



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, March 2, 2021 – 1:30 p.m.
Laguna Woods Village Virtual Meeting
24351 El Toro Road
Laguna Woods, CA 92637**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for February 2, 2021
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions for virtual meetings using one of two options:
 1. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name Third Finance Committee in the subject line of the email. Name and unit number must be included.
 2. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.
7. Department Head Update

Reports

8. Preliminary Financial Statements dated January 31, 2021

Items for Discussion and Consideration

9. Investment Policy
10. Other Endorsements from Standing Committees

Future Agenda Items

Concluding Business:

11. Committee Member Comments
12. Date of Next Meeting – Tuesday, April 6, 2021 at 1:30 p.m.
13. Recess to Closed Session

Robert Mutchnick, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



**FINANCE COMMITTEE MEETING
REPORT OF THE REGULAR OPEN SESSION**

Tuesday, February 2, 2021 – 3:00 p.m.
Virtual Meeting

MEMBERS PRESENT: Robert Mutchnick – Chair, Steve Parsons, Annie McCary, Ralph Engdahl, Lynn Jarrett, Cush Bhada. John Frankel, Reza Karimi, Craig Wayne, Debbie Dotson, Donna Rane-Szostak, Advisor: John Hess, Wei-Ming Tao

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Jose Campos, Steve Hormuth, Christopher Swanson

Call to Order

Director Mutchnick, Treasurer, chaired the meeting and called it to order at 3:01 p.m.

Approval of Meeting Agenda

A motion was made and carried unanimously to approve the agenda as presented.

Approval of Meeting Report for January 5, 2021

A motion was made and carried unanimously to approve the committee report as presented.

Chair Remarks

None.

Member Comments

Advisor Tao commented on the Budget Joint Task Force and informed the committee she had stepped down as chair.

Department Head Update

Betty Parker, Chief Financial Officer, provided updates on the 2020 Audit, Insurance, Procedure for Customer Relations, Procedure for Reserve Payments and the Budget Task Force.

Preliminary Financial Statements dated December 31, 2020

Steve Hormuth, Controller, presented the Preliminary Financial Statements dated December 31, 2020 and questions were addressed from the committee.

Operating Surplus

Jose Campos, Financials Services Manager, presented an Excel handout on the December 31, 2020 operating surplus. The Committee requested the handout be emailed out to all Third board members and finance committee advisors.

Future Agenda Items

None.

Committee Member Comments

Director Dotson commented on the need to address variances and understand them thoroughly.

Date of Next Meeting

Tuesday, March 2, 2021 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 4:25 p.m.

Robert Mutchnick, Chair



MEMORANDUM

To: Third Finance Committee
 From: Betty Parker, CFO
 Date: March 2, 2021
 Re: Department Head Update

Financial Highlights

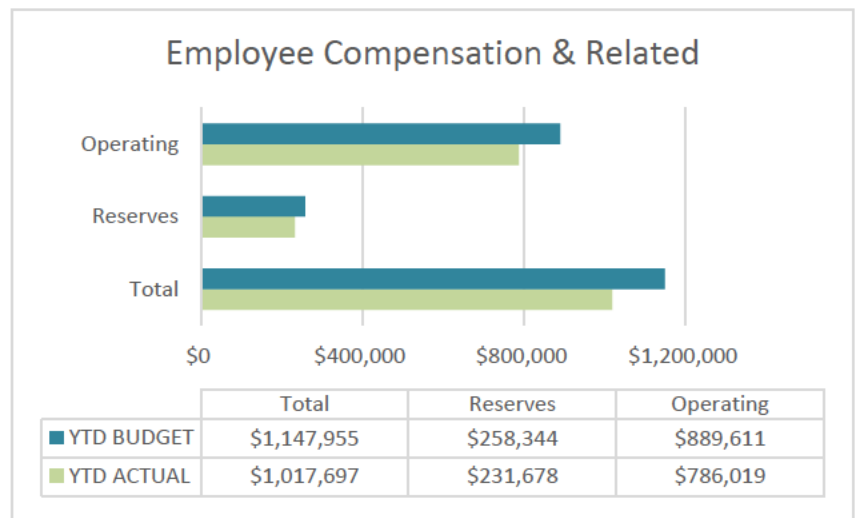
SUMMARY:

For the year-to-date period ending January 31, 2021, Third Mutual was better than budget by \$347K primarily due to timing of expenditures, affecting the areas of outside services, compensation, and materials.

INCOME STATEMENT (in Thousands)			
	Actual	Budget	Variance
Assessment Revenues	\$2,883	\$2,883	\$0
Other Revenues	32	163	(131)
Expenses	2,269	2,747	478
Revenue/(Expense)	\$646	\$299	\$347

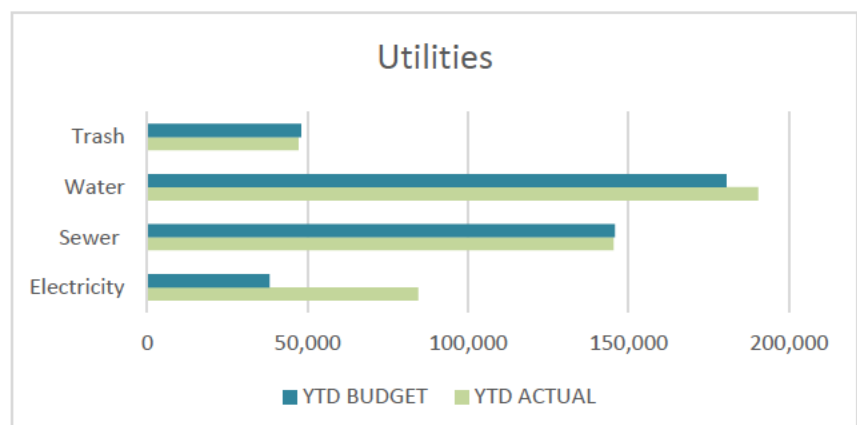
COMPENSATION:

Actual compensation and related costs came in at \$1,018K, with \$786K in operations and \$232K in reserves. Combined, this category is 11.3% favorable to budget. For Third, the most significant savings were in Maintenance and Landscape due to open positions and timing of programs.



UTILITIES:

In total, this category was unfavorable to budget by (\$55K) mainly due to more electricity and water expenses booked in January than budgeted. Trash and Sewer came in on budget. A further look at variances caused by accruals and budget distributions will be examined with Q1 financials.



Discussions

Audit 2021: The second meeting of the Select Audit Task Force was held on February 17, 2021 with an open session invitation to all board members where KPMG presented the audit plan for the 2020 financial statement audit, made their pre-audit required communications, and answered questions. The audit team will conduct their fieldwork remotely beginning March 1, 2021. The completed audit report is scheduled to be presented to the boards on April 5, 2021.

Budget 2022: The CFO provided board training on February 8 which included a preview of the upcoming budget process. The Ad Hoc Budget Task Force met on February 10 to discuss goals and objectives. A subsequent planning meeting will be held March 4 at 1 pm.

Insurance Update: On September 30, 2020 all lines of insurance for casualty, executive liability, and property were renewed and bound with Third's portion of the total cost coming in at \$4.98M compared to a budget of \$3.14M for the policy period. Effective March 18, 2021, the broker services agreement with Beecher Carlson will be terminated and Arthur J. Gallagher & Co. will be named the broker of record to service existing policies and begin reviewing renewal options.

Calendar

The following scheduled meetings will be held remotely during COVID-19 stay home orders:

- Mar 2, 2021 @ 1:30 p.m. Third Finance Committee Meeting (January Financials)
- Mar 5, 2021 @ 9:30 a.m. Third Board Agenda Prep Meeting
- Mar 16, 2021 @ 9:30 a.m. Third Board Meeting
- Apr 6, 2021 @ 1:30 p.m. Third Finance Committee Meeting (February Financials)
- Apr 9, 2021 @ 9:30 a.m. Third Board Agenda Prep
- Apr 20, 2021 @ 9:30 a.m. Third Board Meeting

February 2021							March 2021							April 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6		1	2	3	4	5	6					1	2	3
7	8	9	10	11	12	13	7	8	9	10	11	12	13	4	5	6	7	8	9	10
14	15	16	17	18	19	20	14	15	16	17	18	19	20	11	12	13	14	15	16	17
21	22	23	24	25	26	27	21	22	23	24	25	26	27	18	19	20	21	22	23	24
28							28	29	30	31				25	26	27	28	29	30	

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
1/31/2021
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,747	\$1,747		\$1,747	\$1,747		\$1,686	\$20,968
2	Additions to restricted funds	1,136	1,136		1,136	1,136		1,078	13,632
3	Total assessments	2,883	2,883		2,883	2,883		2,764	34,600
Non-assessment revenues:									
4	Fees and charges for services to residents	58	56	2	58	56	2	73	674
5	Laundry		20	(20)		20	(20)	23	240
6	Investment income	13	33	(21)	13	33	(21)	26	402
7	Unrealized gain/(loss) on AFS investments	(86)		(86)	(86)		(86)		213
8	Miscellaneous	47	53	(6)	47	53	(6)	55	640
9	Total non-assessment revenue	32	163	(131)	32	163	(131)	177	2,170
10	Total revenue	2,915	3,046	(131)	2,915	3,046	(131)	2,941	36,770
Expenses:									
11	Employee compensation and related	1,018	1,148	130	1,018	1,148	130	1,174	13,340
12	Materials and supplies	77	122	45	77	122	45	87	1,526
13	Utilities and telephone	467	412	(55)	467	412	(55)	334	5,685
14	Legal fees	54	42	(13)	54	42	(13)	39	500
15	Professional fees		9	9		9	9		150
16	Equipment rental	3	1	(2)	3	1	(2)	2	18
17	Outside services	76	515	439	76	515	439	234	11,122
18	Repairs and maintenance	24	29	5	24	29	5	28	353
19	Other Operating Expense	5	15	10	5	15	10	12	192
20	Insurance	431	328	(103)	431	328	(103)	177	3,936
21	Investment expense								21
22	Uncollectible Accounts	(6)		6	(6)		6	(3)	75
23	Depreciation and amortization	11		(11)	11		(11)	11	
24	Net allocation to mutuals	108	126	18	108	126	18	135	1,426
25	Total expenses	2,269	2,747	478	2,269	2,747	478	2,232	38,344
26	Excess of revenues over expenses	\$646	\$299	\$347	\$646	\$299	\$347	\$709	(\$1,575)

**Third Laguna Hills Mutual
Operating Statement
1/31/2021
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$1,747,298	\$1,747,318	(\$20)	0.00%	\$20,967,820
Total Operating	1,747,298	1,747,318	(20)	0.00%	20,967,820
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	152,550	152,550	0	0.00%	1,830,600
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	48,816	48,816	0	0.00%	585,792
41003500 - Monthly Assessments - Replacement Fund	890,892	890,892	0	0.00%	10,690,704
41004000 - Monthly Assessments - Elevator Replacement Fund	30,510	30,510	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	6,102	6,102	0	0.00%	73,224
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	7,142	7,142	0	0.00%	85,698
Total Additions To Restricted Funds	1,136,012	1,136,012	0	0.00%	13,632,138
Total Assessments	2,883,310	2,883,330	(20)	0.00%	34,599,958
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	31,450	13,300	18,150	136.46%	159,607
46501500 - Inspection Fee	2,822	6,376	(3,555)	(55.75%)	76,520
46502000 - Resident Maintenance Fee	23,473	36,118	(12,645)	(35.01%)	438,029
Total Fees and Charges for Services to Residents	57,746	55,795	1,950	3.50%	674,157
Laundry					
46005000 - Coin Op Laundry Machine	0	20,000	(20,000)	(100.00%)	240,000
Total Laundry	0	20,000	(20,000)	(100.00%)	240,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	106	1,000	(893)	(89.38%)	12,000
49002000 - Investment Income - Discretionary	12,549	32,500	(19,951)	(61.39%)	390,000
Investment Interest Income	12,655	33,500	(20,844)	(62.22%)	402,000
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	(85,910)	0	(85,910)	0.00%	213,000
Total Unrealized Gain/(Loss) On AFS Investments	(85,910)	0	(85,910)	0.00%	213,000
Miscellaneous					
46004500 - Resident Violations	0	2,500	(2,500)	(100.00%)	30,000
44501510 - Lease Processing Fee - Third	12,290	21,622	(9,332)	(43.16%)	259,475
44502500 - Non-Sale Transfer Fee - Third	100	125	(25)	(20.00%)	1,500
44503520 - Resale Processing Fee - Third	20,112	13,589	6,523	48.00%	163,072
44505500 - Hoa Certification Fee	640	650	(10)	(1.54%)	7,800
44507000 - Golf Cart Electric Fee	5,599	5,833	(234)	(4.01%)	70,000
44507200 - Electric Vehicle Plug-In Fee	935	917	18	1.96%	11,000
44507500 - Cartport/Carport Space Rental Fee	4,680	383	4,297	1121.93%	4,600
47001500 - Late Fee Revenue	2,775	5,000	(2,225)	(44.49%)	60,000
47002020 - Collection Administrative Fee - Third	0	500	(500)	(100.00%)	6,000
47002500 - Collection Interest Revenue	0	2,083	(2,083)	(100.00%)	25,000
47501000 - Recycling	0	167	(167)	(100.00%)	2,000
49009000 - Miscellaneous Revenue	(1)	0	(1)	0.00%	0
Total Miscellaneous	47,131	53,369	(6,238)	(11.69%)	640,447
Total Non-Assessment Revenue	31,622	162,664	(131,042)	(80.56%)	2,169,604
Total Revenue	2,914,932	3,045,994	(131,062)	(4.30%)	36,769,562
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	189,055	236,962	47,907	20.22%	2,854,473
51021000 - Union Wages - Regular	348,170	460,823	112,653	24.45%	5,425,824
51041000 - Wages - Overtime	2,292	1,728	(564)	(32.63%)	20,749
51051000 - Union Wages - Overtime	4,712	2,938	(1,774)	(60.39%)	35,281
51061000 - Holiday & Vacation	79,932	58,823	(21,109)	(35.89%)	697,928

**Third Laguna Hills Mutual
Operating Statement
1/31/2021
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				TOTAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51071000 - Sick	30,305	23,994	(6,312)	(26.31%)	284,681
51081000 - Sick - Part Time	5	21	16	76.46%	262
51091000 - Missed Meal Penalty	223	101	(122)	(120.65%)	1,236
51101000 - Temporary Help	7,336	1,616	(5,720)	(353.92%)	19,400
51981000 - Compensation Accrual	30,797	0	(30,797)	0.00%	0
Total Employee Compensation	692,829	787,007	94,178	11.97%	9,339,833
Compensation Related					
52411000 - F.I.C.A.	49,252	59,730	10,478	17.54%	702,023
52421000 - F.U.I.	3,758	4,936	1,179	23.88%	9,872
52431000 - S.U.I.	25,674	25,106	(568)	(2.26%)	50,211
52441000 - Union Medical	141,272	150,087	8,814	5.87%	1,801,043
52451000 - Workers' Compensation Insurance	28,518	43,234	14,716	34.04%	511,213
52461000 - Non Union Medical & Life Insurance	28,624	29,288	664	2.27%	351,459
52471000 - Union Retirement Plan	31,785	38,253	6,469	16.91%	450,404
52481000 - Non-Union Retirement Plan	5,274	10,314	5,039	48.86%	124,243
52981000 - Compensation Related Accrual	10,711	0	(10,711)	0.00%	0
Total Compensation Related	324,868	360,948	36,080	10.00%	4,000,469
Materials and Supplies					
53001000 - Materials & Supplies	33,575	39,838	6,263	15.72%	514,232
53003000 - Materials Direct	43,382	81,788	38,406	46.96%	1,007,648
53004000 - Freight	182	316	135	42.54%	3,816
Total Materials and Supplies	77,138	121,942	44,804	36.74%	1,525,696
Utilities and Telephone					
53301000 - Electricity	84,445	38,100	(46,345)	(121.64%)	365,300
53301500 - Sewer	145,264	145,700	436	0.30%	1,773,600
53302000 - Water	190,317	180,515	(9,802)	(5.43%)	2,971,182
53302500 - Trash	47,112	47,901	789	1.65%	574,820
Total Utilities and Telephone	467,140	412,216	(54,924)	(13.32%)	5,684,902
Legal Fees					
53401500 - Legal Fees	54,381	41,666	(12,715)	(30.52%)	499,985
Total Legal Fees	54,381	41,666	(12,715)	(30.52%)	499,985
Professional Fees					
53402020 - Audit & Tax Preparation Fees - Third	0	0	0	0.00%	45,400
53403500 - Consulting Fees	(169)	1,152	1,322	114.68%	15,780
53403520 - Consulting Fees - Third	0	7,368	7,368	100.00%	88,436
Total Professional Fees	(169)	8,520	8,690	101.99%	149,616
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	3,000	1,376	(1,624)	(118.04%)	18,217
Total Equipment Rental	3,000	1,376	(1,624)	(118.04%)	18,217
Outside Services					
53601000 - Bank Fees	2,656	2,639	(17)	(0.65%)	31,679
53601500 - Credit Card Transaction Fees	578	0	(578)	0.00%	0
53604500 - Marketing Expense	620	417	(203)	(48.68%)	5,000
54603500 - Outside Services Cost Collection	55,534	504,232	448,698	88.99%	10,988,267
53704000 - Outside Services	16,982	7,946	(9,036)	(113.72%)	97,088
Total Outside Services	76,370	515,234	438,864	85.18%	11,122,035
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	1,009	1,104	96	8.65%	15,968
53703000 - Elevator /Lift Maintenance	23,178	28,049	4,871	17.37%	336,584
Total Repairs and Maintenance	24,187	29,153	4,967	17.04%	352,552
Other Operating Expense					
53801000 - Mileage & Meal Allowance	202	1,203	1,001	83.22%	14,478
53801500 - Travel & Lodging	0	230	230	100.00%	2,764
53802000 - Uniforms	2,653	6,104	3,450	56.53%	87,700
53802500 - Dues & Memberships	159	186	27	14.56%	2,866
53803000 - Subscriptions & Books	202	192	(9)	(4.93%)	2,322
53803500 - Training & Education	0	1,725	1,725	100.00%	20,157
53903000 - Safety	0	84	84	100.00%	1,008

**Third Laguna Hills Mutual
Operating Statement**

1/31/2021

THIRD LAGUNA HILLS MUTUAL

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
54001020 - Board Relations - Third	0	627	627	100.00%	7,525
54002000 - Postage	1,702	4,415	2,713	61.45%	52,980
54002500 - Filing Fees / Permits	0	4	4	100.00%	503
Total Other Operating Expense	4,918	14,769	9,851	66.70%	192,303
Insurance					
54401000 - Hazard & Liability Insurance	62,904	59,703	(3,202)	(5.36%)	716,432
54401500 - D&O Liability	6,724	10,417	3,692	35.45%	125,000
54402000 - Property Insurance	360,913	257,303	(103,610)	(40.27%)	3,087,644
54403000 - General Liability Insurance	158	589	432	73.27%	7,072
Total Insurance	430,699	328,012	(102,687)	(31.31%)	3,936,148
Investment Expense					
54201000 - Investment Expense	0	0	0	0.00%	21,430
Total Investment Expense	0	0	0	0.00%	21,430
Uncollectible Accounts					
54602000 - Bad Debt Expense	(5,916)	0	5,916	0.00%	75,000
Total Uncollectible Accounts	(5,916)	0	5,916	0.00%	75,000
Depreciation and Amortization					
55001000 - Depreciation And Amortization	11,240	0	(11,240)	0.00%	0
Total Depreciation and Amortization	11,240	0	(11,240)	0.00%	0
Net Allocation to Mutuals					
54602500 - Allocated Expenses	107,960	126,233	18,273	14.48%	1,426,122
Total Net Allocation to Mutuals	107,960	126,233	18,273	14.48%	1,426,122
Total Expenses	2,268,644	2,747,077	478,433	17.42%	38,344,306
Excess of Revenues Over Expenses	\$646,288	\$298,917	\$347,371	116.21%	(\$1,574,744)

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
1/31/2021**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$3,688,441	\$1,412,574
2	Non-discretionary investments		3,999,894
3	Discretionary investments	25,506,473	25,579,833
4	Receivable/(Payable) from mutuals	2,254,686	445,722
5	Accounts receivable and interest receivable	57,426	172,270
6	Prepaid expenses and deposits	2,922,756	3,290,394
7	Property and equipment	141,239	141,239
8	Accumulated depreciation property and equipment	(141,239)	(141,239)
9	Beneficial interest in GRF of Laguna Hills Trust	5,178,397	5,189,637
10	Non-controlling interest in GRF	39,999,016	39,999,016
11	Total Assets	<u>\$79,607,196</u>	<u>\$80,089,341</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$1,998,421	\$3,078,395
13	Accrued compensation and related costs	548,292	548,292
14	Deferred income	780,547	829,005
15	Income tax payable	(290)	(290)
16	Total liabilities	<u>\$3,326,969</u>	<u>\$4,455,402</u>
	Fund balances:		
17	Fund balance prior years	75,633,940	72,543,822
18	Change in fund balance - current year	646,288	3,090,118
19	Total fund balances	<u>76,280,227</u>	<u>75,633,940</u>
20	Total Liabilities and Fund Balances	<u>\$79,607,196</u>	<u>\$80,089,341</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
1/31/2021**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Assets								
1 Cash and cash equivalents	\$344,602			\$3,331,890			\$11,949	\$3,688,441
2 Discretionary investments		3,749,317	6,526,245	13,193,936	1,597,260	361,966	77,750	25,506,473
3 Receivable/(Payable) from mutuals	2,254,686							2,254,686
4 Receivable/(Payable) from operating fund	(1,966,244)	614,277	1,220,215	(476,562)	557,465	39,958	10,890	
5 Accounts receivable and interest receivable	57,426							57,426
6 Prepaid expenses and deposits	2,922,756							2,922,756
7 Property and equipment	141,239							141,239
8 Accumulated depreciation property and equipment	(141,239)							(141,239)
9 Beneficial interest in GRF of Laguna Hills Trust	5,178,397							5,178,397
10 Non-controlling interest in GRF	39,999,016							39,999,016
11 Total Assets	<u>\$48,790,640</u>	<u>\$4,363,593</u>	<u>\$7,746,460</u>	<u>\$16,049,264</u>	<u>\$2,154,725</u>	<u>\$401,924</u>	<u>\$100,589</u>	<u>\$79,607,196</u>
Liabilities and Fund Balances								
Liabilities:								
12 Accounts payable and accrued expenses	\$1,599,833		\$107,015	\$294,133	(\$8,478)		\$5,917	\$1,998,420
13 Accrued compensation and related costs	548,292							548,292
14 Deferred income	780,547							780,547
15 Income tax payable	(290)							(290)
16 Total liabilities	<u>\$2,928,381</u>		<u>\$107,015</u>	<u>\$294,133</u>	<u>(\$8,478)</u>		<u>\$5,917</u>	<u>\$3,326,969</u>
Fund balances:								
17 Fund balance prior years	45,963,973	4,325,548	7,524,631	15,182,821	2,145,626	401,642	89,699	75,633,940
18 Change in fund balance - current year	<u>(101,714)</u>	<u>38,046</u>	<u>114,814</u>	<u>572,310</u>	<u>17,576</u>	<u>282</u>	<u>4,973</u>	<u>646,288</u>
19 Total fund balances	45,862,259	4,363,593	7,639,445	15,755,131	2,163,202	401,924	94,672	76,280,227
20 Total Liabilities and Fund Balances	<u>\$48,790,640</u>	<u>\$4,363,593</u>	<u>\$7,746,460</u>	<u>\$16,049,264</u>	<u>\$2,154,725</u>	<u>\$401,924</u>	<u>\$100,589</u>	<u>\$79,607,196</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
1/31/2021**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Revenues:								
Assessments:								
1 Operating	\$1,747,298							\$1,747,298
2 Additions to restricted funds		48,816	152,550	890,892	30,510	6,102	7,142	1,136,012
3 Total assessments	<u>1,747,298</u>	<u>48,816</u>	<u>152,550</u>	<u>890,892</u>	<u>30,510</u>	<u>6,102</u>	<u>7,142</u>	<u>2,883,310</u>
Non-assessment revenues:								
4 Fees and charges for services to residents	57,746							57,746
5 Interest income		1,858	3,244	6,551	786	178	39	12,655
6 Unrealized gain/(loss) on AFS investments		(12,628)	(21,981)	(44,439)	(5,380)	(1,219)	(262)	(85,910)
7 Miscellaneous	<u>47,131</u>							<u>47,131</u>
8 Total non-assessment revenue	<u>104,876</u>	<u>(10,770)</u>	<u>(18,737)</u>	<u>(37,889)</u>	<u>(4,594)</u>	<u>(1,041)</u>	<u>(223)</u>	<u>31,622</u>
9 Total revenue	<u>1,852,175</u>	<u>38,046</u>	<u>133,813</u>	<u>853,003</u>	<u>25,916</u>	<u>5,061</u>	<u>6,918</u>	<u>2,914,932</u>
Expenses:								
10 Employee compensation and related	786,019		4,331	223,552		2,070	1,725	1,017,697
11 Materials and supplies	48,071		1,062	25,973		1,891	141	77,138
12 Utilities and telephone	466,542		28	567			3	467,140
13 Legal fees	54,381							54,381
14 Professional fees	(169)							(169)
15 Equipment rental	957		77	1,956			10	3,000
16 Outside services	39,555		13,356	14,419	8,340	700		76,370
17 Repairs and maintenance	24,171			15				24,187
18 Other Operating Expense	3,813		18	1,076		4	7	4,918
19 Insurance	430,699							430,699
20 Uncollectible Accounts	(5,916)							(5,916)
21 Depreciation and amortization	11,240							11,240
22 Net allocations to mutuals	<u>94,525</u>		<u>126</u>	<u>13,135</u>		<u>113</u>	<u>59</u>	<u>107,960</u>
23 Total expenses	<u>1,953,889</u>		<u>18,999</u>	<u>280,693</u>	<u>8,340</u>	<u>4,778</u>	<u>1,945</u>	<u>2,268,644</u>
24 Excess of revenues over expenses	<u>(\$101,714)</u>	<u>\$38,046</u>	<u>\$114,814</u>	<u>\$572,310</u>	<u>\$17,576</u>	<u>\$282</u>	<u>\$4,973</u>	<u>\$646,288</u>
25 Excluding unrealized gain/(loss) and depreciation	<u>(\$90,474)</u>	<u>\$50,674</u>	<u>\$136,796</u>	<u>\$616,749</u>	<u>\$22,956</u>	<u>\$1,502</u>	<u>\$5,235</u>	<u>\$743,438</u>

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of January 31, 2021

Month	Delinquent Assessments ⁽¹⁾	Assessments Write-Offs ⁽²⁾	Bad Debt Small Claims ⁽³⁾	Delinquent Fines, Fees, and Chargeable Services ⁽⁴⁾	Chargeable Services Write-Offs ⁽⁵⁾	Change in Provision ⁽⁶⁾	Total Delinquent Units ⁽⁷⁾
December-20	187,773			500,499			16
January-21	187,810	-	-	494,545		(5,916)	15
February-21			-		-	-	
March-21			-		-	-	
April-21			-		-	-	
May-21			-		-	-	
June-21			-		-	-	
July-21			-		-	-	
August-21			-		-	-	
September-21			-		-	-	
October-21			-		-	-	
November-21			-		-	-	
December-21		-	-		-	-	
YTD TOTAL						(5,916)	

(1) Delinquent Assessments: Represents the balance from the monthly Delinquency Report presented in the Closed Session of the Finance Committee and accounted for as a specific allowance against Accounts Receivable balance.

(2) Assessments Write-Offs: Represents write-off activities approved by the Third Board.

(3) Bad Debt Small Claims: Represents the change in the Small Claims Receivable account balance.

(4) Delinquent Fines, Fees and Chargeable Services: Balances represents a combination of a general allowance percentage and a specific allowance amount recorded for the purpose of reducing the Account Receivable balance to the amount the company anticipates to be collectible.

(5) Chargeable Services Write-Offs: Represents Chargeable Service write-off activities approved by the Third Board.

(6) Change in Provision: Calculated as the difference between the current and prior month Delinquent Assessments and Delinquent Fine, Fees and Chargeable Services balances plus current month activities from Assessment Write-Offs, Bad Debt Small Claims, and Chargeable Services Write-Offs.

(7) Total Delinquent Units: Units reported on the monthly Delinquency Reports - Assessments

INVESTMENT REPORT
January 1, 2021 - January 31, 2021



Envelope # BKMJRZBBBNJDL

THIRD LAGUNA HILLS MUTUAL
PO BOX 2220
LAGUNA HILLS CA 92654-2220

Brokerage THIRD LAGUNA HILLS MUTUAL



Your Account Value: **\$25,506,472.94**

Change from Last Period: ▼ **\$73,360.44**

	This Period	Year-to-Date
Beginning Account Value	\$25,579,833.38	\$25,579,833.38
Change in Investment Value *	-73,360.44	-73,360.44
Ending Account Value **	\$25,506,472.94	\$25,506,472.94
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$25,506,472.94	

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

** Excludes unpriced securities.

Your Advisor/Agent

SAGEVIEW ADVISORY GROUP, LLC
RANDALL LONG
4000 MACARTHUR BLVD
SUITE 1050
NEWPORT BEACH CA 92660

Phone: (949) 955-1395

Your Advisor is an independent organization and is not affiliated with Fidelity Investments. Brokerage services provided by **Fidelity Brokerage Services LLC** (**FBS**), Member NYSE, SIPC (800) 544-6666. Brokerage accounts carried with National Financial Services LLC (NFS), Member NYSE, SIPC.





THIRD LAGUNA HILLS MUTUAL - CORPORATION

Account Summary

Account Value: **\$25,506,472.94**

Change in Account Value ▼ **\$73,360.44**

	This Period	Year-to-Date
Beginning Account Value	\$25,579,833.38	\$25,579,833.38
Change in Investment Value *	-73,360.44	-73,360.44
Ending Account Value	\$25,506,472.94	\$25,506,472.94
Accrued Interest (AI)	0.00	
Ending Account Value Incl. AI	\$25,506,472.94	

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

Income Summary

	This Period	Year-to-Date
Taxable	\$12,549.33	\$12,549.33
Dividends	12,549.33	12,549.33
Total	\$12,549.33	\$12,549.33

Top Holdings

Description	Value	Percent of Account
Fidelity Short Term Treasury Bond Index	\$7,555,158.24	30%
Fid Inter Treasury Bond Index Fund	6,393,231.68	25

Top Holdings (continued)

Description	Value	Percent of Account
Vanguard Backed Securities Indx Adm	6,060,740.01	24
Vanguard Intermediate Term Corporate Bond ETF	1,936,103.03	8
Vanguard Short Term Corp Bd Index Admrl	1,919,001.11	8
Vanguard Short Term Treasury Admiral	1,256,832.29	5
Fidelity Government Cash Reserves	385,406.58	2
Total	\$25,506,472.94	100%

Core Account and Credit Balance Cash Flow

Core Account: FIDELITY GOVERNMENT CASH RESERVES

	This Period	Year-to-Date
Beginning Balance	\$372,857.25	\$372,857.25
Investment Activity		
Dividends, Interest & Other Income D	12,549.33	12,549.33
Total Investment Activity	\$12,549.33	\$12,549.33
Ending Balance	\$385,406.58	\$385,406.58

D Includes dividend reinvestments.

► The minimum base rate for the purposes of determining interest to be applied under the terms of the Margin Account Agreement for any credit extended or maintained based on the Federal Funds Target or the Call Money rate shall not fall below 0.00% for Federal Funds target or 1.75% for the Call Money rate. All terms and conditions of the Margin Account Agreement shall continue to apply. 933933.1.0





Account Summary

Estimated Cash Flow

(Rolling as of January 31, 2021)

Month	Bond & CD Income	Bond & CD Principal	Stock Income	ETP Income	Mutual Fund Income	Other Income	Total Est. Cash Flow
February 2021	--	--	--	\$4,108	\$29,204	--	\$33,312
March	--	--	--	4,108	29,204	--	33,312
April	--	--	--	4,108	29,204	--	33,312
May	--	--	--	4,108	29,204	--	33,312
June	--	--	--	4,108	29,204	--	33,312
July	--	--	--	4,108	29,204	--	33,312
August	--	--	--	4,108	29,204	--	33,312
September	--	--	--	4,108	29,204	--	33,312
October	--	--	--	4,108	29,204	--	33,312
November	--	--	--	4,108	29,204	--	33,312
December	--	--	--	4,108	29,204	--	33,312
January 2022	--	--	--	4,108	29,204	--	33,312
Total	--	--	--	\$49,296	\$350,448	--	\$399,744

This table presents the estimated monthly interest and dividend income and return of principal that your current holdings may generate over the next rolling 12 months. The cash flows displayed are estimates provided for informational purposes only and there is no guarantee that you will actually receive any of the amounts displayed. These estimates should not be relied upon for making investment, trading or tax decisions. The estimates for fixed income are calculated using the security's coupon rate. The estimates for all other securities are calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. IADs are sourced from third party vendors believed to be reliable, but no assurance can be made as to accuracy. There are circumstances in which these estimates will not be presented for a specific security you hold.

Bond & CD Income includes interest payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Bond & CD Principal includes maturing principal payments for fixed and variable rate bonds, international bonds that pay in USD, and Certificates of Deposit (CDs).

Stock Income includes estimated dividend payments for common stocks, preferred stocks, ADRs, closed-end mutual funds, and MLPs.

ETP Income includes estimated dividend payments for Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs).

Mutual Fund Income includes estimated dividend payments for Fidelity and non-Fidelity mutual funds.

Other Income includes, but is not limited to estimated dividend payments for Unit Investment Trusts (UITs), REITs, and LPs.

This table does not include cash flow from foreign denominated fixed income.

-- not available





THIRD LAGUNA HILLS MUTUAL - CORPORATION

Holdings

Core Account

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
FIDELITY GOVERNMENT CASH RESERVES (FDRXX)	385,406.580	\$1.0000	\$385,406.58	not applicable	not applicable	\$1,057.60	0.270%
-- 7-day yield: 0.01%							
Total Core Account (2% of account holdings)			\$385,406.58			\$1,057.60	

Mutual Funds

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
Bond Funds							
FIDELITY SHORT TERM TREASURY BOND INDEX (FUMBX)	699,551.689	\$10.8000	\$7,555,158.24	\$7,385,638.68	\$169,519.56	\$95,693.22	1.270%
-- 30-day yield: 0.18%							
FID INTER TREASURY BOND INDEX FUND (FUAMX)	549,718.975	11.6300	6,393,231.68	6,405,463.86	-12,232.18	99,214.36	1.550
-- 30-day yield: 0.69%							
VANGUARD SHORT TERM TREASURY ADMIRAL (VFIRX)	116,697.520	10.7700	1,256,832.29	1,238,614.21	18,218.08	10,841.17	0.860
VANGUARD SHORT TERM CORP BD INDEX ADMRL (VSCSX)	84,949.142	22.5900	1,919,001.11	1,879,539.54	39,461.57	41,862.94	2.180
VANGUARD BACKED SECURITIES INDX ADM (VMBSX)	280,459.973	21.6100	6,060,740.01	5,979,304.08	81,435.93	101,778.92	1.680
Total Bond Funds (91% of account holdings)			\$23,184,963.33	\$22,888,560.37	\$296,402.96	\$349,390.61	
Total Mutual Funds (91% of account holdings)			\$23,184,963.33	\$22,888,560.37	\$296,402.96	\$349,390.61	





Holdings

Exchange Traded Products

Includes exchange-traded funds (ETFs), exchange-traded notes (ETNs), and other exchange-traded vehicles.

Description	Quantity	Price Per Unit	Total Market Value	Total Cost Basis	Unrealized Gain/Loss	Est. Annual Income (EAI)	Est. Yield (EY)
Fixed Income ETPs							
VANGUARD INTERMEDIATE TERM CORPORATE BOND ETF (VCIT)	20,107.000	\$96.2900	\$1,936,103.03	\$1,867,466.66	\$68,636.37	\$49,298.34	2.550%
Total Fixed Income ETPs(8% of account holdings)			1,936,103.03	1,867,466.66	68,636.37	49,298.34	
Total Exchange Traded Products (8% of account holdings)			\$1,936,103.03	\$1,867,466.66	\$68,636.37	\$49,298.34	

Total Holdings			\$25,506,472.94	\$24,756,027.03	\$365,039.33	\$399,746.55	
-----------------------	--	--	------------------------	------------------------	---------------------	---------------------	--

Cost Basis - the original amount paid for a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments. See last page of statement for details. Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

EAI **Estimated Annual Income (EAI) & Estimated Yield (EY)**- EAI is an estimate of annual income for a specific security position over the next rolling 12 months. EAI may be negative on short & EY positions. EY is calculated by dividing the current EAI for a security position by its statement closing date market value. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. Actual income and yield might be lower or higher than the estimated amounts. **For calculation details, refer to the "Additional Information and Endnotes" section.**

All positions held in cash account unless indicated otherwise.

Activity

Dividends, Interest & Other Income

(Includes dividend reinvestment)

Settlement Date	Security Name	Symbol/ CUSIP	Description	Quantity	Price	Amount
b 12/31	VANGUARD SHORT TERM TREASURY ADMIRAL	922031851	Dividend Received	-	-	\$380.90
01/29	FID INTER TREASURY BOND INDEX FUND	31635V257	Dividend Received	-	-	6,582.81





Activity

Dividends, Interest & Other Income (continued)

Settlement Date	Security Name	Symbol/ CUSIP	Description	Quantity	Price	Amount
01/29	FIDELITY GOVERNMENT CASH RESERVES	316067107	Dividend Received	-	-	3.16
01/29	FIDELITY SHORT TERM TREASURY BOND INDEX	31635V216	Dividend Received	-	-	5,582.46
Total Dividends, Interest & Other Income						\$12,549.33

Core Fund Activity

For more information about the operation of your core account, please refer to your Customer Agreement.

Settlement Date	Account Type	Transaction	Description	Quantity	Price	Amount	Balance
01/04	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	380.900	\$1.0000	\$380.90	\$373,238.15
01/29	CASH	You Bought	FIDELITY GOVERNMENT CASH RESERVES @ 1	12,168.430	1.0000	12,168.43	385,406.58
Total Core Fund Activity						\$12,549.33	

b Activity that occurred in 2020.

Additional Information and Endnotes

A COPY OF YOUR INVESTMENT REPORT IS AVAILABLE TO:

SAGEVIEW ADVISORY GROUP, LLC
4000 MACARTHUR BLVD
SUITE 1050
NEWPORT BEACH CA 92660

STEVE HORMUTH
PO BOX 2220
LAGUNA HILLS CA 92654-2220

- ▶ Electronic Funds Transfer Notice - The following notice is required by the Bureau of Consumer Financial Protection's Regulation E and it applies to Electronic Funds Transfer ("EFTs") made by consumers. However, it does not apply to all EFTs. Generally, EFTs in non-retirement accounts, excepting those made for the purchase or





Additional Information and Endnotes

sale of securities, are subject to Regulation E (each, a "Covered Transfer").

Error Resolution - In the case of errors or questions about a Covered Transfer, call or write Fidelity using the Contact information listed below, promptly. You must call or write Fidelity if you think your statement is wrong or if you need more information about a Covered Transfer on the statement. Fidelity must hear from you no later than sixty (60) days after Fidelity sent the FIRST statement on which the problem or error appeared. You will need to tell Fidelity your name and account number, describe the error or Covered Transfer that you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information, and tell Fidelity the dollar amount of the suspected error.

If you notify Fidelity orally, Fidelity may require that you send your complaint or question in writing within ten (10) business days. Fidelity will tell you the results of its investigation within ten (10) business days after Fidelity hears from you and will correct any error promptly. If Fidelity needs more time, however, it may take up to forty-five (45) days to investigate your complaint or question. If Fidelity decides to do this, it will credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes Fidelity to complete its investigation. If Fidelity asks you to put your request or question in writing and it does not receive it within ten (10) business days, or if your account is a brokerage account subject to Regulation T of the Board of Governors of the Federal Reserve System (Credit By Brokers and Dealers, 12 CFR 220), Fidelity may not credit your account.

For questions involving new accounts, point of sale, or foreign initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) days to credit your account for the amount you think is in error. Fidelity will inform you of the results of its investigation within three (3) business days of its completion. If Fidelity decides there was no error, Fidelity will send you a written explanation. You may ask for copies of the documents that Fidelity used in the investigation.

Contact Information: By Mail - Fidelity Investments, P.O. Box 770001, Cincinnati, OH, 45277-0002 or by phone 800 544-6666. 538624.4.65

- ▶ If your brokerage account is established with asset based pricing, please review the terms and conditions governing this program: <https://clearingcustody.fidelity.com/app/literature/item/868856.html>. If you have any questions, please contact your advisor. 911663.1.0
- ▶ "Due to current events, mail may be delayed by circumstances beyond our control. You can always view your statements and other documents online. To learn more about paperless options please contact your Investment Advisor, Family Office, Authorized Agent or www.Fidelity.com/edelivery." 925785.1.0

Estimated Annual Income (EAI) & Estimated Yield (EY) - EAI for fixed income is calculated using the coupon rate. For all other securities, EAI is calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. EY reflects only the income generated by an investment and not changes in its price which may fluctuate. Interest and dividend rates are subject to change at any time and may be affected by current and future economic, political and business conditions. EAI and EY are provided for informational purposes only and should not be used or relied on for making investment, trading or tax decisions. EAI and EY are based on data obtained from information providers believed to be reliable, but no assurance can be made as to accuracy, timeliness or completeness.



If you have a question about your account or require service, please call your investment advisor/authorized agent.

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Additional Investments with Fidelity - Please make all checks payable to Fidelity Brokerage Services LLC (FBS). Please include your account number on the check. Do not include trading instructions with check deposits. We mail statements at least quarterly for any account with a balance. Please review your statement and report any inaccuracies or discrepancies immediately. Questions regarding your brokerage account or the activity therein should be directed to FBS at 800-544-6666, and National Financial Services LLC ("NFS"), who carries your brokerage accounts, at 866-408-1138. Any oral communications regarding inaccuracies or discrepancies should be reconfirmed in writing to protect your rights, including those under the Securities Investor Protection Act ("SIPA"). Please contact Fidelity or your authorized agent promptly of any material changes in your investment objectives or financial situation related to your brokerage account(s). If you request a reprint of your statement, the disclosure information may not be the same as the original.

Terms and Conditions of the Statement - Other than with respect to Fidelity-advised products and services, Fidelity does not endorse or recommend any particular investment, trading activity, or investment advisor/authorized agent, or have any responsibility for and will not review, monitor or supervise suitability of trading by any investment advisor/authorized agent. Fidelity has not verified the content of any logo or artwork on this statement identifying a firm other than Fidelity. The firm represented by such a logo or artwork is not an agent of or affiliated with Fidelity.

Changes in Portfolio Value and Account Summary - Shows activity in your portfolio and in each of your accounts for the statement period. To confirm that an authorized, direct deposit was made to your Fidelity Account, call Fidelity at 1-800-544-5555.

Value by Account - Shows the value of your account(s), for the current and previous statement periods.

Income Summary - Shows income by tax status for the statement and year-to-date periods. Except for interest earned on, or distributed by, tax-exempt securities, Fidelity reports dividends and capital gains held in taxable accounts as taxable income. A portion of this **tax-exempt** income may be subject to state and local taxes and the federal alternative minimum tax. Fidelity reports earnings on investments in Traditional IRAs, Rollover IRAs, SEP-IRAs and Keoghs as tax-deferred income. Earnings on Roth-IRAs are reported as tax-exempt income, since distributions may be tax-exempt after meeting the five-year aging requirement and certain other conditions.

Cost Basis, Gain/Loss, and Holding Period Information - NFS is required to report certain cost basis and holding period information to the IRS on Form 1099-B. Unless otherwise specified, NFS applies the average cost method for open-end mutual funds and the first-in, first-out (FIFO) method for all other securities. Cost basis is adjusted for wash sales on securities with the same CUSIP held in the same account (unless your account receives mark-to-market reporting). Your statement may not reflect all adjustments required for tax purposes. Customers should consult their tax advisors for further information.

Cost - Fidelity provides purchase cost information for securities held in retirement accounts. Such information may be adjusted for certain transactions and does not reflect reinvestments of dividends or capital gains. Fidelity reports transaction profit or loss information when securities are sold within a retirement account. Transaction profit or loss is calculated by subtracting purchase cost from sales proceeds using the FIFO method if shares were purchased at different times or prices.

Contributions/Distributions - Summarizes Traditional IRA and Roth IRA contributions, and taxable and non-taxable retirement distributions for these statement and year-to-date periods.

Total Value - The reported market value of an investment at the beginning or end of a statement period.

Unrealized Gain/Loss - For long positions, ending market value minus cost basis in non-retirement accounts and ending market value minus cost in retirement accounts. For short positions, proceeds minus ending market value. Unrealized gain/loss is calculated for pending sales because they are still in holdings. Unrealized gain/loss is not calculated for pending purchases because they are not in holdings.

Holding Type Percentage - Percentages by holding type only include long positions. Holding type percentages are rounded to the nearest percent and summed. If the sum is less than 100%, the difference between 100% and the sum is added to the holding type with the largest percentage.

Account Protection - Securities in accounts carried by NFS, a Fidelity Investments company, are protected in accordance with the Securities Investor Protection Corporation (SIPC) up to \$500,000 (including cash claims limited to \$250,000). For more information, including the SIPC brochure, please see www.sipc.org or call 1-202-371-8300. NFS has arranged for additional protection for cash and covered securities to supplement its SIPC coverage. Neither coverage protects against a decline in the market value of securities. Mutual funds and/or other securities are not backed or guaranteed by any bank, nor are they insured by the FDIC and involve investment risk including possible loss of principal. Bank deposits are not securities and are not covered by SIPC. Funds used to purchase or sweep to a bank deposit are SIPC protected until deposited to a Program Bank at which time funds may be eligible for FDIC insurance.

Information About Mutual Funds and Their Performance - Before investing consider the fund's or insurance product's investment objectives, risks, charges and expenses. Contact Fidelity or visit Fidelity.com for a prospectus containing this information. Read it carefully before investing. Performance data shown represents past performance, and is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a loss or a gain when shares are sold. Current performance may be higher or lower than that quoted. Visit Fidelity.com/performance for most recent month-end performance. Each fund reserves the right to terminate or modify its exchange privilege. Foreign investment, especially those in emerging markets, may involve greater risks than U.S. investments. **Sales Loads and Fees**. In connection with (i) access to, purchase or redemption of, and/or maintenance of positions in mutual funds and other investment products such as alternative investments or private placements ("funds") or (ii) infrastructure needed to support such funds, some funds, or their investment

affiliates, pay FBS and/or NFS sales loads and 12b-1 fees described in the Offering Materials as well as additional compensation for shareholder services, start-up fees, infrastructure support and maintenance, and marketing, engagement and analytics programs. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by FBS or NFS will be furnished to you upon written request. At the time you purchase shares of funds those shares will be assigned either a load, transaction fee (TF) or no transaction fee (NTF) status. When you subsequently sell those shares, any fees applicable to your transaction will be assessed based on the status assigned to the shares at the time of purchase.

Customer Free Credit Balance - Free credit balances (FCB) are funds payable to you on demand. FCB are subject to open commitments such as uncleared checks and exclude proceeds from sales of certificated securities without delivery of the certificate. If your FCB is swept to a core position, you can liquidate the core position and have the proceeds sent to you or held in your account subject to the terms of your account agreement. Required rule 10b-10(a) information not contained herein will be provided on written request. Fidelity may use this free credit balance in connection with its business, subject to applicable law.

Assets Separate From Your Brokerage Account - Only securities in the margin portion of your brokerage account contribute to margin and maintenance requirements. Other Assets, that may be reported on your statement, maintained with Fidelity Investments Life Insurance Company and mutual fund only accounts held directly with the fund (Fidelity Mutual Fund Accounts) are not carried by NFS, not covered by the Securities Investor Protection Corporation (SIPC) and do not count toward your margin and maintenance requirements. Assets held in brokerage accounts managed by Fidelity Personal and Workplace Advisors LLC (FPWA) are carried by NFS and covered by SIPC but do not contribute to your margin and maintenance requirements.

Short Account Balances - Securities sold short are held in a segregated short account. These securities are marked-to-market for margin purposes and increase or decrease from the short sale price is transferred weekly to your margin account. Your short account balance is shown as of the last weekly mark-to-market, not statement end date.

Information About Your Option Transactions - Each transaction confirmation previously delivered to you contains full information about commissions and other charges, and such information is available promptly upon request. Assignments of American and European-style options are allocated among customer short positions pursuant to a random allocation procedure, a description is available upon request. Short positions in American-style options are liable for assignment anytime. The writer of a European-style option is subject to exercise assignment only during the exercise period. For more information about these, please call Fidelity at 800-544-6666.

Equity Dividend Reinvestment - Shares credited to your account resulted from transactions by FBS acting as agent for your account, or the Depository Trust Company (DTC).

Price Information/Total Market Value - The Total Market Value has been calculated to 9 decimal places; however, the individual unit price is displayed in 5 decimal places. The Total Market Value represents prices obtained from various sources, may be impacted by the frequency with which such prices are reported and such prices are not guaranteed. Prices received from pricing vendors are generally based on current market quotes, but when such quotes are not available pricing vendors use a variety of techniques to estimate value. These estimates, particularly for fixed income securities, may be based on certain minimum principal amounts (e.g. \$1 million) and may not reflect all factors that affect the value of the security, including liquidity risk. The prices provided are not firm bids or offers. Certain securities may reflect N/A or unavailable where the price for such security is generally not available from a pricing source. The Market Value of a security, including those priced at par value, may differ from its purchase price and may not closely reflect the value at which the security may be sold or purchased based on various market factors. The sale or redemption of any fixed income security prior to maturity may result in a loss. Prices for Certificates of Deposit (CDs) are generally estimates and are not based on actual market prices. The secondary market for CDs is generally illiquid. You should always request a current valuation for your securities prior to making a financial decision or placing an order. In executing orders on the Floor, the Floor broker may permit the Designated Market Maker to trade on parity with the order for some or all of the executions associated with filling that order, where such permission would not be inconsistent with the brokers best execution obligations.

Fidelity Investments - Fidelity Distributors Company LLC (FDC) is the distributor for Fidelity Funds with marketing and shareholder services provided by FBS or NFS. Brokerage services are provided by FBS, which clears all transactions through its affiliate NFS. NFS carries all brokerage accounts. FBS and NFS are members of the NYSE and SIPC. Upon written request, Fidelity will mail a NFS financial statement, which is also available at its office. Fidelity Investments (with pyramid logo) is a trademark of FMR LLC. Insurance products are distributed by FBS, Fidelity Insurance Agency, Inc., and Fidelity Investments Insurance Agency of Texas, Inc. **FPWA Services** - Fidelity Go®, Fidelity® Personalized Planning & Advice and Fidelity® Strategic Disciplines are advisory services offered by FPWA, a registered investment adviser. Fidelity® Strategic Disciplines includes the Breckinridge Intermediate Municipal Strategy, the Fidelity® Equity-Income Strategy, the Fidelity® U.S. Large Cap Equity Strategy, the Fidelity® Tax-Managed U.S. Equity Index Strategy, the Fidelity® International Equity Strategy, the Fidelity® Tax-Managed International Equity Index Strategy, the Fidelity® Intermediate Municipal Strategy and the Fidelity® Core Bond Strategy. Fidelity® Wealth Services are advisory services offered by FPWA or Fidelity Personal Trust Company, FSB (FPTC), a federal savings bank. Nondeposit investment products and trust services offered by FPTC and its affiliates are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, are not obligations of any bank, and are subject to risk, including possible loss of principal. **These advisory services are provided for a fee.** FBS, NFS, FDC, FPWA and FPTC are direct or indirect subsidiaries of FMR LLC.

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Third Laguna Hills Mutual
 Supplemental Appropriation Schedule
 Period Ending: 1/31/2021

Fund/Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Encumbrance
		Total Appropriations	2021	Prior Years	Total	
Disaster Fund						
Moisture Intrusion Relandscaping at 3129-B		86,915	0	0	0	86,915
	Total	\$86,915	\$0	\$0	\$0	\$86,915

*Incurred To Date

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JANUARY 31, 2021**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET *	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND - MAINTENANCE & CONSTRUCTION								
BUILDING NUMBERS	\$0	\$2,500	\$0	\$2,500	\$30,000	0%	\$2,500	100%
BUILDING STRUCTURES	35,455	190,381	35,455	190,381	3,599,789	1%	154,926	81%
ELECTRICAL SYSTEMS	0	4,957	0	4,957	59,495	0%	4,957	100%
EXTERIOR LIGHTING	0	6,249	0	6,249	75,000	0%	6,249	100%
FENCING	7,786	5,038	7,786	5,038	58,920	13%	(2,748)	(55%)
GARDEN VILLA LOBBY	0	0	0	0	112,500	0%	0	0%
GARDEN VILLA MAILROOM	25	37	25	37	439	6%	12	32%
GARDEN VILLA RECESSED AREA	0	0	0	0	65,000	0%	0	0%
GV REC ROOM WATER HEATER/HEAT PUMP	1,347	504	1,347	504	6,017	22%	(843)	(167%)
GUTTER REPLACEMENTS	2,479	6,413	2,479	6,413	76,206	3%	3,934	61%
MAILBOXES	1,935	4,374	1,935	4,374	51,899	4%	2,439	56%
PAINT PROGRAM - EXTERIOR	100,811	129,348	100,811	129,348	1,506,039	7%	28,537	22%
PRIOR TO PAINT	74,236	89,582	74,236	89,582	1,071,350	7%	15,346	17%
PAVING	0	0	0	0	694,149	0%	0	0%
ROOF REPLACEMENTS	0	11,666	0	11,666	1,439,294	0%	11,666	100%
WALL REPLACEMENTS	0	0	0	0	35,000	0%	0	0%
WASTE LINE REMEDIATION	0	83,333	0	83,333	1,000,000	0%	83,333	100%
WATER L NES - COPPER PIPE REMEDIATION	370	0	370	0	500,000	0%	(370)	0%
TOTAL	\$224,443	\$534,381	\$224,443	\$534,381	\$10,381,097	2%	\$309,938	58%
REPLACEMENT FUND - GENERAL SERVICES								
PRIOR TO PAINT	\$914	\$1,020	\$914	\$1,020	\$11,856	8%	\$106	10%
PAVING	5,803	6,787	5,803	6,787	79,002	7%	984	15%
EXTERIOR WALLS	0	4,095	0	4,095	49,147	0%	4,095	100%
TOTAL	\$6,717	\$11,902	\$6,717	\$11,902	\$140,005	5%	\$5,185	44%
REPLACEMENT FUND - LANDSCAPE SERVICES								
LANDSCAPE MODIFICATION	\$1,173	\$40,687	\$1,173	\$40,687	\$487,823	0%	\$39,514	97%
IMPROVEMENT & RESTORATION	10,450	10,876	10,450	10,876	126,524	8%	426	4%
TREE MAINTENANCE	37,910	77,733	37,910	77,733	920,872	4%	39,823	51%
TOTAL	\$49,532	\$129,295	\$49,532	\$129,295	\$1,535,219	3%	\$79,763	62%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$8,340	\$0	\$8,340	\$0	\$255,000	3%	(\$8,340)	0%
TOTAL	\$8,340	\$0	\$8,340	\$0	\$255,000	3%	(\$8,340)	0%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$2,935	\$7,787	\$2,935	\$7,787	\$92,955	3%	\$4,852	62%
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	1,844	4,946	1,844	4,946	58,888	3%	3,103	63%
TOTAL	\$4,778	\$12,733	\$4,778	\$12,733	\$151,843	3%	\$7,955	62%
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$1,945	\$5,983	\$1,945	\$5,983	\$71,831	3%	\$4,038	67%
TOTAL	\$1,945	\$5,983	\$1,945	\$5,983	\$71,831	3%	\$4,038	67%

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JANUARY 31, 2021**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET *	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
APPLIANCE REPAIRS	\$6,515	\$7,776	\$6,515	\$7,776	\$90,825	7%	\$1,261	16%
CARPENTRY SERVICE	34,668	39,038	34,668	39,038	455,942	8%	4,370	11%
ELECTRICAL SERVICE	9,782	11,630	9,782	11,630	135,290	7%	1,848	16%
FIRE PROTECTION	58	9,504	58	9,504	133,931	0%	9,446	99%
MISC REPAIRS BY OUTSIDE SERVICE	0	4,888	0	4,888	58,664	0%	4,888	100%
PEST CONTROL	85	2,000	85	2,000	645,800	0%	1,915	96%
PLUMB NG SERVICE	49,058	57,758	49,058	57,758	676,492	7%	8,700	15%
SOLAR MAINTENANCE	0	2,083	0	2,083	25,000	0%	2,083	100%
TOTAL	\$100,166	\$134,676	\$100,166	\$134,677	\$2,221,944	5%	\$34,511	26%
OPERATING FUND - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	\$27,922	\$32,542	\$27,922	\$32,542	\$379,831	7%	\$4,620	14%
JANITORIAL SERVICE	76,451	83,400	76,451	83,400	962,945	8%	6,949	8%
GUTTER CLEANING	3,145	15,090	3,145	15,090	179,758	2%	11,945	79%
TRAFFIC CONTROL	1,707	1,891	1,707	1,891	21,974	8%	184	10%
WELDING	8,791	9,892	8,791	9,892	115,027	8%	1,102	11%
TOTAL	\$118,016	\$142,816	\$118,016	\$142,816	\$1,659,535	7%	\$24,800	17%
OPERATING FUND - LANDSCAPE SERVICES								
LANDSCAPE ADMINISTRATION	\$24,678	\$28,217	\$24,678	\$28,217	\$332,008	7%	\$3,539	13%
NURSERY & COMPOST NG	22,092	24,645	22,092	24,645	290,340	8%	2,553	10%
GROUPS MAINTENANCE	215,048	273,864	215,048	273,864	3,173,855	7%	58,816	21%
IRRIGATION	83,538	90,066	83,538	90,066	1,053,027	8%	6,528	7%
SMALL EQUIPMENT REPAIR	14,996	19,316	14,996	19,316	226,338	7%	4,320	22%
PEST CONTROL	25,793	26,997	25,793	26,997	316,113	8%	1,205	4%
TOTAL	\$386,145	\$463,105	\$386,145	\$463,105	\$5,391,681	7%	\$76,960	17%
DISASTER FUND - MAINTENANCE & CONSTRUCTION								
MOISTURE INTRUSION - RAIN LEAKS	\$1,009	\$19,792	\$1,009	\$19,792	\$237,513	0%	\$18,783	95%
MOISTURE INTRUSION - PLUMBING LEAKS	6,231	33,333	6,231	33,333	400,000	2%	27,102	81%
MOISTURE INTRUSION - PLUMBING STOPPAGES	675	4,166	675	4,166	50,000	1%	3,491	84%
MOISTURE INTRUSION - MISCELLANEOUS	675	3,879	675	3,879	46,548	1%	3,204	83%
DAMAGE RESTORATION SERVICES	10,409	18,531	10,409	18,531	220,370	5%	8,122	44%
TOTAL	\$18,999	\$79,701	\$18,999	\$79,701	\$954,431	2%	\$60,702	76%
DISASTER FUND - FINANCIAL SERVICES								
INSURANCE PREMIUMS	\$0	\$177,586	\$0	\$177,586	\$2,131,029	0%	\$177,586	100%
TOTAL	\$0	\$177,586	\$0	\$177,586	\$2,131,029	0%	\$177,586	100%
DISASTER FUND - LANDSCAPE SERVICES								
RISK FIRE MANAGEMENT	\$0	\$15,000	\$0	\$15,000	\$180,000	0%	\$15,000	100%
TOTAL	\$0	\$15,000	\$0	\$15,000	\$180,000	0%	\$15,000	100%

**THIRD LAGUNA HILLS
MUTUAL MAINTENANCE PROGRAMS EXPENDITURES
REPORT AS OF JANUARY 31, 2021
YTD ACTUAL**

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
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RESERVE FUND - MAINTENANCE & CONSTRUCTION

BUILDING NUMBERS	\$0	\$0	\$0	\$0
BUILDING STRUCTURES	35,455	24,353	4,128	6,974
ELECTRICAL SYSTEMS	0	0	0	0
ENERGY PROJECTS	0	0	0	0
EXTERIOR LIGHTING	0	0	0	0
FENCING	7,786	3,791	3,994	0
GARDEN VILLA LOBBY	0	0	0	0
GARDEN VILLA MAILROOM	25	25	0	0
GARDEN VILLA RECESSED AREA	0	0	0	0
GV REC ROOM WATER HEATER/HEAT PUMP	1,347	79	380	888
GUTTER REPLACEMENTS	2,479	1,881	598	0
MAILBOXES	1,935	1,401	534	0
PAINT PROGRAM - EXTERIOR	100,811	99,690	1,121	0
PRIOR TO PAINT	74,236	70,791	3,445	0
PAVING	0	0	0	0
ROOF REPLACEMENTS	0	0	0	0
SUPPLEMENTAL APPROPRIATIONS	0	0	0	0
WALL REPLACEMENTS	0	0	0	0
WASTE LINE REMEDIATION	0	0	0	0
WATER LINES - COPPER PIPE REMEDIATION	370	0	0	370
TOTAL	\$224,443	\$202,012	\$14,199	\$8,231

RESERVE FUND - GENERAL SERVICES

PRIOR TO PAINT	\$914	\$914	\$0	\$0
PAVING	5,803	5,803	0	0
EXTERIOR WALLS	0	0	0	0
TOTAL	\$6,717	\$6,717	\$0	\$0

RESERVE FUND - LANDSCAPE

LANDSCAPE MODIFICATION	\$1,173	\$1,173	\$0	\$0
IMPROVEMENT & RESTORATION	10,450	10,450	0	0
TREE MAINTENANCE	37,910	31,815	0	6,095
TOTAL	\$49,532	\$43,437	\$0	\$6,095

RESERVE FUND - ELEVATOR

ELEVATOR REPLACEMENT	\$8,340	\$0	\$0	\$8,340
TOTAL	\$8,340	\$0	\$0	\$8,340

**THIRD LAGUNA HILLS
MUTUAL MAINTENANCE PROGRAMS EXPENDITURES
REPORT AS OF JANUARY 31, 2021
YTD ACTUAL**

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
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RESERVE FUND - LAUNDRY

LAUNDRY APPLIANCES	\$2,935	\$1,271	\$1,664	\$0
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	1,844	1,144	0	700
TOTAL	\$4,778	\$2,415	\$1,664	\$700

GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION

GARDEN VILLA RECREATION ROOMS	\$1,945	\$1,945	\$0	\$0
TOTAL	\$1,945	\$1,945	\$0	\$0

OPERATING FUND - MAINTENANCE & CONSTRUCTION

APPLIANCE REPAIRS	\$6,515	\$5,472	\$1,044	\$0
CARPENTRY SERVICE	34,668	30,980	3,688	0
ELECTRICAL SERVICE	9,782	8,634	1,148	0
FIRE PROTECTION	58	298	0	(240)
MISC REPAIRS BY OUTSIDE SERVICE	0	0	0	0
PEST CONTROL	85	0	0	85
PLUMBING SERVICE	49,058	43,642	2,486	2,930
SOLAR MAINTENANCE	0	0	0	0
TOTAL	\$100,166	\$89,025	\$8,367	\$2,775

OPERATING FUND - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	\$27,922	\$26,024	\$1,898	\$0
JANITORIAL SERVICE	76,451	76,451	0	0
GUTTER CLEANING	3,145	3,145	0	0
TRAFFIC CONTROL	1,707	1,707	0	0
WELDING	8,791	8,705	86	0
TOTAL	\$118,016	\$116,032	\$1,984	\$0

OPERATING EXPENDITURES - LANDSCAPE SERVICES

LANDSCAPE ADMINISTRATION	\$24,678	\$24,678	\$0	\$0
NURSERY & COMPOSTING	22,092	22,092	0	0
GROUPS MAINTENANCE	215,048	215,048	0	0
IRRIGATION	83,538	75,840	7,698	0
SMALL EQUIPMENT REPAIR	14,996	14,996	0	0
PEST CONTROL	25,793	25,793	0	0
TOTAL	\$386,145	\$378,447	\$7,698	\$0

**THIRD LAGUNA HILLS
MUTUAL MAINTENANCE PROGRAMS EXPENDITURES
REPORT AS OF JANUARY 31, 2021
YTD ACTUAL**

DESCRIPTION	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
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DISASTER FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$1,009	\$0	\$0	\$1,009
MOISTURE INTRUSION - PLUMBING LEAKS	6,231	0	0	6,231
MOISTURE INTRUSION - PLUMBING STOPPAGES	675	0	0	675
MOISTURE INTRUSION - MISCELLANEOUS	675	0	0	675
DAMAGE RESTORATION SERVICES	10,409	4,978	665	4,766
TOTAL	\$18,999	\$4,978	\$665	\$13,356

DISASTER FUND - FINANCIAL SERVICES

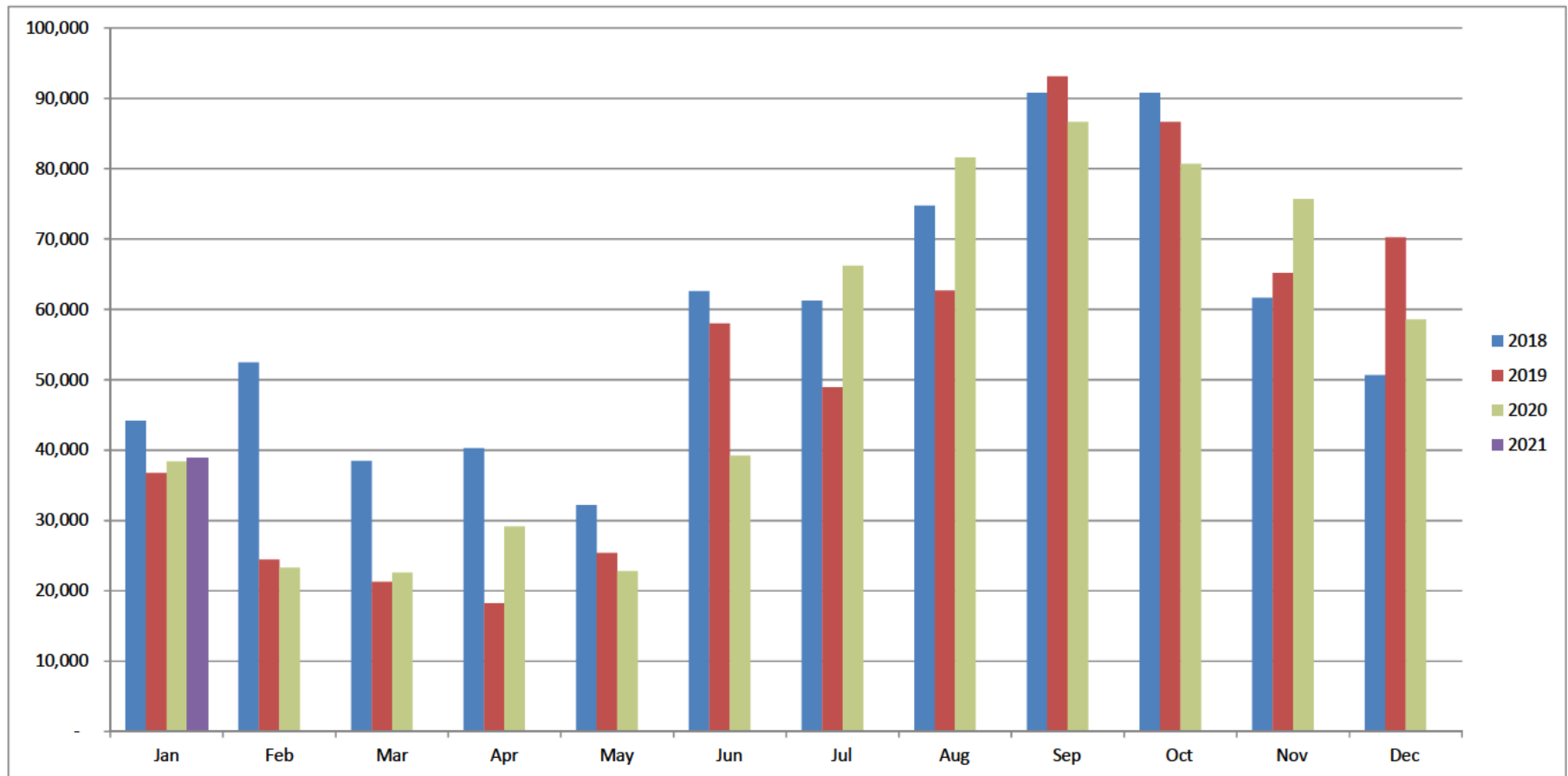
INSURANCE PREMIUMS	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0

DISASTER FUND - MAINTENANCE & CONSTRUCTION

RISK FIRE MANAGEMENT	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0

Third Mutual Water Usage in 100 cubic feet units

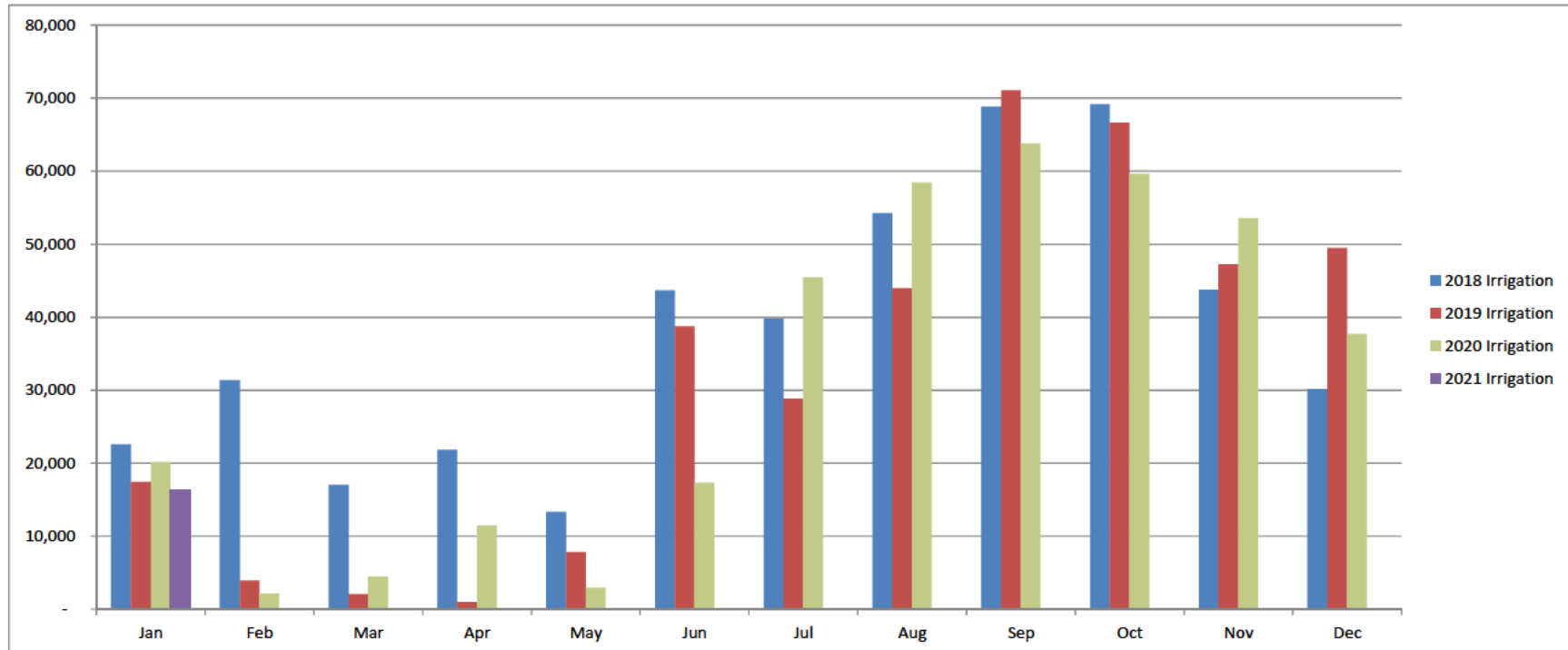
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2018	44,191	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	61,661	50,693	44,191	700,076
2019	36,777	24,432	21,298	18,269	25,378	58,015	48,914	62,672	93,135	86,655	65,159	70,254	36,777	610,958
2020	38,350	23,285	22,570	29,169	22,804	39,197	66,203	81,581	86,612	80,664	75,700	58,608	38,350	624,743
2021	38,929	-	-	-	-	-	-	-	-	-	-	-	38,929	38,929



Third Mutual

Irrigation Water Usage in 100 cubic feet units

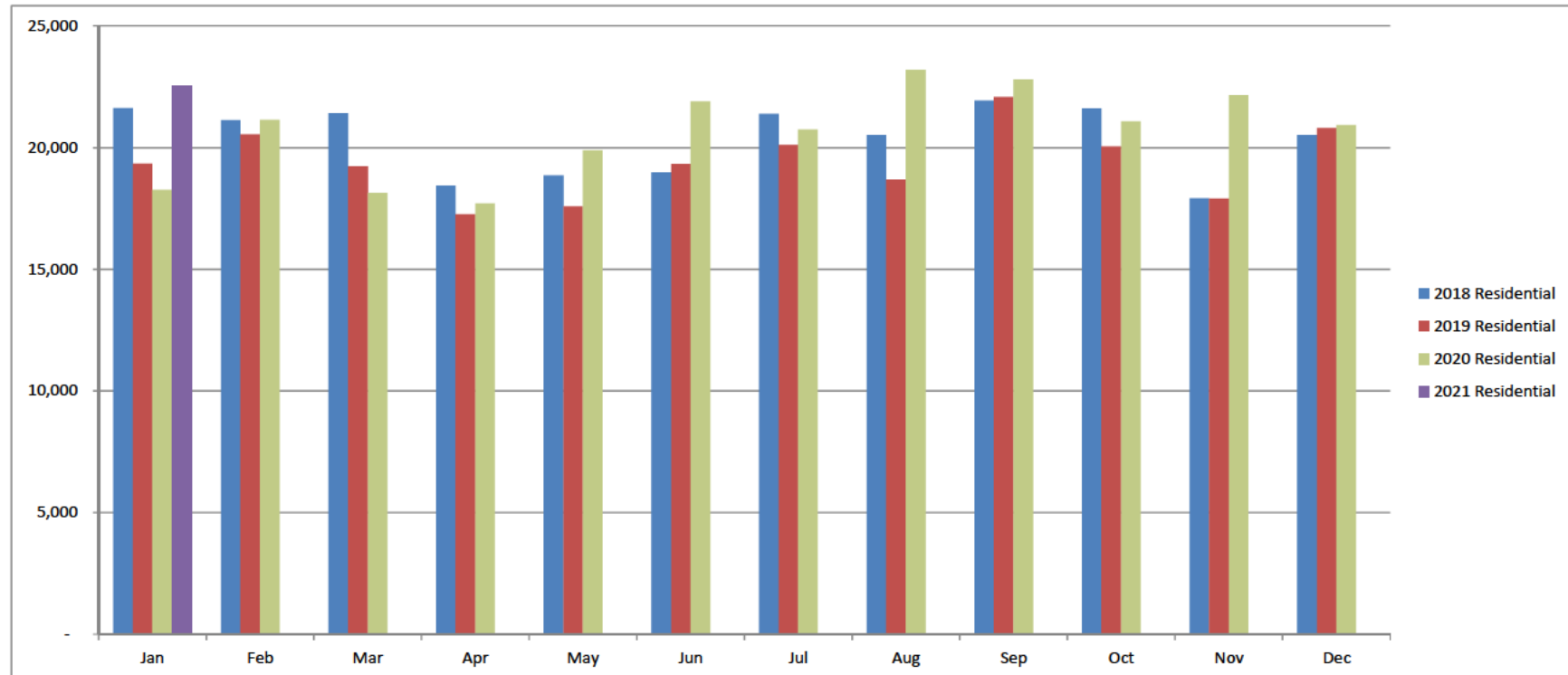
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2018 Irrigation	22,567	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	43,741	30,171	22,567	455,791
2019 Irrigation	17,434	3,892	2,081	1,000	7,803	38,696	28,811	43,994	71,052	66,612	47,254	49,451	17,434	378,080
2020 Irrigation	20,096	2,146	4,430	11,464	2,923	17,310	45,463	58,399	63,816	59,592	53,554	37,681	20,096	376,874
2021 Irrigation	16,390	-	-	-	-	-	-	-	-	-	-	-	16,390	16,390



Third Mutual

Residential Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2018 Residential	21,624	21,127	21,407	18,449	18,851	18,978	21,381	20,502	21,924	21,600	17,920	20,522	21,624	244,285
2019 Residential	19,343	20,540	19,217	17,269	17,575	19,319	20,103	18,678	22,083	20,043	17,905	20,803	19,343	232,878
2020 Residential	18,254	21,139	18,140	17,705	19,881	21,887	20,740	23,182	22,796	21,072	22,146	20,927	18,254	247,869
2021 Residential	22,539	-	-	-	-	-	-	-	-	-	-	-	22,539	22,539





RESOLUTION 03-19-120

THIRD LAGUNA HILLS MUTUAL INVESTMENT POLICY

RESOLVED, November 19, 2019 that the Managing Agent of this corporation, and an outside Investment Manager are hereby authorized to invest the funds of the corporation which, in the opinion of said managing agent are not required within a reasonable time to pay obligations of the corporation; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby authorizes the Managing Agent of this corporation, to retain an Investment Manager and to give that Manager discretion to transact purchases and sales of investments for Third Laguna Hills Mutual's account. Such discretion is subject to the underlying conditions as stated below. The Board will determine the amount to be managed in this discretionary account; and

RESOLVED FURTHER, that all investments on behalf of this corporation must be made with the underlying principles in the following order of priority:
(1) safety,
(2) liquidity, where applicable, and (3) yield, and are subject to the following conditions:

1. Notification of confirmation shall be given to the managing agent and treasurer of this corporation upon completion of each investment transaction;
2. For funds administered by the Managing Agent in a non-discretionary account, no investment may be sold, withdrawn, redeemed or otherwise converted to cash prior to maturity without a demonstrated immediate need for the funds and the consent of any two of the following: the Treasurer, the President or the 1st or 2nd Vice President of this corporation. Furthermore, if there is a request that an investment be sold, withdrawn or otherwise converted to cash prior to maturity where there has been no demonstrated immediate need, approval must be received from the Board of Directors of this corporation;
3. Funds shall be invested only in authorized investments as provided herein. Authorized investments are limited to:
 - a. Obligations of, or fully guaranteed as to principal by, the



United States of America;

- b. Up to 30% of the portfolio may be invested in Corporate Bonds rated BBB through AAA; specifically, Baa3/BBB-/BBB- or better by Moody's/S&P/Fitch. A bond is only required to meet the criteria of one rating service. If a bond does not meet these minimum credit quality criteria in at least one of the above-mentioned rating services, the bond may not be purchased or if owned, must be removed from the portfolio within 30 days. This removal criteria will not apply to bond mutual funds that have a stated objective of investing in investment grade rated bonds. Removal of downgraded bonds that fall below the investment grade rating will be determined by the fund manager.
 - c. No more than 3% of portfolio is to be invested in any one corporate bond issuer; and
 - d. Up to 25% of the portfolio may be invested in Government Sponsored Federal Agencies, namely FNMA (Federal National Mortgage Association – Fannie Mae), FHLMC (Federal Home Loan Mortgage Corporation – Freddie Mac, and FHLB (Federal Home Loan Bank).
4. Investments on behalf of this corporation may be made concurrently with investments made on behalf of other corporations at Laguna Woods Village. However, separate investment receipts will be held in the name of this corporation. Any such investments may be held for the account of the corporation in book-entry form;
5. Any authorized investments, as defined in Item 3 above, previously made by said Managing Agent or Investment Manager, are hereby ratified; and

RESOLVED FURTHER, that Resolution 03-16-54 adopted on May 17, 2016, is hereby superseded and cancelled.