

OPEN MEETING

MEETING OF THE GOLDEN RAIN FOUNDATION
COMPLIANCE AD HOC COMMITTEE

Wednesday, November 30, 2022 - 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 October 19, 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/81730727933> or by calling 669-900-6833. Access code: 817 3072 7933
 2. Via email to meeting@vmsinc.org anytime 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 Francis Gomez
8. Member Disciplinary Process Francis Gomez
9. Reporting Requirements Francis Gomez

Concluding Business:

10. Committee Member Comments
11. Future Agenda Items
 - a. Copies of Disciplinary Notices
 - b. Schedule of Monetary Penalties
 - c. Disciplinary Report
12. Adjournment
13. Date of Next Meeting: To be Determined

Bunny Carpenter, Chair
Francis Gomez, Staff Officer
(949) 268-2570



OPEN MEETING

MEETING OF THE GOLDEN RAIN FOUNDATION COMPLIANCE AD HOC COMMITTEE

Thursday, October 19, 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, Annie McCary, Reza Karimi and Pearl Lee

MEMBERS ABSENT: Joan Milliman, Maggie Blackwell and Mark Laws

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

CALL TO ORDER

Bunny Carpenter, Chair, called the meeting to order at 9:31 a.m.

APPROVAL OF THE AGENDA

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

Without objection the agenda was approved.

CHAIR'S REMARKS

Chair Carpenter advised that one of the goals for the Committee is to review resolutions and educate.

ITEMS FOR DISCUSSION AND CONSIDERATION

Member Disciplinary Policy

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

The Committee discussed creating its own Executive Hearings Committee that will meet ongoing on a monthly basis in the future.

The Committee directed staff to do the following:

1. Begin providing the GRF Board with a table of open disciplinary cases and include data on United and Third suspensions as part of GRF's executive session;
2. Staff to reach out to the Financial Services Department regarding delinquent accounts;
3. Provide Director McCary with legislation related to elections;
4. Look into ways to dilute the workload for Compliance with other departments.

Member Disciplinary Process

The committee tabled the matter as a future agenda item.

Reporting Requirements

The committee tabled the matter as a future agenda item.

CONCLUDING BUSINESS:

Committee Member Comments

None

Future Agenda Items


- a. Copies of Disciplinary Notices
- b. Schedule of Monetary Penalties
- c. Disciplinary Report

Date of Next Meeting

The next meeting is scheduled for Wednesday, November 30, 2022 at 9:30 a.m. in the Board Room.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 11:15 a.m.


Bunny Carpenter Nov 20, 2022 09:09 PST)

Bunny Carpenter, Chair
Golden Rain Foundation

STAFF REPORT

DATE: October 19, 2022
FOR: Compliance Ad Hoc Committee
SUBJECT: Member Disciplinary Process

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.

Below is a breakdown of the disciplinary hearings held by the Board of Directors:

Description	2015	2016	2017	2018*	2019	2020	2021	2022 YTD**
Disciplinary Hearing	42	59	119	41	12	2	3	7
Appeal Hearing	4	9	2	9	8	0	0	1
Meet & Confer / IDR	0	2	1	4	1	1	0	0

* In August 2018, the Board requested that staff reduce the disciplinary hearings brought before the Board and direct them to the Mutuels whenever possible. ** Year to Date (YTD)

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.

Per California Civil Code, the Member Disciplinary Process and Schedule of Monetary Penalties has to be disclosed to the membership yearly. A summary of the process and schedule are included as part of the annual mailing in November (Attachment 2 and 3).

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.

Below is a breakdown of disciplinary cases by allegation for the current year:

Categories	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Delinquencies	4					22		15	9	50
Garden Center					2	4	16	26	37	85
Gate Clearance					2	4				6
Library					2	2				4
Nuisance			5	5	1	2	4	7	8	32
Recreation Facility						1		1	4	6
RV Lot		1								1
Traffic			2			2				4
Total	4	1	7	5	7	37	20	49	58	188

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. Caseload levels continue to increase across all three corporations. The current overall caseload is 836 open cases. This time last year the caseload was 787 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 one Compliance Coordinator handling the entire workload. Additionally, the Operations Manager is expected to decrease in December 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

Attachment 2: Member Disciplinary Process Annual Disclosure

Attachment 3: Schedule of Monetary Penalties



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

Timely Processing of Member Discipline

DATE: September 30, 2004

FOR: Golden Rain Foundation

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 GRF. 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, and Clutter. 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 through careful evaluation of the objective evidence presented to them, the Boards are compelled to take action. 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 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.

Agenda Item # 7a
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Legal Authority for Disciplinary Hearings and Taking Disciplinary Action¹

Each Member is obligated to comply with the rules, terms, and conditions as set forth in their Mutual's governing documents. GRF's Bylaws provide the following summarized parameters for member discipline:

Grounds for Discipline or Suspension

GRF may discipline or suspend a member for failure to observe any of GRF's rules or governing documents. Suspension of a Membership by the Mutual Member's Mutual shall constitute a suspension of GRF rights and privileges too. This may include restriction of the right to use any facility managed by this Corporation for a period not to exceed ninety (90) days for each breach. The Board may also suspend or restrict the use of community facilities by all other persons claiming or exercising rights derived from the Mutual Member, such as Qualifying Resident, Co-occupant, Tenant, and guests.

Disciplinary Action by Board

In addition to the grounds for disciplinary action and the members and residents who may be disciplined, any disciplinary or suspension action authorized in the Bylaws shall not act as a bar to the exercise of any other right or remedy.

Disciplinary or Suspension Action Authorized

Disciplinary or suspension action authorized by the Bylaws may consist of any or all of the following:

- (1) a fine for each breach, not to exceed the maximum established in the adopted Schedule of Monetary Penalties;
- (2) suspension as defined in 4.5.1; and
- (3) a recommendation that the appropriate Mutual take disciplinary action against the Mutual Member to the extent permissible under its Bylaws, rules or regulations. This Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief.

Right to Hearing

Before any disciplinary action is taken, the party charged with a violation shall be entitled to a hearing, except for traffic violations.

Additional Remedies

If this Corporation is the prevailing party, in addition to the remedies specified herein, a Mutual Member shall be liable to this Corporation for costs of suit and a reasonable sum for attorney's fees incurred in enforcing these Bylaws, or any rule or regulation of this

¹ The actual text of the reference Bylaws is copied and attached at the end of this document.

Corporation.

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 or without providing the member due process, 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 actions 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 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:* The Board of Directors may suspend a member's rights 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 GRF facilities such as Clubhouses or CATV. 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.

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 Foundation².

ANALYSIS / ALTERNATIVES

Nuisance Violations—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 enjoyment of a GRF facility. Examples include loud, offensive, disruptive, or aggressive behavior at a facility. 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 (assuming the service is available). 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, public agencies such as 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.
- 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

² Should GRF desire to test this issue, staff recommends seeking guidance from legal counsel.

proceed with noticing a hearing³. 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 public agencies. When a resident poses a threat to the health and 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.
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

Clutter violations would likely occur when members are personally using GRF facilities such as the RV Parking Lots and Garden Centers. Staff recommends the following procedure when dealing with clutter issues:

- 1) Upon notice of alleged violation, Staff inspects the condition of the facility, photographs the site, and files a report.
- 2) If by using the Corporation's criteria for ascertaining "clutter," e.g., anything in an RV parking space that is not a certain approved vehicle, Staff may issue a request for compliance without Board involvement.
- 3) If subjective evaluations of clutter are required, e.g., unkempt garden plot, confirmation of such by the Board or its designee, such as the Garden Advisory Group. With a finding in hand by the Committee⁴, Staff will send a request for compliance to the Member, including a time-certain required for compliance, e.g., 10 days.

³ 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.

⁴ Staff recommends that the Security Committee review such subjective evaluations of clutter during their regularly scheduled meetings, by way of photographs taken by staff.

- 4) After the noticed period has expired, Staff again inspects the facility, and if compliance with the request is not evident, a second report 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.
- 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 GRF facilities. There is no statutory obligation to store the items; however, consideration should be given to the nature and apparent value of the property.

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: Milt Johns

Reviewed by: Cris Trapp

4.5 DISCIPLINE OR SUSPENSION

4.5.1 Grounds for Discipline or Suspension. GRF Board may discipline or suspend a Membership for the willful or repetitive failure of the Mutual Member to observe or perform the obligations of a Mutual Member as set forth in these Bylaws, the Articles of Incorporation, or any rules or regulations of this Corporation. Suspension of a Membership by the Mutual Member's Mutual shall constitute a suspension for purposes of this Corporation. The discipline or suspension may include the restriction of the right to use any facility managed by this Corporation for a period not to exceed ninety (90) days for each breach. The Board shall make a determination in each case of a discipline or suspension as to which community facilities shall be denied to the Mutual Member. The Board may also suspend or restrict the use of community facilities by all other persons claiming or exercising rights derived from the Mutual Member, such as Qualifying Resident, Co-occupant, Tenant, and guests.

4.5.2 Disciplinary Action by Board. The GRF Board of Directors may take disciplinary or suspension action against any Mutual Member, Qualifying Resident, Co-occupant, Tenant, and their guests for breach of these Bylaws, the Articles of Incorporation, or any rules or regulations of this Corporation, or of the Mutual of such Mutual Member, Qualifying Member, Co-occupant, Tenant, and their guests. Any disciplinary or suspension action authorized hereunder shall not act as a bar to the exercise of any other right or remedy.

4.5.3 Disciplinary or Suspension Action Authorized. Disciplinary or suspension action authorized hereunder may consist of any or all of the following: (1) a fine for each breach, not to exceed the maximum established in the adopted Schedule of Monetary Penalties; (2) suspension as defined in 4.5.1; and (3) a recommendation that the appropriate Mutual take disciplinary action against the Mutual Member to the extent permissible under its Bylaws, rules or regulations. This Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief.

4.5.4 Right to Hearing. Before any disciplinary action is taken, the party charged with a violation shall be entitled to a hearing pursuant to the provisions of 4.6, except for traffic violations governed by this 4.5.4.

4.5.5 Additional Remedies. If this Corporation is the prevailing party, in addition to the remedies specified herein, a Mutual Member shall be liable to this Corporation for costs of suit and a reasonable sum for attorney's fees incurred in enforcing these Bylaws, or any rule or regulation of this Corporation.

4.5.6 Authority to Adopt Rules. The GRF Board of Directors is hereby authorized to adopt rules and regulations to carry out the purpose of this Article.

RESOLUTION 90-04-

WHEREAS, each Member of the Golden Rain Foundation is obligated to comply with the rules, terms, and conditions as set forth in the governing documents; and

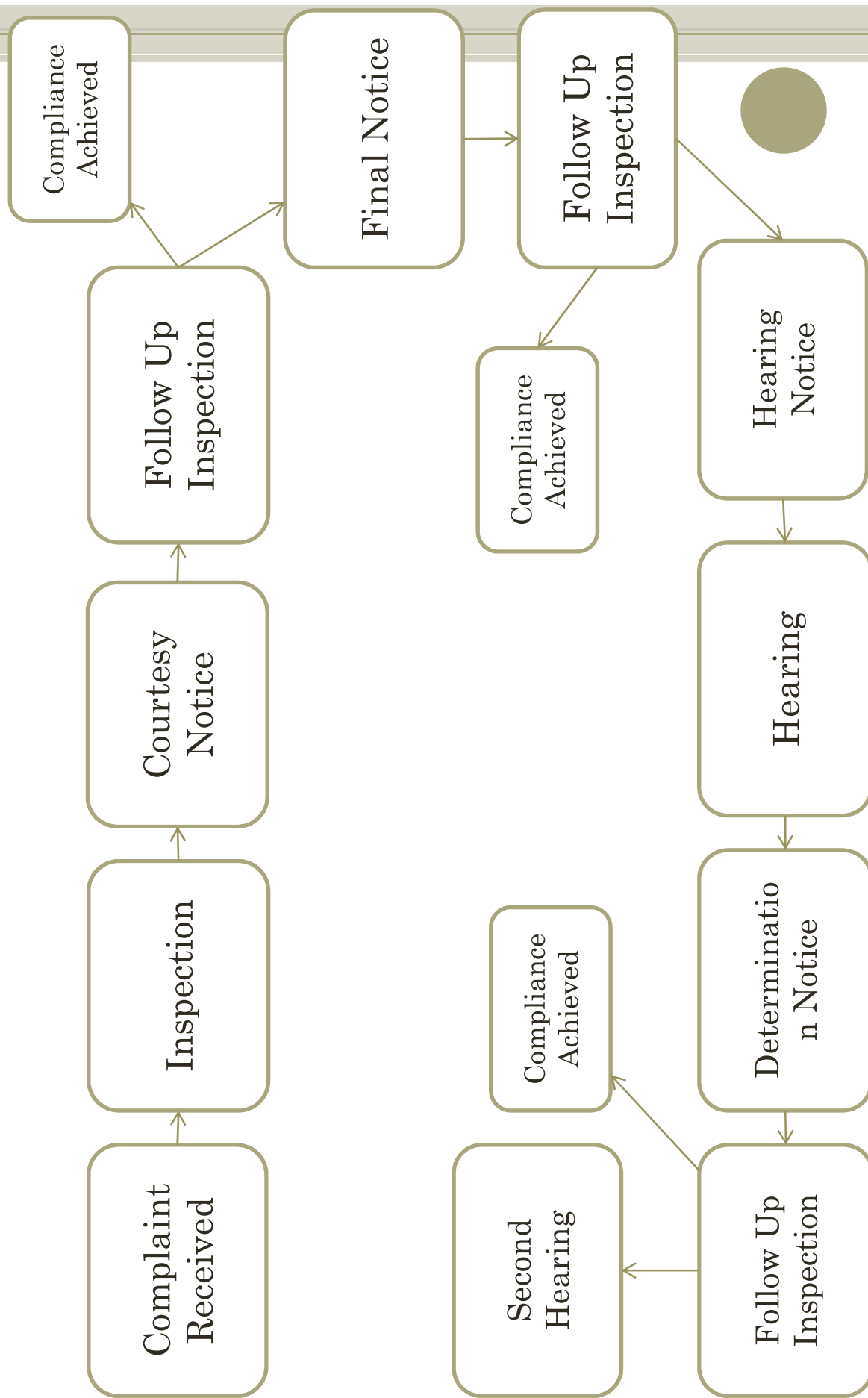
WHEREAS, these rules and regulations are occasionally violated by Members such that the Board of Directors is obligated to evaluate and impose if appropriate, member-discipline under its Bylaws and §1363 of the Davis-Stirling Act; and

WHEREAS, if complaints and/or violations are not acted on in a timely manner by the Board, the complainant(s) may be critical of the Board's inaction 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 due process, it may be perceived as overzealous and/or hasty in its actions;

NOW THEREFORE BE IT RESOLVED; October 5, 2004 that the Board of Directors of this Corporation hereby adopts standardized procedures as described in the attached subject report titled: "Timely Processing of Member Discipline", for the purpose of assisting staff and the Board with procedures on holding disciplinary hearings in a timely manner, and to ensure progressive discipline; 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.

COMPLIANCE PROCESS



MEMBER DISCIPLINARY PROCESS

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

Resolution 90-04-72, adopted October 5, 2004, by the Golden Rain Foundation (GRF) Board of Directors (Board), established a member discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline. The board of directors is obligated to evaluate and impose, if appropriate, member discipline under its bylaws and Civil Code §5855.

Each member of GRF is obligated to comply with the rules, terms and conditions as set forth in the governing documents. Following is the disciplinary process adopted by the board of directors when violations occur:

- Upon notice of alleged violation, staff investigates and files an Incident Report (IR) and/or Notice of Clutter Violation (NOV).
- 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(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.
- 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 offending party advising that a disciplinary hearing may be scheduled with the board of directors to determine if member discipline is merited. If the alleged violation has been resolved, no further action is required.
- If a disciplinary hearing is merited, staff will proceed with noticing the member for a hearing. Hearings are noticed based on GRF bylaws, Section 4.5, Discipline or Suspension.
- 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 with 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 policies, etc.

The member disciplinary process is coordinated by the Compliance Division. 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.



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
Nuisance/Harassment/Abuse/Intimidation 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
Department of Recreation Services 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.