

OPEN MEETING

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

September 20, 2018

The Board of Directors of Laguna Woods Mutual No. Fifty, a California non-profit mutual benefit corporation, met at 2:04 p.m. on Thursday, September 20, 2018 at 24055 Paseo Del Lago West, Laguna Woods, California.

Directors Present: Ryna Rothberg-Chair, June Greenwald, Al Amado, Inesa Nord-Leth, and John Dalis

Directors Absent: None.

Staff Present: Katy Howe, Kristen Orr, Valerie Martinez, Rene Pedroza

CALL TO ORDER

Director Rothberg called the meeting to order at 2:05 p.m. and established that a quorum was present.

PLEDGE OF ALLEGIANCE

Director Rothberg led the membership in the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

By consensus, the Board approved the agenda.

APPROVAL OF MINUTES OF MEETING

Without objection, the Board approved the regular open meeting minutes of:

- (a) August 3, 2018 – Special Open Meeting
- (b) August 16, 2018 – Regular Meeting
- (c) August 21, 2018 – Special Open Meeting

PRESIDENT'S COMMENTS

President Rothberg commented on upcoming events, read an article from the Register regarding kindness and civility. She also announced VMSI staff change.

GOLDEN RAIN FOUNDATION REPORT

Katy Howe reviewed the decisions made at the August 2018 Golden Rain Foundation Board meeting.

GENERAL MANAGER'S REPORT

Katy Howe reported on several items at The Towers, including the 2019 Budget, dirt area out in the front of the building, the tree issues in the front of the building, the new dishwasher, and accepting credit cards in the towers. She also acknowledged Towers employees and staff changes. Mrs. Howe also highlighted GRF August meeting items. Katy also gave management reports for August 2018, including: the Resale Report, the Leasing Report, the Maintenance Report, and the Dining Services Reports.

Sy Wellikson commented on the Resale Report and Dining Services Report.

TREASURER'S REPORT/FINANCE COMMITTEE

Director Amado reported on the association's financials through July 31, 2018.

MEMBER COMMENTS

- Sy Wellikson, unit 1161, commented on the elevator etiquette signs in the elevator.
- Diane Lynch, unit 1160, commented on the sound system in Lortscher Hall.
- Renee Merer, unit 1005, commented on the elevator etiquette signs in the elevator and workers in the building.

RESPONSE TO MEMBERS' COMMENTS

The Board of Directors and Mrs. Howe responded to member comments.

MUTUAL FIFTY COMMITTEE REPORTS

Activities Committee Report

Mrs. Rothberg reported on events hosted by Mutual Fifty, upcoming events, the cost of bingo candy, fixing up the bar in the Key Club.

Marketing Committee

No meeting, no report.

Transportation Committee

No meeting, no report.

Orientation Committee Meeting

No meeting, no report.

CONSENT CALENDAR

None.

OLD BUSINESS

Approve 2019 Business Plan

Director Nord-Leth read the proposed resolution:

RESOLUTION M50-18-75
2019 Budget Resolution

RESOLVED, September 20, 2018, that the Business Plan of this Corporation for the year 2019 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the sum of \$9,953,972 is required by the Corporation to meet the Laguna Woods Mutual No. Fifty operating expenses and reserve requirements for the year 2019, from which will be deducted \$1,142,867 expected from various sources of revenue. In addition, the sum of \$756,962 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2019. The Board of Directors hereby estimates that the net sum of \$7,748,193 is required to be collected from and paid by members of the Corporation as basic monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$970,200 from the Replacement Funds; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2019 and as filed in the records of the Corporation; said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2019; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments required to be paid by members of the Corporation effective January 1, 2019 as follows:

Unit Model	Monthly Assessment
A	\$2,155.01
B	\$2,192.06
C	\$2,362.53
D	\$2,332.88
F	\$2,540.41
G	\$2,295.83
H	\$2,481.12

RESOLVED FURTHER, that the second occupant charge will be \$671.00, of which \$550.00 is for food service and \$121.00 is for maintenance; and

RESOLVED FURTHER, that the officers and agents of this Corporation are

hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Nord-Leth moved the resolution. Director Amado seconded the motion. Discussion ensued. By a vote of 4-0-0, the motion carried.

Director Nord-Leth read the proposed resolution:

RESOLUTION M50-18-76
2019 Replacement Reserves Resolution

WHEREAS, Civil Code § 5570 requires specific reserve funding disclosure statements for homeowner associations; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the association's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 20, 2018, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of meeting or exceeding the reserve funding recommended by its reserve study specialist (RSI), while meeting its obligations to repair and/or replace major components; and

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

Director Nord-Leth moved the resolution. Director Dalis seconded the motion. By a vote of 4-0-0, the motion carried.

Dress Code

Director Nord-Leth read the proposed resolution:

RESOLUTION 50-18-xx
Dining Room and Common Area Dress Code Rules

WHEREAS, Laguna Woods Mutual No. Fifty has maintained a dress code for common areas and both the California and Crystal Dining Rooms since the inception of The Towers; and

WHEREAS, good grooming (clothing, hair, face and hands) is expected at all times in the Dining Rooms and Common Areas; and

WHEREAS, the following dress codes for The Towers' Dining Rooms and Common Areas apply to both residents and their guests (for whom residents are responsible);

NOW THEREFORE BE IT RESOLVED, November 15, 2018, that the Board of Directors of this Corporation, on behalf of the Corporation, hereby states the Laguna Woods Mutual No. Fifty Dining Room and Common Area Dress Codes as shown:

TOWERS COMMON AREA

The following is unacceptable attire for Towers' Common Area:

1. Sleep Attire
2. Scrubs/Surgical Attire (unless otherwise permitted/required for a job duty on-site)
3. Bedroom Slippers
4. Swimwear (bathing suits/cover-ups)

CRYSTAL DINING ROOM

A blazer or suit jacket is required for men dining in the Crystal Dining Room.* The following is unacceptable attire for anyone dining the Crystal Dining Room:

1. Sleep Attire
2. Scrubs/Surgical Attire (unless otherwise permitted/required for a job duty on-site)
3. Bedroom Slippers
4. Swimwear (bathing suits/cover-ups)
5. Shorts
6. Shirts with Messaging
7. Uncollared Shirts (for men)
8. Athletic/Gym Pants/Leggings
9. Muumuus/Loungers
10. Blue Jeans/Denim
11. Hats or Bandanas
12. Windbreakers/hoodies/sweatshirts

*Men must keep jackets on while in the Crystal Dining Room unless weather conditions make it 80 degrees or warmer.

CALIFORNIA DINING ROOM (Dinner)

The following is unacceptable attire for anyone dining in the California Dining Room during dinner hours:

1. Sleep Attire
2. Scrubs/Surgical Attire (unless otherwise permitted/required for a job duty on-site)
3. Bedroom Slippers
4. Swimwear (bathing suits/cover-ups)
5. Shorts
6. Blue Jeans/Denim (faded/holes/frays)
7. Shirts or Jacket with Messaging
8. Uncollared Shirts or T-Shirts (for men)
9. Athletic/Gym Pants
10. Hats or Bandanas

CALIFORNIA DINING ROOM (Lunch)

The following is unacceptable attire for anyone dining in the California Dining Room during lunch hours:

1. Sleep Attire
2. Scrubs/Surgical Attire (unless otherwise permitted/required for a job duty on-site)
3. Bedroom Slippers
4. Swimwear (bathing suits/cover-ups)

RESOLVED FURTHER, that if a member believes that he/she is entitled to an exception to these rules as a reasonable accommodation of a disability, the individual should submit the request to management. Each request will be considered by the Board on a case-by-case-basis; and

RESOLVED FURTHER, that the Staff of the Dining Services provider is hereby authorized and empowered to enforce these rules by politely informing the resident/guests of the dress code violation and requesting that the person not enter the dining room until they meet the dress code; and

RESOLVED FURTHER, that the Staff of the Dining Services provider shall report all violations to the Towers' General Manager; and

RESOLVED FURTHER, that in an instance where a violation of the dress code is observed, the information will be communicated to the Towers General Manager stating the name of the resident/guest, the date, time, and the specific offense, and the General Manager will proceed with

resident disciplinary process; and

RESOLVED FURTHER, that any resident found to be violating these rules will be sent a letter with the date and specific violation, for subsequent violations the person will be brought forward to the Board of Directors ("Board") for potential disciplinary action (including a notice and hearing where required); and

RESOLVED FURTHER, that the Board may take disciplinary action as permitted under the law and/or authorized by the Mutual's governing documents ("Governing Documents") including, but not limited to: (1) imposing a fine subject to the Mutual's Fee and Penalty Schedule between \$25-500; (2) suspending common area privileges (including the use of the dining rooms); including a notice and hearing where required; and

RESOLVED FURTHER, that Resolution M50-15-18 dated April 2015 is hereby superseded and cancelled; and

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

This resolution will be out for 30-day comment pursuant to the Davis-Stirling Common Interest Development Act.

Director Nord-Leth moved the resolution with 30-day hold to obtain written comment from the membership. Director Amado seconded the motion. Director Amado made a motion to amend and add the following verbiage "will be sent a letter with the date and specific violation, for subsequent violations the person will be brought forward to the board for potential disciplinary action including a notice and hearing where required". Director North-Leth seconded the motion. By a vote of 4-0-0, the amendment carried. Director Dalis made a motion to amend and add the following verbiage "unless weather conditions make it 80 degrees or higher". Director North-Leth second the motion. Discussion ensued. By a vote of 4-0-0 the amendment carried. Resident discussion ensued. By a vote of 3-1-0 (North-Leth opposed) the amended dress code carried.

Vehicle Traffic and Parking Rules

Director Nord-Leth read the proposed resolution:

RESOLUTION M50-18-XX **Traffic Rules and Regulations**

WHEREAS, the Board of Directors of this Corporation has previously adopted standards for traffic enforcement and parking enforcement, and in an effort to provide comprehensive traffic rules and regulations

enforceable to the residents of Mutual No. Fifty, both standards have been consolidated to improve consistency within the Community; and

WHEREAS, the Traffic Rules and Regulations are intended to mirror the California Vehicle Code and to adhere to the Davis-Stirling Act;

WHEREAS, due to resident complaints the association is designating Contractor and Service Vehicle Parking in its parking lots and placing a 10-minute limit on parking beside the building;

NOW THEREFORE BE IT RESOLVED, November 15, 2018, that the Board of Directors of this Corporation hereby adopts the revised Laguna Woods Mutual No. Fifty Vehicle, Traffic, and Parking Rules, as attached to the minutes of this meeting; and

RESOLVED FURTHER, that Resolution M50-15-02 adopted January 15, 2015 is hereby superseded and cancelled; and

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

This resolution will be out for 30-day comment pursuant to the Davis-Stirling Common Interest Development Act.

Director Nord-Leth moved the resolution with 30-day hold to obtain written comment from the membership. Director Dalis seconded the motion. By a vote of 4-0-0, the motion carried.

Attorney Reviewed and Revised Golf Cart Parking/Plugging In/Wiring

Director Nord-Leth read the proposed resolution:

RESOLUTION M50-18-77

Golf Cart Parking in Tower's Carports – Additional Wiring

As a convenience to residents, Mutual No. Fifty ("Mutual") allows members to Install an electrical connection in their carports where none exists, provided such installation is in compliance with state law, local regulations, and the Mutual's governing documents.

WHEREAS, Resolution M50-09-36 dated May 21, 2009 established the fee for charging a golf cart in the carport to be \$72 annually; and

WHEREAS, not all carport spaces have access to electrical connections;

NOW THEREFORE BE IT RESOLVED, September 20, 2018, that the Board of Directors ("Board") of the Mutual hereby approves the following rules and regulations regarding such installations:

1. Any Owner wishing to install wiring and/or a charging station in the carport designated to the Owner's unit be required to submit all plans and specifications to the Board and/or Architectural Control Committee ("ACC").
2. Any Owner wishing to install such items shall be responsible for all costs associated with the installation.
3. The ACC and/or Board must approve such plans before the installation may proceed.
4. Such Owners must also provide insurance, bonding, and licensing information of vendors and/or utilize an Association vendor.
5. The Association has the right to request that any vendor name the Association and management company as "Additional Insureds."
6. The Association has the right to request that such Owners enter into recorded indemnification/license/maintenance agreements, whereby the Owner agrees to accept responsibility for damages based on the installation as well as on-going maintenance.

RESOLVED FURTHER, that ongoing costs of electricity shall be determined by the distance from the electrical source to the specific carport; and

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

This resolution has met its 30-day member comment period requirement in accordance with the Davis-Stirling Common Interest Development Act.

Director Nord-Leth moved the resolution. Director Greenwald seconded the motion. By a vote of 4-0-0, the motion carried.

Attorney Reviewed and Revised Motorized Vehicle Use (Scooters/Wheelchairs) in The Towers

Director Nord-Leth read the proposed resolution:

RESOLUTION M50-18-78
Power-driven Mobility Device Use in The Towers

Residents of Laguna Woods Mutual No. Fifty ("The Towers" or "Mutual") who require the use of power-driven mobility devices in the Common Area must abide by the policy set forth below, in addition to any other applicable Mutual rules. Any resident that believes s/he is entitled to an exception of any of these rules as a reasonable accommodation of a disability may submit a request for a reasonable accommodation to the Mutual. Each request will be considered on a case-by-case basis. Those requesting an accommodation may be asked for documentation of the need for the accommodation from a health care provider.

WHEREAS, the Board of Directors of ("Board") has the responsibility to comply with state and federal law covering individuals with disabilities; and

WHEREAS, the Board understands that various individuals within The Towers community may require the use of power-driven mobility devices; and

WHEREAS, the Board wishes to limit the potential for accidents within The Towers due to the use of power-driven mobility devices within the community; and

WHEREAS, The Towers was not built for motorized/power-driven wheeled devices, such as scooters;

NOW THEREFORE BE IT RESOLVED, that on September 20, 2018, power-driven mobility devices shall be permitted within The Towers on a case-by-case basis, pursuant to a request by an individual and/or a written prescription for such item by a health care professional; and

RESOLVED FURTHER, following the approval by the Board of such a device, the requesting resident must provide to The Towers managing agent a Certificate of Insurance which provides homeowners' insurance coverage for the Resident's use of the device within The Towers, with minimum coverage of \$250,000 per occurrence; and

RESOLVED FURTHER, that all motorized vehicles operating in the Common Area of Laguna Woods Village shall be operated at level 1 or the lowest speed in crowds and not faster than pedestrians in the same area while in transit; and

RESOLVED FURTHER, that Resolution M50-11-63, adopted October 20, 2011 is hereby superseded and cancelled; and

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

This resolution has met its 30-day member comment period requirement in accordance with the Davis-Stirling Common Interest Development Act.

Director Nord-Leth moved the resolution. Director Amado seconded the motion. Discussion ensued. By a vote of 4-0-0, the resolution passed.

Attorney Reviewed and Revised Pet Policy

Director Nord-Leth read the proposed resolution:

RESOLUTION M50-18-79
Pet Rules for The Towers

WHEREAS, Laguna Woods Mutual No. Fifty ("The Towers" or "Mutual No. Fifty") has an existing Pet Policy regarding pets permitted in The Towers; and

WHEREAS, the current pet policy does not include language regarding dogs that pose a danger to others and/or constitute a nuisance to others; and

WHEREAS, the current pet policy does not include language regarding animals that serve as "comfort," "emotional support," "therapy" animals, and/or "service animals";

NOW THEREFORE BE IT RESOLVED, September 20, 2018 that the Board of Directors of the Mutual ("Board") hereby approves the following Pet Rules for The Towers:

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must have an annual permit issued by the Mutual for up to two pets. Each pet must weigh 25 pounds or less.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must have those pets licensed as required under state and/or local law or regulations, with inoculation records, and spayed or neutered. Residents must provide a copy of the license, a veterinarian's certificate verifying inoculations and spaying or neutering to the Administration Office with their permit applications. License and current inoculation records must be provided to the Administration Office annually, with the exception of cats that do not leave the unit.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must have an identity collar (or tag) on the animal any time the animal is in common area, identifying the owner, unit, and the pet's name.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets must submit a current Certificate of Insurance with their permit application, which provides homeowner's insurance coverage for any damage done by the pet to persons or Mutual property with a minimum coverage of \$300,000 per occurrence.

Mutual No. Fifty will not tolerate pets known to be aggressive, have a propensity to bite, and/or pose a nuisance to other residents.

This policy applies to all residents of Mutual No. Fifty who keep up to two pets.

All residents of Mutual No. Fifty who keep dogs, cats, or other household pets are required to appoint a pet guardian who will be responsible for the care of the pet in case of an emergency or when the owner is not available, at the time of permit application.

Pet Rules

The ability of a resident to keep a pet is, as set forth above, subject to the following rules, which are founded on health and safety considerations of all Mutual residents, visitors and guests. Any resident who believes s/he is entitled to an exception of any of these rules as a reasonable accommodation of a disability may submit a request for a reasonable accommodation to the Mutual. Each request will be considered on a case-by-case basis. Those requesting an accommodation may be asked for documentation of the need for the accommodation from a health care provider.

1. Any pet within the common area inside and/or outside The Towers must be restrained by a leash not to exceed six (6) feet and in charge of a person competent and physically able to restrain and control the pet.
2. Pet owners, when leaving their residence with their pet, are to proceed to the elevator and exit the building by the nearest exit door.

3. Pet owners shall not allow their pets to obstruct or interfere with the rights of other residents, guests or visitors, or annoy them by unreasonable noises at any time.

4. Pet owners are NOT to bring their pets into any of the central common areas including the dining rooms, lounges, front desk and mailbox areas. This rule is for the safety of all residents in order to prevent trip hazards.

5. No pet shall be permitted to urinate or defecate within the common area except within the grass areas north of Tower I and west of Tower II. Fecal waste shall be removed forthwith and placed in a sealed double plastic bag by the owner or person in charge of the pet before placing it in the trash chute.

6. Small dogs may be carried while in the elevators to avoid leash tangles or accidents with the automatic doors.

7. Pets must be kept free of fleas at all times.

8. The Mutual's staff is not responsible for the cleanup or disposal of pet refuse.

9. During housekeeping services, pets must be contained or out of the manor.

10. Pet litter and/or waste is never to be disposed of in toilets.

11. If the Mutual receives information that a pet has bitten a person, the Mutual reserves the right to initiate proceedings against the pet owner which may include requesting that the pet be removed from the property. If the parties agree that removal is not necessary, the pet will be required to wear a muzzle at all times while outside of the resident's manor. Additionally, a resident with a pet that has been documented by Security to have bitten someone at The Towers will be required to increase their homeowner's insurance coverage for any damage done by the pet to persons or Mutual property to \$1,000,000.

12. Visitors with pets must comply with all rules pertaining to pets in Common Area.

13. In case of an emergency, Staff will contact the pet guardian on file when the owner is not available. If Staff is unable to reach the pet guardian

within 24 hours, Staff will contact the local animal shelter to care for the pet.

14. Pet owners must comply with all pet-related requirements of Laguna Woods Mutual No. Fifty and the City of Laguna Woods.

15. Any resident found to be violating these rules will be brought forward to the Board for disciplinary action pursuant to state law and the Mutual's Governing Documents. The Board may take authorized disciplinary action (with proper notice and hearing where required) including, but not limited to: (1) a fine; (2) payment of the Mutual's attorney fees incurred in enforcing the pet regulations; (3) removal of the pet; and/or (4) termination of the occupancy of the resident in Mutual Fifty.

RESOLVED FURTHER, that Resolution M50-14-41 dated August 21, 2014, is hereby superseded and canceled; and

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

This resolution has met its 30-day member comment period requirement in accordance with the Davis-Stirling Common Interest Development Act.

Director Nord-Leth moved the resolution. Director Amado seconded the motion. By 4-0-0 the resolution carried.

Attorney Reviewed and Revised Lien and Collection Policy

Director Nord-Leth read the proposed resolution:

RESOLUTION 50-18-80

Revision to Collection and Lien Enforcement Rules

WHEREAS, Section 5310 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties; and

NOW THEREFORE BE IT RESOLVED, September 20, 2018, that the Board of Directors of this Corporation hereby approves the attached revisions the Collection and Lien Enforcement Rules for Assessment Delinquencies, effective January 1, 2019; 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.

This resolution has met its 30-day member comment period requirement in accordance with the Davis-Stirling Common Interest Development Act.

Director Nord-Leth moved the resolution. Director Dalis seconded the motion. By a vote of 4-0-0, the motion passed.

NEW BUSINESS

Obtain Legal Opinion Lortscher Hall Seating Rules

Staff recommends that our current seating policy for Lortscher Hall be reviewed by legal counsel regarding compliance with Fair Housing Standards as well as Fire Code Policy. Director Amado made a motion to have legal counsel review Lortscher Hall Seating Rules. Director North-Leth second the motion. By a vote of 4-0-0 the motion carried.

Renew Director's and Officer's Insurance

Director Nord-Leth read the proposed resolution:

RESOLUTION 50-18-81

Renew Directors and Officers Liability Insurance with Beecher Carlson

WHEREAS, Laguna Woods Mutual No. Fifty has utilized Beecher Carlson for its Directors and Officers Insurance for several years; and

WHEREAS, renewal of the Corporation's Directors and Officers Insurance Policy is due October 1, 2018; and

NOW THEREFORE BE IT RESOLVED, September 20, 2018, that the Board of Directors of this Corporation hereby approves renewing its Directors and Officers insurance at a cost of approximately \$13,000 for the year; and

RESOLVED FURTHER, the Board approves submitting the attached renewal to Beecher Carlson; and

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

Director Nord-Leth moved the resolution. Director Amado seconded the motion. By a vote of 4-0-0, the motion passed.

GRF COMMITTEE REPORTS

Community Activities Committee – Ryna Rothberg

No report to give.

Business Planning Committee – Al Amado

No report to give.

Finance Committee – Al Amado

No report to give.

Landscape Committee – June Greenwald

No report given.

Maintenance and Construction Committee – Ryna Rothberg

No report to give.

Media and Communications Committee- Ryna Rothberg

No report to give.

Mobility and Vehicles Committee – June Greenwald

No report to give.

Security and Community Access – John Dalis

No report to give.

Disaster Planning Task Force – Inesa Nord-Leth

Director Nord-Leth announced an upcoming meeting.

PAC Ad Hoc Committee – June Greenwald

No report to give.

Laguna Woods Traffic Hearings – John Dalis

Director Dalis commented on the traffic hearings.

Board Member Closing Comments

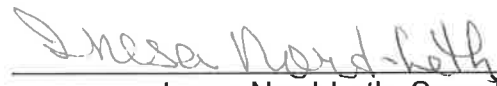
No closing comments.

ADJOURNMENT

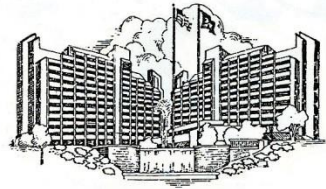
The open session meeting was adjourned at 3:52 p.m.

Summary of Previous Closed Session Meetings per Civil Code Section 4935

During its Regular Executive Session meeting of September 20, 2018, the Board approved the minutes of the August 16, 2018 Regular Special Session and the August 30, 2018 Special Closed meeting and discussed contract issues. The closed session meeting was adjourned at 11:00 a.m.



Inesa Nord-Leth, Secretary



The Towers

Laguna Woods, California 92637

2019 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement of the specific procedures, policies and practices ("Policy Statement") employed by Laguna Woods Mutual No. Fifty, a California nonprofit mutual benefit corporation (the "Mutual") in enforcing lien rights or other legal remedies for default in payment of its assessments against its owners ("Members"). This Policy Statement is provided pursuant to the requirements of California Civil Code section 5310, subd. (a)(7).

The collection of delinquent assessments (sometimes referred to as Carrying Charges) is of vital concern to all Members of the Mutual. Such efforts ensure that all Members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members' failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those Members who make timely payment of their assessments to bear a disproportionate share of the community's financial obligations.

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

WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION AND RECOGNIZING THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND INTEREST, POSSIBLE RESULTANT LEGAL ACTION, AND THE LEGAL OBLIGATION TO REIMBURSE THE MUTUAL FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN THE BEST INTEREST OF ALL MEMBERS OF THE MUTUAL TO MAKE MONTHLY PAYMENTS ON TIME.

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

BASIC POLICIES AND PROCEDURES

Delinquency reports are made monthly by the Mutual's managing agent to the Board of the Mutual, identifying the delinquent Member, amount and the length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Mutual's Board of Directors, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted statutes or court decisions. In accordance with the Mutual's governing documents (including, without limitation, the Articles of Incorporation, the Bylaws, the Declaration of Covenants, Conditions and Restrictions and amendments thereto ("CC&Rs"), and the Rules & Regulations) and the California Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement procedures:

Assessment Due Date

Regular assessments are due and payable to the Mutual, in advance, in equal monthly installments, on the first day of each month. It is each Member's responsibility to pay assessments in full each month regardless of whether a billing statement is received.

Special assessments are due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is imposed.

Assessments, late charges, interest and collection costs, including any attorney's fees, are the personal obligation of the Member at the time the assessment or other sums are levied, pursuant to Civil Code sections 5650, subd. (a) and 5660.

Reminder Notice

If the current monthly assessment is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), a reminder notice may be sent to the Member. This reminder notice is sent as a courtesy only. Members should not expect to receive such courtesy reminder notices in every instance.

PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE ACTUALLY RECEIVED BY THE MUTUAL PRIOR TO THE EXPIRATION OF THE GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT.

Late Charges

Assessments not received within fifteen (15) of the stated due date are considered delinquent and shall be subject to a late charge in an amount not to exceed five percent (5%) of the delinquent assessment, as specified in Article VII, Section 4 of the CC&Rs and per Civil Code section 5650,

subd. (b)(2). Such late charge may be imposed and collected regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel for further handling, and regardless of whether a courtesy reminder notice was sent.

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE ABOVE-REFERENCED DELINQUENCY DATE. All notices or invoices for assessments will be sent to Members by first-class mail addressed to the Member at his or her address as shown on the books and records of the Mutual. However, it is the Member's responsibility to be aware of the assessment payment due dates and to advise the Mutual of any changes in the Member's mailing address.

Interest

State law and the Mutual's governing documents provide for interest on all delinquent assessments and the late charges. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed ten percent (10%), as specified in Civil Code section 5650, subd. (b)(3), and Article VII, Section 5 of the CC&Rs. Such interest may be imposed and collected regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel for further handling, and regardless of whether a courtesy reminder notice was sent.

Administrative Collection Fee

It is the policy of the Mutual not to routinely waive any late charges, interest, attorney's fees, or any other "Costs of Collection." "Costs of Collection" as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Two-Hundred Fifty Dollars (\$250) (the "Administrative Collection Fee"), which is charged by the Mutual's managing agent to cover staff costs to prepare the files for delivery to the Mutual's legal counsel in order to carry out legal actions authorized hereunder, as well as direct costs incurred in recording and/or mailing documents attendant to this legal process.

This Administrative Collection Fee may be increased upon approval by majority vote of the Mutual's Board, and may be collected by the Mutual's legal counsel on its behalf, and remitted to the Mutual's managing agent, or may be directly collected by the Mutual's managing agent.

Priority of Assessment Payments

Any payments made by the owner of a separate interest toward a debt shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to the outstanding fees, costs of collection, attorney's fees, late charges, and/or interest. (Civil Code section 5655).

Pre-Lien Demand Letter

If full payment of the delinquent amount is not received by the close of business on the day which is thirty (30) days after the date the delinquent assessment originally came due, a Pre-Lien Demand Letter may be sent to the Member via Certified Mail. The Mutual, through its managing agent, may also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay the delinquency whether or not a telephone reminder is actually received by the Member.

Lien

If after forty-five days after receipt of the Pre-Lien Demand Letter, full payment of the delinquent amount is not received by the Mutual, and the Member has not timely disputed the debt, the Mutual may record a lien against the Member's separate interest for the amount of the delinquent assessment together with any late charges, interest, costs, attorneys' fees and penalties.

Alternate Means to Collect Delinquent Sums

If full payment of the delinquent amount is not received by the close of business on the thirtieth (45th) day after the receipt of the Pre-Lien Demand Letter, the Mutual may, at its option, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right to use Mutual or GRF facilities; (2) terminating the delinquent Member's Membership in the Mutual, (3) commencing legal action against the Member as discussed further below, or (4) through any other appropriate and lawful means.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's governing documents, suspend a delinquent Member's right to vote on matters as to which the Member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full. Failure to pay the delinquency may also result in suspension of Membership in and the ability to use the facilities or services provided by the Golden Rain Foundation of Laguna Woods or by this Mutual.

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

Asset Investigation

The Mutual may, in its discretion, hire a Private Investigator to research a delinquent Member's available assets. An asset investigation will assist the Board in making an informed decision as to the correct collection action to take against the delinquent Member. Any and all costs of the investigation will be included on the delinquent Member's account as a reasonable cost of collection pursuant to Civil Code Section 5650, subd. (a).

Small Claims Court

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

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT. Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered. If the amount owed to the Mutual by the delinquent Member exceeds the jurisdictional limits of the small claims court, an action may instead be filed in the Superior Court.

Foreclosure

If the amount of delinquent assessments (not including any late charges, fees, attorney's fees, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), or any unpaid assessments are more than twelve (12) months delinquent, then, subject to specified conditions, the Mutual may initiate foreclosure proceedings to collect the amounts owed. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

Reimbursement Assessments and Monetary Penalties

Sums imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common area and/or community facilities caused by a Member or the Member's guest or tenant may become a lien against the Member's separate interest enforceable by the sale of the interest. Civil Code section 5725, subd. (a).

However, monetary penalties imposed by the Mutual as a disciplinary measure for failure of a member to comply with the governing documents, except for the late payments, may not be characterized nor treated in the governing documents as an assessment that may become a lien against the Member's separate interest enforceable by the sale of the interest. Civil Code section 5725(b).

Right to Dispute the Delinquency

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

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

Internal Dispute Resolution (IDR) // Alternative Dispute Resolution (ADR)

The delinquent Member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Mutual pursuant to the Mutual's "meet and confer" program, as set forth in Civil Code sections 5900-5920;

The delinquent Member may exercise his or her right to participate in Alternative Dispute Resolution (ADR) with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the Member, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure action.

Payment Plan Requests

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the Pre-Lien Demand Letter. The Mutual's Board will consider payment plan requests on a case-by-case basis, and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments and related charges that accrue during the payment plan period. Payment plans will not impede the Mutual's ability to record a lien on the Member's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.

Secondary Address

Members have a right to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to this Policy Statement, and upon receipt of a written request from a Member identifying a secondary address, the Mutual must send additional notices to this secondary address.

No Right of Offset

There is no right of offset. A Member may not withhold assessments owed to the Mutual on the alleged grounds that the Member would be entitled to recover money or damages from the Mutual based on some grievance or other obligation.

Returned Checks

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

three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with California Civil Code section 1719.

Fee and Penalty Procedures

The following charges may be imposed in accordance with the Policy:

Late Reminder & Support	\$25.00
Pre-Lien Letter	\$200.00
Additional Pre-Lien Letters	\$50.00 each
Title Check Fee	\$50.00 each
Resolution to Record Lien	\$50.00
Lien Fee	\$300.00
Additional Lien mailings	\$50.00 each
Lien Release	\$100.00
Recording Fee	\$75.00
Payment Plan Admin. Fee	\$25.00 monthly
Administrative Collection Fee	\$250.00
First Returned Check Fee	\$25.00
Attorney's Fees	Hourly Rate

Overnight Payments

The mailing address for overnight payment of assessments is as follows:

Laguna Woods Mutual No. Fifty
Attn: Assessment Payments
24351 El Toro Road
Laguna Woods, CA 92637

Rights Reserved by Mutual

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

Statement Required by Civil Code Section 5965

Civil Code section 5965 requires the Mutual to include the following statement in this Policy Statement:

“Failure of a Member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another Member of the association regarding enforcement of the governing documents or the applicable law.”

Attachments

The following attachments are included in this packet:

- The Notice of Assessments and Foreclosure required by Civil Code section 5730 is contained in Attachment “A” to this Policy.
- The disclosures required by the State Rosenthal Fair Debt Collection Practices Act and Federal Fair Debt Collection Practices Act are contained in Attachment “B” to this Policy.

ATTACHMENT "A"
NOTICE OF ASSESSMENTS AND FORECLOSURE

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

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

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

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

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

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

MEETINGS AND PAYMENT PLANS

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

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

ATTACHMENT "B"
FAIR DEBT COLLECTION PRACTICES ACTS

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

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