents.

II. Definitions

- a. Community – Laguna Woods Village
- b. Golden Rain Foundation (GRF) – the Golden Rain Foundation of Laguna Woods, a California nonprofit mutual benefit corporation.
- c. Governing Documents – all of the following, collectively, the Trust Agreement, the Articles of Incorporation; the Bylaws; the Rules and Regulations; and any Resolutions or Policies duly adopted by the Board; all as may be lawfully amended or modified from time to time.
- d. Member(s) – any person who is an owner of a Unit in United Laguna Woods Mutual (United) or Third Laguna Hills Mutual (Third) who has been approved for Member(s)ship in accordance with the Governing Documents.
- e. Resident – any person who has been approved by the Board of Directors, or its designee, as applicable, for occupancy of a Unit within United or Third.
- f. Schedule of Monetary Penalties -
- g. Staff – Employee of Village Management Services, Inc. authorized to act on behalf of GRF.

III. Procedure

Following is the disciplinary process when violations occur:

- a. Upon notice of alleged violation, staff investigates and files an Incident Report (IR) and/or Notice of Clutter Violation (NOV).
- b. By way of the initial investigation, should staff identify objective evidence of a violation by a Member(s), resident or their guests, staff will send a letter to the Member(s) describing the allegation(s) and the disciplinary action that may ensue if not corrected. Depending on the seriousness of

the matter, the Board has the authority to schedule a disciplinary hearing as reasonably possible.

- c. Staff will monitor the situation, and if compliance with the request is not evident, an additional IR and/or NOV is filed, and a letter is sent to the Member(s) advising that a disciplinary hearing may be scheduled with the Board of Directors to determine if Member(s) discipline is merited. If the alleged violation has been resolved, no further action is required.
- d. If a disciplinary hearing is merited, staff will proceed with noticing the Member(s) for a hearing. Disciplinary Hearings are noticed based on GRF bylaws, Section 4.5, Discipline or Suspension.
- e. During a Member(s) Disciplinary Hearing the Member(s) has the right to meet before the Board of Directors in executive session. If the Board finds the Member(s) to be in violation with the Governing Documents, the Board may impose a fine based on the monetary fee schedule, suspend Member(s) 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 regulations, non-payment (chargeable services, recreation fees, monetary penalties, traffic citations, etc.) recreational vehicles and Recreation and Special Events Policy, etc.

Mediation Services

Third-party mediation services may be able to resolve disputes between individuals in a timely and amicable manner, without the need for a Board hearing or involvement.

IV. Reporting Claims

A complaint may be registered by calling the Security Department at 949-580-1400; the Compliance Division via email at compliance@vmsinc.org; or by calling 949-268-CALL.

For nuisance type of violations, call the Security Department when the alleged violation occurs. The call will be documented and a Security Officer may be dispatched to document the allegations. This will assist the Board of Directors in gaining compliance.

It is important to note that the disciplinary process is held to strict confidentiality. As a result, staff is not able to disclose the reporting party's information and staff is unable to provide updated information to individuals making the complaints.

V. Disciplinary Hearings

Right to a Hearing

Before any disciplinary action is taken, the Member(s) charged with a violation shall be entitled to a hearing, except for traffic violations. The Member(s) will be officially noticed at least ten (10) days prior to the disciplinary hearing of a time and date to meet with the Board of Directors to consider the allegations against the Member(s). The disciplinary hearing is held in executive session and Member(s) have the right to attend or submit their statements in writing. The Board will review information presented by Staff and any oral or written information from the Member(s), and after completion of the hearing and due deliberation, the Board will determine if the Member(s) has failed to comply with the Governing Documents and disciplinary action, if any. Notice of the Board's decision will be given to the Member(s) within fifteen (15) days following the disciplinary hearing.

Disciplinary Action by the Board

GRF is authorized to take disciplinary action against any Member(s), resident, tenant, guest, or invitee found to be in violation of the Governing Documents. Disciplinary actions include, but not limited to: impose monetary fines, suspend Member(s) privileges, and/or bring forth legal action, as more fully set forth in the Governing Documents, including without limitation the Schedule of Monetary Penalties, as may be revised from time to time.

In addition, the Board of Directors may impose the following penalties, following a noticed hearing, for a violation of the Governing Documents:

- a. Daily fine of the ongoing violation of the same event in accordance with current Schedule of Monetary Penalties until compliance is achieved.
- b. Double of fines imposed for the ongoing violation of the same event in accordance with the current Schedule of Monetary Penalties.
- c. 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.
- d. GRF may also make an application to a court of competent jurisdiction for legal or equitable relief.
- e. GRF may recommend that United or Third take disciplinary action against a resident Member(s) of GRF, to the extent possible under United/Third's Governing Documents.

Discipline shall be imposed, if at all, after a duly noticed disciplinary hearing in accordance with the requirements of statute and GRF's Governing Documents. 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.

Each Member(s) is entirely responsible for ensuring that the Governing Documents are followed by anyone they allow into the Community— this includes any co-occupant, lessee, guest, care provider, vendor, invitee or contractor. The Board has the ability to fine only the Member(s), but may suspend privileges (such a use of the swimming pools) of non-Member(s)s such as co-occupant, lessee, guest, care provider, etc. for the purpose of disciplinary action.

Additional Remedies

If GRF is the prevailing party, in addition to the remedies specified herein, a Member(s) shall be liable for costs of suit and a reasonable sum for attorney's fees incurred in enforcing the Governing Documents.



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 | |
| According to Operating Rules Golf Facilities. | \$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. | \$25 - \$500 |
| Behavior/Disturbances: Assault, theft, trespassing, yelling, etc. | \$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 |
| Other | |
| Illegal business, nonsmoking policy, improper use of GRF property | \$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, 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) or The Towers Mutual No. Fifty (Mutual Fifty) take disciplinary action against a resident member of GRF, to the extent possible under United/Third/Mutual Fifty'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.

Disciplinary Violations Matrix

| Description | Schedule Hearing Immediately | Standard Hearing Process |
|--|------------------------------|--------------------------|
| Delinquency/Non-Payment | | |
| Broadband Services Fees | | X |
| Golf Fees | | X |
| Rental Fees (Garden Center, RV Lot, Recreations Rooms, etc.) | | X |
| Golf Course Restrictions | | X |
| Harassment/Abuse/Intimidation Restrictions | X | |
| Nuisance - Behavior/Disturbance | | |
| Assault, Theft | X | |
| Trespassing | X | |
| Yelling | | X |
| Nuisance - Noise | | X |
| Nuisance - Odors | | X |
| Nuisance - Other | X | |
| Other | | |
| Illegal Business | | X |
| Improper use of GRF property | X | X |
| Non-Smoking Policy | | X |
| Pet Restrictions | | |
| Injury to person/Damage to property | X | |
| Not picking up and disposing of feces | | X |
| Not under control (off leash/longer than 6ft) | | X |
| Recreation Services and Special Events Policy | | |
| Operating Rules (IE: Clubhouses and Garden Centers) | X | |
| Soliciting without a permit | | X |
| Unauthorized Advertisement | | X |
| Room Reservation | | X |
| Traffic Rules | | |
| Abandoned Vehicles | | X |
| Commercial, Excessive Vehicles | | X |
| Other | | X |
| RV Lot Operating Rules | | X |

This list does not identify/list all infractions nor constitute the handling of the same.



Internal Dispute Resolution Policy

Resolution 90-22-38; adopted September 6, 2022

In accordance with Civil Code Sections 5900 et seq., the Board of Directors of the Golden Rain Foundation ("GRF") has adopted the following Internal Dispute Resolution ("IDR") policy and procedure to be followed by GRF and its Members in connection with disputes relating to the enforcement of the governing documents, following the Davis-Stirling Common Interest Development Act, and following the Nonprofit Mutual Benefit Corporation Law. The law requires a fair, reasonable, and expeditious procedure for resolving disputes, and further authorizes GRF to develop its own procedure for these purposes, known as "IDR" or "meet and confer." This IDR policy supplements and does not replace alternative dispute resolution ("ADR") under Civil Code Sections 5925 et seq.

1. The Internal Dispute Resolution ("IDR") process provides GRF as well as all Members an alternative to costly, formal Alternative Dispute Resolution ("ADR") (such as mediation, arbitration or other non-judicial process involving a neutral third party decision maker) and prior to the filing of any litigation related to a dispute involving their respective rights, duties or liabilities under GRF's governing documents, the Davis-Stirling Common Interest Development Act, and the Nonprofit Mutual Benefit Corporation Law.
2. Either party (GRF or a Member(s)) to a dispute may invoke the following procedure:
 - a. The party may request the other party to meet and confer, in an effort to resolve the dispute. The request shall be in writing and shall include a brief description of the dispute between the parties.
 - b. A Member may refuse a request to meet and confer. GRF may not refuse a Member's request to meet and confer.
 - c. In response to a dispute involving GRF, the Board will designate at least two Directors ("GRF Designees") to represent GRF and meet and confer with the Member. The GRF Designees shall also have the right to request the Chairperson of any applicable Committee interested in the dispute to assist GRF and attend the meet and confer session with the Member.
 - d. GRF shall respond to a Member or Members' request for IDR within thirty (30) days of receipt of the written request to meet and confer.

Although Members are not required to participate in IDR, in the event the Member does not respond to GRF's request to participate in IDR within thirty (30) days of the written request, or any other time period specified in the request, the same will be deemed rejected.

- e. IDR meetings will be held at a mutually agreeable date, time and location. To the extent conference rooms are available, and if the requesting Members provide GRF a minimum of ten (10) business days' advance notice, GRF will make its best efforts to provide a conference room in the Community Center for the IDR meeting.
 - f. IDR meetings will be scheduled for up to one hour in length, unless extended by prior written agreement of the parties. By requesting or agreeing to participate in IDR, the parties agree to commit up to one hour to the IDR meeting.
3. A Member participating in IDR may be assisted by an attorney or another person in explaining their position at the Member's sole cost; GRF may also be assisted by legal counsel or another person at GRF's cost. Although a Member is permitted to bring an attorney or other representative to the IDR meeting, GRF encourages direct discussions between GRF Designees and the Member, without legal counsel, to further the goal of resolution through an amicable, no cost, and expeditious process.
4. If Member desires to bring their attorney to the IDR meeting, the Member shall give no less than ten (10) business days' advance written notice to the other parties, including GRF, so that the other parties may make arrangements to have their respective legal counsel attend. If the other parties' legal counsel is not available on the originally scheduled IDR meeting date/time, the meeting must be rescheduled to a mutually convenient date, time and location. Failure of Member to timely advise if they are bringing legal counsel shall result in postponement of the IDR meeting to a date at which GRF's counsel or the counsel of any other party is able to participate. If Member appears at the IDR meeting with unannounced counsel, the IDR will not proceed at the scheduled date and time but will be rescheduled.
5. At the IDR meeting, the parties will explain their positions to each other and confer in good faith in an effort to resolve the dispute. The IDR will be cancelled after 15 minutes if not all parties are present and there is no notification of late arrival.
6. Any resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by all participating parties, including, the GRF Designees.

7. An agreement reached by the Member(s) and the GRF Designees will bind the parties and be judicially enforceable if the following conditions are satisfied.
 - a. The agreement is in writing and signed by all parties participating in the IDR;
 - b. The agreement is not in conflict with law or GRF's Governing Documents; and
 - c. The agreement is consistent with the authority granted in advance to the GRF Designees by the Board or is ratified by the Board of Directors within thirty (30) days of the date that the agreement is executed by the Member and the GRF Designees.
8. The Member participating in the IDR shall not be charged a fee to participate in the IDR.
9. All parties participating in the IDR should note that the goal of the meeting is not to determine who is right or who is wrong, nor does IDR determine a "winner." The purpose of the IDR meeting is to try to find a compromise between the disputing parties, and thereby enhance neighborliness and harmony. Therefore, parties participating should come to the IDR meeting with an open mind and prepared to be flexible in dealing with other parties to the IDR in good faith.