



## **OPEN SESSION**

### **REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Tuesday, October 17, 2023 - 9:30 a.m.  
Laguna Woods Village Community Center  
Board Room/Virtual Meeting  
24351 El Toro Road  
Laguna Woods, California**

### **NOTICE AND AGENDA**

The purpose of this meeting is to conduct the regular Third Mutual Board Meeting in accordance with *Civil Code §4930* and was hereby noticed in accordance with *Civil Code §4920*

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- 1. Call Meeting to Order / Establish Quorum – President Laws**
- 2. Pledge of Allegiance – Director Cook**
- 3. Approval of the Agenda**
- 4. Approval of the Minutes**
  - a. September 13, 2023 – Special Open Meeting
  - b. September 19, 2023 – Regular Board Meeting
  - c. September 29, 2023 – Special Open Meeting
  - d. October 5, 2023 – Annual Meeting
  - e. October 5, 2023 – Organizational Meeting
  - f. October 6, 2023 – Agenda Prep Meeting
- 5. Report of the Chair**
- 6. Open Forum (Three Minutes per Speaker)** - *At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The board reserves the right to limit the total amount of time allotted for the Open Forum to thirty minutes. A member may speak only once during the forum. Speakers may not give their time to other people, no audio or video recording by attendees, and no rude or threatening comments. Members can attend the meeting by joining the Zoom link <https://zoom.us/j/94899806730> or call 1-(669) 900-6833 or email [meeting@vmsinc.org](mailto:meeting@vmsinc.org) to have your message read during the Open Forum.*
- 7. Responses to Open Forum Speakers**
- 8. CEO Report**

**9. Consent Calendar** - *All matters listed under the Consent Calendar are recommended for action by Committees and will be enacted by the Board by one motion. In the event an item is removed from the Consent Calendar by members of the Board, such item(s) shall be the subject of further discussion and action by the Board.*

- a. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of August 2023, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.
- b. **Recommendations from the Finance Committee**
  - 1. Approve a Resolution for Recording a Lien against Member ID # 931-630-71
  - 2. Approve a Resolution for Recording a Lien against Member ID # 931-510-14
  - 3. Approve a Resolution for Recording a Lien against Member ID # 933-800-30
- c. **Recommendations from the Landscape Committee - None**
- d. **Recommendation from the Architectural Controls and Standards Committee - None**

**10. Unfinished Business**

- a. Entertain a Motion to Amend the Administrative Fee for Damage Reimbursement **(September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)**
- b. Entertain a Motion to Eliminate Demolition Consent Requirements & Associated Fees **(September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**
- c. Entertain a Motion to Approve the Revision to Architectural Standard 31: Washer and Dryer Installation **(January initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**
- d. Entertain a Motion to Approve the Revised Stepping Stone Resolution and Guidelines **(September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)**
- e. Entertain a Motion to Approve the Herbicide Spray Guidelines and Acknowledgement Form **(September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)**

## 11. New Business

- a. Entertain a Motion to Adopt the 2024 Third Collections and Lien Enforcement Policy **(October initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**
- b. Entertain a Motion to Approve the Amended Schedule of Monetary Penalties **(October initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**
- c. Entertain a Motion to Approve an Unbudgeted Expense for Landscape Projects **(October initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**
- d. Updated Committee Assignments
- e. Discuss Establishing a Task Force to define a Members Bill of Rights – (Oral Discussion)

## 12. Third Mutual Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Ginocchio. The Committee met on October 3, 2023; next meeting December 5, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
  - (1) Treasurer's Report
  - (2) Third Finance Committee Report
  - (3) Resales/Leasing Reports
- b. Report of the Architectural Controls and Standards Committee – Director Cook. The Committee met October 9, 2023; next meeting November 13, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
- c. Report of the Maintenance and Construction Committee – Director Engdahl. The Committee met on August 30, 2023; next meeting November 6, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
- d. Report of the Landscape Committee – Director Lewis. The Committee met on October 11, 2023; next meeting November 2, 2023 at 9:30 a.m. in the Board Room and as a virtual meeting.
- e. Report of the Water Conservation Committee – Director Zalon. The Committee met on July 27, 2023; next meeting, October 26, 2023 at 2:00 p.m. in the Sycamore Room.
- f. Report of the Resident Policy and Compliance Committee – Director Laws. The Committee met on September 27, 2023; next meeting October 24, 2023 at 9:30 a.m. in the Board Room and as a virtual meeting.

### **13. GRF Committee Highlights**

- a. GRF Community Activities Committee – Director Bhada. This Committee met on October 12, 2023; the next meeting is November 9, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
- b. GRF Maintenance & Construction Committee – Director Engdahl. The Committee met on October 11, 2023; next meeting December 13, 2023, at 9:30 a.m. in the Board Room and as a virtual meeting.
- c. GRF Broadband Ad Hoc Committee – Director Cook. This closed Committee last met on October 3 & October 16, 2023; the next meeting is October 24, 2023.
- d. Disaster Preparedness Task Force – Director Park. The task force met on September 26, 2023; the next meeting is November 28, 2023 at 9:00 a.m. in the Board Room.
- e. Compliance Ad Hoc Committee – Director Ginocchio. This Committee met on October 5, 2023; next meeting TBA.
- f. GRF Purchasing Task Force Committee – Director Ginocchio. The Committee met on October 4, 2023; next meeting is TBA.
- g. Information Technology Advisory Committee – Director Laws. This closed Committee last met on September 29, 2023; next meeting is October 27, 2023 at 1:30 p.m. as a virtual meeting.
- h. Report of the Laguna Woods Village Traffic Hearings – Director Park. The hearings were held on September 20, 2023; next meeting October 18, 2023.
- i. The following GRF Committees have not met since the last Third Board Meeting of September 19, 2023:
  - i. Clubhouse Facilities Removation Ad Hoc Committee – Director Engdahl. This Committee met on March 15, 2023; the next meeting is TBA.
  - ii. Website Ad Hoc Committee – Director Laws. The Committee last met on May 22, 2023; the next meeting is TBA.
  - iii. Mobility and Vehicles Committee – Director Bhada. This Committee met on August 2, 2023; the next meeting is November 6, 2023 at 1:30 p.m. in the Board Room.
  - iv. GRF Landscape Committee – Director Lewis. This committee met on August 22, 2023; the next meeting is November 8, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
  - v. GRF Media and Communications Committee – Director Cook. The Committee met on September 18, 2023; the next meeting is November 20, 2023 at 1:30 p.m. in the Board Room.
  - vi. GRF Security and Community Access Committee – Director Park. This Committee last met on August 23, 2023, and the next meeting is October 25, 2023, at 1:30 p.m. in the Board Room and as a virtual meeting.

- vii. GRF Finance Committee – Director Ginocchio. The Committee met on August 16, 2023; next meeting October 18, 2023, at 1:30 p.m. in the Board Room and as a virtual meeting.

**14. Future Agenda Items--** *All matters listed under Future Agenda Items are Resolutions that may be on 28-day public review or items for a future Board Meeting. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.*

- *Entertain a Motion to Eliminate Demolition Consent Requirements & Associated Fees*
- *Entertain a Motion to Approve the Revision to Architectural Standard 31: Washer and Dryer Installation*
- *Entertain a Motion to Adopt the Third Collections and Lien Enforcement Policy*
- *Entertain a Motion to Approve the Amended Schedule of Monetary Penalties*
- *Entertain a Motion to Approve an Unbudgeted Expense for Landscape Projects*

**15. Directors' Comments**

**16. Recess -** *At this time the Meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.*

**Closed Executive Committee Session Agenda**

*Approval of Agenda*

*Approval of the Minutes*

*(a) September 13, 2023 – Special Closed Meeting*

*(b) September 19, 2023 – Regular Closed Executive Committee Meeting*

*(c) September 26, 2023 – Special Closed Executive Committee Meeting*

*(d) October 6, 2023 – Special Closed Executive Committee Meeting*

*Discuss and Consider Member Matters*

*Discuss Personnel Matters*

*Discuss and Consider Contractual Matters*

*Discuss and Consider Litigation Matters*

**17. Adjourn**

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## **SPECIAL OPEN SESSION**

### **MINUTES OF THE SPECIAL OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Wednesday, September 13, 2023 – 11:00 a.m.  
Willow Room/Virtual Meeting  
24351 El Toro Road  
Laguna Woods, California**

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Directors Present: Mark Laws, N. Cris Prince, Cush Bhada, Donna Rane-Szostak, Nathaniel Lewis, S.K. Park, Andy Ginocchio, Jules Zalon, Ralph Engdahl, Jim Cook

Directors Absent: Moon Yun (excused)

Staff Present: CEO-Siobhan Foster, Makayla Schwietert, Paul Nguyen

Other present: Legal Counsel: Steve Roseman, Esq., Michael Poole, Esq., Sophie Haimof, Esq.  
VMS: Deb Allen  
GRF: Juanita Skillman

#### **1. Call Meeting to Order / Establish Quorum**

President Laws called the meeting to order at 11:02 a.m. and established that a quorum was present.

#### **2. Approval of the Agenda**

President Laws asked for a motion to approve the Agenda.

Director Prince made a motion to approve the Agenda. Director Rane-Szostak seconded.

President Laws request Item 4 Members' Comments be moved prior to Item 3 New Business.

Hearing no further changes or objections, the amended Agenda was approved by consent.

3. **Member Comments** – None

4. **New Business**

**a. Proposed Censure of Director Zalon (Oral Discussion)**

President Laws read the following resolution to censure Board Member Jules Zalon.

**RESOLUTION 03-23-105**

**THIRD LAGUNA HILLS MUTUAL  
BOARD RESOLUTION TO CENSURE BOARD MEMBER JULES ZALON**

The undersigned, a majority of the members of the Board of Directors (“Board”) of Third Laguna Hills Mutual, do hereby censure director, Jules Zalon, as follows:

**WHEREAS**, the Third Laguna Hills Mutual (“Mutual”) Board of Directors (“Board”) is informed and believes that Jules Zalon, a director serving on the Board, has intentionally breached his fiduciary duties to the Mutual; and

**WHEREAS**, all Mutual Board members owe the Mutual certain fiduciary duties, including the duty to maintain confidentiality, duty of loyalty and duty of care. The duty to maintain confidentiality requires that Board members refrain from disclosing any confidential or attorney-client privileged information to anyone who is not on the Board. The duty of loyalty requires that Board members cannot have divided loyalties and may not take any personal action or opinion which is against or inconsistent with the best interests of the Mutual. The duty of care requires that directors must be diligent and careful in performing the duties they have undertaken; and

**WHEREAS**, the Board is informed and believes that Jules Zalon intentionally breached his fiduciary duty of loyalty, duty of confidentiality, and duty of care by disseminating confidential information and communications of the Mutual on at least two occasions (August 4, 2023 and August 5, 2023) to several members of the Mutual, namely, Deborah Allen and Brad Rinehart, without the approval of a majority of the Board, and as a whole, is not working in the best interest of the Mutual; and

**WHEREAS**, the Board believes that it is proper to condemn the above referenced conduct of Director Jules Zalon and therefore, a majority of the Board resolves to censure Jules Zalon; and

**THEREFORE, IT IS RESOLVED THAT:** the majority of the Board of the Mutual hereby censures Jules Zalon for his conduct as described herein.

Director Cook made a motion to approve the resolution to Censure Board Member Jules Zalon. Director Lewis seconded.



Director Zalon commented on the motion.

Hearing no changes or objections, the motion was called to a vote and passed 7-1-1. Director Bhada voted against and Director Park abstained. Director Zalon did not vote on this item.

**b. Formation of Executive Committee**

President Laws read the resolution to Create Executive Committee.

**RESOLUTION 03-23-106**

**THIRD LAGUNA HILLS MUTUAL  
BOARD RESOLUTION TO CREATE EXECUTIVE COMMITTEE**

**WHEREAS**, the Third Laguna Hills Mutual (“Mutual”) Board of Directors (“Board”) is informed and believes that Jules Zalon, a director serving on the Board, has intentionally breached his fiduciary duties to the Mutual; and

**WHEREAS**, the Board is informed and believes that Jules Zalon intentionally breached his fiduciary duty of loyalty, duty of confidentiality, and duty of care by disseminating confidential information and communications of the Mutual on at least two occasions (August 4, 2023 and August 5, 2023) to several members of the Mutual, namely, Deborah Allen and Brad Rinehart, without the approval of a majority of the Board, and as a whole, is not working in the best interest of the Mutual; and

**WHEREAS**, all Mutual Board members owe the Mutual certain fiduciary duties, including the duty to maintain confidentiality, duty of loyalty and duty of care. The duty to maintain confidentiality requires that Board members refrain from disclosing any confidential or attorney-client privileged information to anyone who is not on the Board. The duty of loyalty requires that Board members cannot have divided loyalties and may not take any personal action or opinion which is against or inconsistent with the best interests of the Mutual. The duty of care requires that directors must be diligent and careful in performing the duties they have undertaken; and

**WHEREAS**, the Board noticed a censure hearing for Jules Zalon to discuss the above referenced breaches of fiduciary duty and pursuant to a noticed due-process hearing, the Board determined to censure Jules Zalon for his breaches of fiduciary duties (“Censure”) pursuant to the Board Resolution to Censure Board Member Jules Zalon dated September 13, 2023; and

**WHEREAS**, as a result of the Censure, the Board desires to establish an Executive Committee (“Committee”) for the Board to discuss all matters discussed in the Mutual’s executive matters, without Jules Zalon present during such discussions and any subsequent decisions (“Committee Matters”); and

**WHEREAS**, the Board is permitted to establish the Committee under California Corporations Code §7212 and any other applicable statutes; and

**WHEREAS**, serving at the pleasure of the Board, and subject to the other limitations of Corporations Code §7212 and other applicable law, the Executive Committee will, among other things, assist the Board in: executing all of its duties with respect to the Committee Matters; and protecting the interests of the Mutual as a whole; and

**WHEREAS**, a majority of the Board resolves to establish an Executive Committee at the Board meeting on this September 13, 2023; and

**THEREFORE, IT IS RESOLVED THAT:** pursuant to the Mutual's Bylaws and any amendments thereto ("Bylaws") and other governing documents ("Governing Documents"), and applicable statutes, the Board hereby establishes an Executive Committee to be made up of all directors currently serving on the Board except for Jules Zalon, for the purpose of executing all of its duties with respect to the Committee Matters; and protecting the interests of the Mutual as a whole.

Director Cook made a motion to approve the resolution to Create Executive Committee. Director Bhada seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed 9-0-0. Director Zalon did not vote.

**5. Directors' Comments**

- Director Bhada commented on being upset with this matter.
- Director Park commented why he abstained from the vote of censuring Director Zalon.

**6. Adjournment**

The meeting was adjourned at 11:20 a.m.

DocuSigned by:

*N. Cris Prince*

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N. Cris Prince, Secretary of the Board  
Third Laguna Hills Mutual



## **OPEN SESSION**

### **MINUTES OF THE REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Tuesday, September 19, 2023 - 9:30 a.m.  
Laguna Woods Village Community Center  
Board Room/Virtual Meeting  
24351 El Toro Road  
Laguna Woods, California**

**Directors Present:** Mark Laws, Ralph Engdahl, N. Cris Prince, Donna Rane-Szostak, Andrew Ginocchio, Nathaniel Ira Lewis, Moon Yun, S.K. Park, Cush Bhada, Jim Cook

**Directors Absent:** Jules Zalon (Unexcused)

**Staff Present:** Siobhan Foster-CEO, Makayla Schwietert, Paul Nguyen, Bart Mejia, Steve Hormuth, Blessilda Fernandez, Kurt Wiemann, Jay Allen, Pam Jensen, Jose Campos, Manuel Gomez

**Others Present:** VMS – Mary Seto, Wei-Ming Tao, Deb Allen  
GRF – None  
United – Lenny Ross, Azar Asgari

#### **1. Call meeting to order / Establish Quorum – President Laws, Chair**

President Laws called the meeting to order at 9:30 a.m. and established that a quorum was present.

#### **2. Pledge of Allegiance**

Director Engdahl led the Pledge of Allegiance.

#### **3. Approval of Agenda**

President Laws asked for a motion to approve the agenda.

Director Park made a motion to approve the agenda. Director Rane-Szostak seconded.

Hearing no further changes or objections, the agenda was approved by consent.

#### **4. Approval of Minutes**

##### **a. August 15, 2023 – Regular Board Meeting**

- b. September 1, 2023 – Agenda Prep Meeting**
- c. September 1, 2023 – Special Open Meeting**

Director Ginocchio made a motion to approve the minutes of August 15, 2023 – Regular Board Meeting. Director Engdahl seconded.

Hearing no changes or objections, the August 15, 2023 – Regular Board Meeting minutes were approved by consent.

Director Lewis made a motion to approve the minutes of the September 1, 2023 – Agenda Prep Meeting. Director Engdahl seconded.

Hearing no changes or objections, the September 1, 2023 – Agenda Prep Meeting minutes were approved by consent.

Director Park made a motion to approve the minutes of the September 1, 2023 – Special Open Meeting. Director Prince seconded.

Hearing no changes or objections, the September 1, 2023 – Special Open Meeting minutes were approved by consent.

## **5. Report of the Chair**

President Laws commented on the following:

- Reminded members to fill in their Ballots and return them by Thursday, September 28, 2023. The Tabulation will be the following day on September 29<sup>th</sup>
- Third Mutual's 2024 Business Plan is on the Agenda to be approved at today's Board Meeting
- GRF Assessment was approved recently at the GRF Board Meeting

## **6. Open Forum (Three Minutes per Speaker)**

- A member commented on The Foundation of Laguna Woods Village
- A member commented on legal fees, flashing stop sign issue, and staffing issues
- A member commented on the management of contractors and vendors
- A member commented on a personal moisture intrusion issue at their unit
- A member commented on a coyote issue at their building
- A member commented on a fumigation issue that caused damage to landscape in front of their unit

## **7. Responses to Open Forum Speakers**

- Director Lewis commented on the landscaping matter and gave an update
- Director Park commented on the coyote issue
- Multiple Directors commented on the moisture intrusion issue
- President Laws thanked Ms. Collins on her work at The Foundation of Laguna Woods Village, stated that he would look into the flashing stop sign issue, and updated the members on the reduction cost of the Compliance Department for 2024

## **8. Department Update: Steve Hormuth, Financial Services Director, and Pam Jensen, Controller, to discuss Fraud Prevention Through Monitoring of Internal Controls**

Steve Hormuth, Financial Services Director, and Pam Jensen, Controller, discussed the following topics:

- Fraud
- Fraud Prevention
- Internal Controls
- VMS Strategy
- Financial Process Documentation
- Work Plan Testing
- Flowcharts
- Testing
- New Internal Auditor
- Reports to Controller Pam Jensen

Steve Hormuth and Pam Jensen answered questions from the Board.

## **9. CEO Report**

CEO Siobhan Foster reported on:

- Five Touch Points for Residents
- Email and Digital Platform
- What's Up in the Village
- Subscribe on Village Website
- Subscribe via email request
- Check the latest news on Laguna Woods Village Website
- Visit our Facebook Page
- Code Red: Emergency Notifications
- Print Communication
- The Village Breeze
- Village Breeze in the Community
- Watch Board and Committee Meetings
- Meeting Calendar and Schedules available on website
- Watch Live, Past Open Meetings
- Watch Some Meetings via ZOOM
- Watching Meetings on TV6
- Meeting Recordings on YouTube
- Find Recreation Activities and Classes
- Village Television/TV 6
- Marketing/Communications Email List
- Association Membership List
- Preferred Delivery Method
- Future Communications

CEO Foster answered questions from the Board.

Director Yun left the meeting at 10:27 a.m.

**10. Consent Calendar** - *All matters listed under the Consent Calendar were recommended for action by committees and were enacted by the Board by one motion. Items removed from*

*the Consent Calendar by members of the Board were moved for further discussion and action by the Board.*

President Laws asked for a motion to approve the Consent Calendar as presented.

Director Park made a motion to approve the Consent Calendar. Director Lewis seconded.

Hearing no changes or objections, the motion to approve the Consent Calendar was approved by consent.

- a. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of July 2023, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.

**b. Recommendation from the Finance Committee – None**

**c. Recommendation from the Landscape Committee**

**1. Recommendation to Deny the Removal of One Rusty Leaf Fig Tree Located at 3075-C**

**RESOLUTION 03-23-107**

**Deny Removal of One Rust Leaf Fig  
Tree located at 3075-C**

**WHEREAS**, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

“...Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents’ personal preferences concerning shape, color, size, or fragrance. Trees shall not be removed to preserve, enhance or create a view.

- Trees shall not be removed to preserve, enhance or create a view.
- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee...”

**WHEREAS**, on September 7, 2023, the Landscape Committee reviewed a request from the Member at 3075-C to remove one Rusty Leaf Fig tree. The Member cited the reasons as litter/debris and overgrown; and

**WHEREAS**, staff inspected the condition of the tree and determined that it was in good condition with no signs of pests or prior pest damage or any signs of damage to the trunk; and

**WHEREAS**, the Committee determined that the tree does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Rusty Leaf Fig tree located at 3075-C Via Serena South;

**NOW THEREFORE BE IT RESOLVED**, September 19, 2023, the Board of Directors denies the request for the removal of one Rusty Leaf Fig tree located at 3075-C; and

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

**d. Recommendation from the Architectural Controls and Standards Committee**

**1. Recommendation to Approve the Variance Request to Entry and Dining Room Extension Add Bedroom and Vanity Area Windows at Manor 5585-A**

**RESOLUTION 03-23-108**

**Variance Request**

**WHEREAS**, Member located at 5585-A Via Dicha, a Casa Palma style manor, requests Architectural Controls and Standards Committee approval of a variance to Extend the Entry and Dining Room. Close side window in Bedroom 2 and add window in Bedroom 2 that looks out on the Courtyard. Add window in the Vanity area; and

**WHEREAS**, a Neighborhood Awareness Notice was sent to Members of affected units notifying them that an application to make an alteration to a neighboring unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on September 11, 2023 at 1:30 PM; and

**WHEREAS**, the Architectural Controls and Standards Committee reviewed the variance and moved for approval of the variance to Extend the Entry and Dining Room;

**NOW THEREFORE BE IT RESOLVED**, on September 19, 2023 at 9:30 AM, the Third Laguna Hills Mutual Board hereby approves the request to Extend the Entry and Dining Room. Close side window in Bedroom 2 and add window in Bedroom 2 that looks out on the Courtyard. Add window in the Vanity area; and

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member at 5585- A Via Dicha and all future Mutual Members at 5585-A Via Dicha; 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.

**11. Unfinished Business**

**a. Entertain a Motion to Rescind the Barbeque Rules and Regulations (August initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)**

Director Prince read the following resolution:

**RESOLUTION 03-23-109**

**Barbecue Grill Rules &  
Regulations**

**WHEREAS**, on March 16, 2021, the Board of Directors adopted the Barbecue Grill Rules & Regulations to set forth guidelines for the use of barbeque grills; and

**WHEREAS**, the Resident Policy and Compliance Committee has recognized the need to re- evaluate the Barbecue Grill Rules & Regulations and determined they are constricting to the member and should be rescinded in its entirety;

**NOW THEREFORE BE IT RESOLVED**, on September 19, 2023, the Board of Directors of this Corporation hereby rescinds Resolution 03-21-18 the Barbecue Grill Rules & Regulations; and

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

**RESOLVED FURTHER;** that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

Director Cook made a motion to approve the resolution for to rescind the Barbeque Grill Rules and Regulations. Director Lewis seconded.

Discussion ensued among the Board.

Director Ginocchio made an amended motion to exclude charcoal grills from three story buildings.

With no second, the motion failed.

Multiple members commented on this item.

Hearing no changes, the motion was called to a vote and passed 8-1. Directors Laws opposed.

Director Cook made a motion to send the item back to the Resident Policy and Compliance Committee to come up with new improved policy. Director Lewis seconded.

Hearing no changes, the motion was called to a vote and passed unanimously.

**b. Entertain a Motion to Approve Revised Electricity Usage Reimbursement Policy (August initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)**

Director Prince read the following resolution:

**RESOLUTION 03-23-110**

**Revised Electricity Usage Reimbursement Policy**



**WHEREAS**, the Mutual has historically reimbursed members for electricity consumption related to the restoration of manors as a result of moisture intrusion, as well as for excess electricity consumed due to hot water supply line leaks; and

**WHEREAS**, the Mutual is interested in revising the current policy to reflect increases in electricity rates;

**NOW THEREFORE BE IT RESOLVED**, September 19, 2023, that the Board of Directors of this Corporation hereby adopts the revised Electricity Usage Reimbursement Policy, as follows:

- For moisture-intrusion events where dry-down of property is required, the Mutual will reimburse for electricity used based on the amount of money that the resident spent in excess electricity in the month of the event versus the average cost of the prior month and the month following the event. This average would be subtracted from the amount of the electricity bill for the month of the event. The remainder would be the amount of reimbursement to the resident.
- For hot water leaks where excess electricity has been consumed, the Mutual will reimburse for excess electricity consumption based on the same method used for moisture-intrusion events.
- All reimbursements will be charged to the Disaster Fund.

**RESOLVED FURTHER**, that Resolution 03-18-45 adopted March 20, 2018 is hereby superseded and canceled; 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 Cook made a motion to approve the resolution for revised electricity usage reimbursement policy. Director Bhada seconded.

Hearing no changes, the motion was called to a vote and passed unanimously.

**d. Entertain a Motion to Approve the Revision to the Alteration Fee Schedule  
(August initial notification – 28-day notification for member review and  
comments to comply with Civil Code §4360 has been satisfied)**

Director Prince read the following resolution:

**RESOLUTION 03-23-111**

**Alteration Fee Schedule**

**WHEREAS**, alteration and variance requests require significant staff time for proper processing, including research, report preparation, presentation to the appropriate committee and Board; and

**WHEREAS**, in order to offset a portion of the administrative costs associated with processing alteration applications, the Board has adopted an Alterations Fee Schedule; and

**WHEREAS**, the attached revisions to the Alteration Fee Schedule are recommended to be approved by the Board; and

**WHEREAS**, the new Alteration Fee Schedule better aligns the fees with the administrative time it takes to process each task;

**NOW THEREFORE BE IT RESOLVED**, September 19, 2023, that the Board hereby adopts the revised Alteration Fee Schedule as attached to the official minutes of this meeting and this resolution; and

**RESOLVED FURTHER**, that the following sections from prior resolutions remain valid:

- (1) The mutual consent processing fee for Solar Panel installation is to be calculated based on 4.7 hours charged at the current bill rates; and the mutual consent processing fee for Solar Panel installation requests is set at the initial rate of \$223 for 2023 and will be adjusted annually with the adoption of the new bill rates; and
- (2) The approval of variances for the use of common areas that extend beyond the original floorplan and that meet the requirements of Civil Code Section 4600, requires the execution and recordation of a Recordable Exclusive Use of Common Area Revocable License; that a flat legal fee of \$750 for the preparation of these agreements as a pass-through charge to the Mutual's legal team is adopted; and the processing of agreements for all other approved variances, including exclusive use common area as recognized within the footprint of the property, will utilize a Counsel-prepared and approved boilerplate form at no additional charge to the member;

**RESOLVED FURTHER**, that Resolution 03-23-43 adopted April 18, 2023 and Resolution 03-23-69 adopted June 20, 2023 are hereby superseded and canceled; and

**RESOLVED FURTHER**, that future revisions to the Alteration Fee Schedule will be included with the Annual Assessment Letter Packet that the Finance Department issues every year in November under the Architectural Review Procedures section of the Annual Policy Statement; and

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

Director Cook made a motion to approve the resolution revised alteration fee schedule. Director Ginocchio seconded.

Hearing no changes, the motion was called to a vote and passed unanimously.

## **12. New Business**

**a. Entertain a Motion to Amend the Administrative Fee for Damage Reimbursement (September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**

Bart Mejia, Assistant Director/Facilities Engineer, spoke before the Board on this item.

**RESOLUTION 03-23-XX**

**Revised Administrative Fee for  
Damage Reimbursements**

**WHEREAS**, pursuant to Civil Code §5855, the Mutual is required to hold hearings to impose any monetary charges to reimburse the Mutual for costs incurred in the repair of damage to the common area, or facilities caused by the actions or inactions of a member, his or her tenant, guest, invitee, or vendor; and

**WHEREAS**, significant staff time is necessary to investigate, document, and prepare concise reports for the Damage Reimbursement Hearings; and

**WHEREAS**, the previous policy only applied the administrative fee to damage reimbursements over one thousand dollars; and

**WHEREAS**, the Mutual has seen an increase in administrative costs related to these damage reimbursement proceedings;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, that the Board of Directors hereby adopts a Revised Administrative Fee Policy for Damage Reimbursements; and

**RESOLVED FURTHER**, effective November 1, 2023, the fee for costs related to damage reimbursement proceedings will be a minimum of \$20.00 or ten percent of the total reimbursement, for all decisions, regardless of the amount, whichever is greater; and

**RESOLVED FURTHER**, this fee would become applicable at the point the hearing notification is generated, as at that point, additional staff work is involved; and

**RESOLVED FURTHER**, Resolution 03-18-157, adopted on November 29, 2018, is hereby superseded and canceled; 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 Lewis made a motion to approve the Resolution for Revised Administrative Fee for Damage Reimbursement for discussion purposes and to postpone the final vote for 28-days per Civil Code §4360. Director Cook seconded the motion.

Hearing no changes, the motion was called to a vote and passed 7-0. Directors Ginocchio and Park were absent.

**b. Entertain a Motion to Eliminate Demolition Consent Requirements and Associated Fees (September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**

Mr. Mejia spoke before the Board on this item.

**RESOLUTION 03-23-XX**

**Alteration Fee Schedule**

**WHEREAS**, alteration and variance requests require significant staff time for proper processing, including research, report preparation, presentation to the appropriate committee and Board; and

**WHEREAS**, in order to offset a portion of the administrative costs associated with processing alteration applications, the Board has adopted an Alterations Fee Schedule; and

**WHEREAS**, the attached revisions to the Alteration Fee Schedule are recommended to be approved by the Board; and

**WHEREAS**, the new Alteration Fee Schedule better aligns the fees with the administrative time it takes to process each task;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, that the Board hereby adopts the revised Alteration Fee Schedule as attached to the official minutes of this meeting and this resolution; and

**RESOLVED FURTHER**, that future revisions to the Alteration Fee Schedule will be included with the Annual Assessment Letter Packet that the Finance Department issues every year in November under the Architectural Review Procedures section of the Annual Policy Statement; and

**RESOLVED FURTHER**, that Resolution 03-23-XX adopted September 19, 2023 is hereby superseded and canceled; and

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

Director Cook made a motion to approve the Resolution for Fee Schedule for discussion purposes and to postpone the final vote for 28-days per Civil Code §4360. President Laws seconded.

Discussion ensued among the Board.

Hearing no changes, the motion was called to a vote and failed 4-5. President Laws, Director Park, Director Prince, Director Rane-Szostak, and Director Bhada opposed.

President Laws made a motion to send item back to the Architectural Controls and Standards Committee. Director Rane-Szostak seconded.

Hearing no changes, the motion was called to a vote and passed unanimously.

**c. Third 2024 Business Plan Adoption (Annual Budget)**

- **Entertain a Motion to Approve the 2024 Business Plan**

Director Prince read the following resolution:

**RESOLUTION 03-23-112**

**2024 BUSINESS PLAN RESOLUTION**

**RESOLVED**, September 19, 2023, that the Business Plan of this Corporation for the year 2024 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 net sum of \$43,474,485 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses, reserve contributions, and restricted fund contributions for the year 2024. In addition, the sum of \$16,711,182 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 2024. Therefore, a total of \$60,185,667 is required to be collected from and paid by members of the Corporation as monthly assessments; and

**RESOLVED FURTHER**, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$14,240,363 of which \$13,946,597 is planned from the Replacement Fund, \$125,000 from the Elevator Replacement Fund, \$168,766 from the Laundry Replacement Fund; and

**RESOLVED FURTHER**, that the Board of Directors of this Corporation hereby approves expenditures from restricted funds in the sum of \$1,327,782 of which \$1,230,280 is planned from the Disaster Fund, \$97,502 from the Garden Villa Recreation Room Fund; 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 2024 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 2024; 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.

- **Entertain a Motion to Approve the 2024 Reserve Funding Plan**

Director Prince read the following resolution:

**RESOLUTION 03-23-113**

**2024 RESERVE FUNDING PLAN**

**WHEREAS**, Civil Code § 5570 requires specific reserve funding disclosure statements for common interest developments; and

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

**NOW THEREFORE BE IT RESOLVED**, September 19, 2023, that pursuant to Civil Code § 5570 the Board hereby adopts the 30-Year Alternate Reserve Funding Plan (attached) prepared by Association Reserves™ for fiscal year 2024; 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 Park made a motion to approve the resolution for 2024 Business Plan Resolution and 2024 Reserve Funding Plan. Director Rane-Szostak seconded.

Hearing no changes, the motion was called to a vote and passed unanimously.

**d. Entertain a Motion to Approve a Non-Standard Electrical Use Reimbursement Request for 3361-O Monte Hermosa**

Maintenance and Construction Director, Manuel Gomez, provided an overview of the non-standard electrical use reimbursement request at 3361-O Monte Hermosa.

Discussion ensued among the Board.

Director Cook made a motion to approve the non-standard electrical use reimbursement request for 3361-O Monte Hermosa. Director Park seconded.

Hearing no changes, the motion was called to a vote and passed 8-0-1. Director Prince abstained.

**e. Entertain a Motion to Approve the Revised Stepping Stone Resolution and Policy (September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)**

**RESOLUTION 03-23-XX**

**Stepping Stone Policy and Guidelines**

**WHEREAS**, on January 16, 2007, that the Board of Directors adopted Resolution 03-07-02 Approval to Revoke Alteration Standard Section 36 – Stepping Stones; and

**WHEREAS**, Resolution 03-07-02, revoked the standard for stepping stones and required a variance application to the Architectural Committee; and

**WHEREAS**, the Landscape Committee determined that stepping stones are temporary in nature and are placed within common area landscaping; and

**WHEREAS**, the Landscape Committee determined that requiring a landscape request form application may unduly restrictive during the resale process and could be simplified by landscape management review;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023 the Board of Directors introduces the change from mandatory landscape request form and consideration thereof shall be performed by Landscape Management; and

**RESOLVED FURTHER**, all new stepping stone installations shall be performed following the attached Stepping Stone Guidelines and all existing stepping stone installations not previously approved by Variance or Standard shall be reviewed by landscape management staff for adherence to the Stepping Stone Guidelines; and

**RESOLVED FURTHER**, all existing stepping stone installations not previously approved by Variance or Standard, and found not in adherence to the Stepping Stone Guidelines may be reviewed through the landscape request form process; and

**RESOLVED FURTHER**, Resolution 03-22-17, adopted February 15, 2022, is hereby superseded in their entirety and no longer in effect; and

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

Director Lewis made a motion to approve the Resolution Stepping Stone Policy and Guidelines for discussion purposes and to postpone the final vote for 28-days per Civil Code §4360. Director Bhada seconded.

Director Cook requested changes to the staff report.

Hearing no further changes, the motion was called to a vote and passed unanimously.

- f. Entertain a Motion to Approve the Herbicide Spray Guidelines and Acknowledgement Form (September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360)

**RESOLUTION 03-23-XX**

**Herbicide Spray Cessation  
Guidelines**

**WHEREAS**, due to staffing levels and the proliferation of invasive kikuyu grass, the only practical way to control weeds in the shrub beds and turf edges is the use of herbicides; and

**WHEREAS**, some members of Third Mutual have requested that staff not use herbicides in the shrub beds adjacent to their respective units; and

**WHEREAS**, due to the increased labor associated with hand weeding shrub beds, residents requesting the cessation of herbicide application adjacent to their units should be responsible for the timely removal of weeds and maintenance of the turf edges at the shrub beds; and

**WHEREAS**, said members of Third Mutual making such requests shall fill out and sign an agreement stating their intention and responsibility to perform the weeding and edging of the shrub beds; and

**WHEREAS**, the Landscape Department shall retain the responsibility for regular pruning of shrubs and the right to apply herbicides to turf areas, insecticides when necessary;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, the Board of Directors introduces the ability to request cessation of herbicide applications in the shrub bed areas following the filing of a signed No Herbicide Agreement; and

**RESOLVED FURTHER**, all responsibility of weeding and turf edging in the shrub beds shall become the responsibility of the requesting resident; and

**RESOLVED FURTHER**, all other routine maintenance of the shrub beds shall remain the responsibility of the Landscape Department; and

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

Director Cook made a motion to approve the Resolution Herbicide Spray Cessation Guidelines for discussion purposes and to postpone the final vote for 28-days per Civil Code §4360. Director Rane-Szostak seconded.

Hearing no changes, the motion was called to a vote and passed unanimously.

**g. Update Committee Appointments**



## **RESOLUTION 03-23-114**

### **Third Mutual Committee Appointments**

**RESOLVED**, September 19, 2023, that the following persons are hereby appointed to serve on the committees and services of this Corporation;

**RESOLVED FURTHER**, that each committee chair may appoint additional members and advisors with interim approval by the President subject to the approval of the Board of Directors:

#### **Finance Committee** (meets every other month)

Donna Rane-Szostak, Chair

Mark Laws

Ralph Engdahl

Cris Prince

Cush Bhada

Jim Cook

Ira Lewis

Jules Zalon

Moon Yun

Andy Ginocchio

SK Park

Non-Voting Advisors: Wei-Ming Tao

#### **Architectural Control and Standards Committee** (meets monthly)

James Cook, Chair

Cush Bhada

Ralph Engdahl

Nathaniel Ira Lewis

Cris Prince

Andy Ginocchio, Alternate

Non-Voting Advisors: Mike Butler, Mike Plean, Lisa Mills

#### **Landscape Committee** (meets monthly)

Nathaniel Ira Lewis, Chair

Mark Laws

Jules Zalon

Ralph Engdahl

Donna Rane-Szostak

Cush Bhada, Alternate

#### **Maintenance and Construction Committee** (meets every other month)

Ralph Engdahl, Chair

James Cook

Mark Laws

Moon Yun

SK Park

Andy Ginocchio, Alternate

Non-voting Advisors: Judith Troutman, Peter Henschel

**Executive Hearing Committee** (meets monthly)

Mark Laws, Chair

Ralph Engdahl

Cris Prince

Donna Rane-Szostak, Alternate

Jim Cook, Alternate

**Resident Policy and Compliance Committee** (meets monthly) Mark

Laws, Chair

Cush Bhada

~~Jules Zalon~~

~~Andy Ginocchio~~

Cris Prince

Nathaniel Ira Lewis

~~SK Park, Alternate~~

Non-Voting Advisors: Stuart Hack, Theresa Keegan

**Water Conservation Committee** (meets quarterly) Donna

Rane-Szostak, Chair

Cush Bhada

Jules Zalon

Nathaniel Ira Lewis

Non-Voting Advisor: Lee Goldstein

**Garden Villa Recreation Room Subcommittee** (meets thrice yearly) Mark

Laws, Chair

Donna Rane-Szostak

SK Park

Voting Advisors: Stuart Hack, Lynn Jarrett

Non-Voting Advisors: Lorna Seung

**RESOLVED FURTHER**, that Resolution 03-23-21, adopted March 21, 2023, is hereby superseded and canceled; and

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

Director Prince made a motion to approve the resolution for Update of Committee Appointments. Director Lewis seconded.

Hearing no changes, the motion was called to a vote and passed 8-0. Director Bhada was absent for the vote.

#### **h. Discussion regarding possible Recall of GRF Directors (Oral Discussion)**

President Laws discussed the possible recall of GRF Directors.

Discussion ensued among the board.

Multiple members commented on this item.

President Laws reminded the Directors and the audience that this was not a vote to Recall GRF Directors but a discussion on whether or not to do so. As such, no vote was taken on this matter.

### **13. Third Mutual Committee Reports**

- a. Report of the Finance Committee / Financial Report – Director Rane-Szostak. The Committee met on August 1, 2023; next meeting October 3, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
  - (1) Treasurer's Report
  - (2) Third Finance Committee Report
  - (3) Resales/Leasing Reports
- b. Report of the Architectural Controls and Standards Committee – Director Cook. The Committee met September 11, 2023; next meeting October 9, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
- c. Report of the Maintenance and Construction Committee – Director Engdahl. The Committee met on August 30, 2023; next meeting November 6, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
- d. Report of the Landscape Committee – Director Lewis. The Committee met on September 7, 2023; next meeting October 11, 2023 at 9:30 a.m. in the Board Room and as a virtual meeting.
- e. Report of the Water Conservation Committee – Director Rane-Szostak. The Committee met on July 27, 2023; next meeting, October 26, 2023 at 2:00 p.m. in the Sycamore Room.
- f. Report of the Resident Policy and Compliance Committee – Director Laws. The Committee met on August 22, 2023; next meeting September 27, 2023 at 9:30 a.m. in the Board Room and as a virtual meeting.

### **14. GRF Committee Highlights**

- a. GRF Community Activities Committee – Director Bhada. This Committee met on September 14, 2023; the next meeting is October 12, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
- b. GRF Landscape Committee – Director Lewis. This committee met on August 22, 2023; the next meeting is November 8, 2023 at 1:30 p.m. in the Board Room and as a virtual meeting.
- c. GRF Media and Communications Committee – Director Cook. The Committee met on September 18, 2023; the next meeting is November 20, 2023 at 1:30 p.m. in the Board Room.
- d. GRF Broadband Ad Hoc Committee – Director Cook. This closed Committee last met on August 21, 2023; the next meeting is September 27, 2023.
- e. GRF Security and Community Access Committee – Director Park. This Committee last met on August 23, 2023, and the next meeting is October 25, 2023, at 1:30 p.m. in the Board Room and as a virtual meeting.
- f. GRF Finance Committee – Director Ginocchio. The Committee met on August 16, 2023; next meeting October 18, 2023, at 1:30 p.m. in the Board Room and as a virtual meeting.
- g. GRF Purchasing Task Force Committee – Director Ginocchio. The Committee met on August 28, 2023; next meeting is TBA.
- h. Information Technology Advisory Committee – Director Laws. This closed Committee last met on August 25, 2023; next meeting is September 29, 2023 at 1:30 p.m. as a virtual meeting.
- i. Report of the Laguna Woods Village Traffic Hearings – Director Park. The hearings were held on August 16, 2023; next meeting September 20, 2023.
- j. The following GRF Committees have not met since the last Third Board Meeting of August 15, 2023:
  - i. Clubhouse Facilities Removation Ad Hoc Committee – Director Engdahl. This Committee met on March 15, 2023; the next meeting is TBA.
  - ii. Website Ad Hoc Committee – Director Laws. The Committee last met on May 22, 2023; the next meeting is TBA.
  - iii. GRF Maintenance & Construction Committee – Director Engdahl. The Committee met on August 9, 2023; next meeting October 11, 2023, at 9:30 a.m. in the Board Room and as a virtual meeting.
  - iv. Disaster Preparedness Task Force – Director Park. The task force met on July 25, 2023; the next meeting is September 26, 2023 at 9:00 a.m. in the Board Room.
  - v. Mobility and Vehicles Committee – Director Bhada. This Committee met on August 2, 2023; the next meeting is October 4, 2023 at 1:30 p.m. in the Board Room.

vi. Compliance Ad Hoc Committee – Director Ginocchio. This Committee met on August 11, 2023; next meeting TBA.

**15. Future Agenda Items--** *All matters listed under Future Agenda Items are Resolutions on 28-day public review or items for a future Board Meeting. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.*

- Entertain a Motion to Amend the Administrative Fee for Damage Reimbursement
- Entertain a Motion to Approve the Revised Stepping Stone Resolution and Guidelines
- Entertain a Motion to Approve the Herbicide Spray Guidelines and Acknowledgment Form

**16. Directors' Comments**

- Director Park commented on a landscape issue near certain buildings and the use of VMS vehicles by employees
- Director Ginocchio commented on space utilization

**17. Recess** - *At this time, the meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.*

The meeting was recessed into closed session at 12:56 p.m.

**Closed Session Agenda**

*Approval of Agenda*

*Approval of the Minutes*

*(a) August 15, 2023 – Regular Closed Meeting*

*(b) August 31, 2023 – Special Closed Meeting*

*Discuss and Consider Member Matters*

*Discuss Personnel Matters*

*Discuss and Consider Contractual Matters*

*Discuss and Consider Litigation Matters*

**18. Adjournment**

The meeting was adjourned at 5:51 p.m.

DocuSigned by:

*N. Cris Prince*

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N. Cris Prince, Secretary of the Board  
Third Laguna Hills Mutual

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## **OPEN MEETING**

### **MINUTES OF THE SPECIAL OPEN MEETING OF THE BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL, A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Friday, September 29, 2023, at 9:30 a.m.  
24351 El Toro Road, Laguna Woods, California**

**The purpose of this meeting is to tabulate the ballots for the Third Annual Election to elect four board members: four terms ending in 2026 at the annual election in accordance with Civil Code §5110**

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**Directors Present:** Mark Laws, N. Cris Prince, Nathaniel Ira Lewis, S.K. Park, Jim Cook, Cush Bhada, Donna Rane-Szostak, Andy Ginocchio, Ralph Engdahl (entered at 9:41 a.m.)

**Directors Absent:** Jules Zalon, Moon Yun (excused)

**Staff Present:** Siobhan Foster-CEO, Carlos Rojas, Makayla Schwieter, and Paul Nguyen

**Others Present:** Catherine and Andrew Burkhart, Inspectors of Election  
United Director – Azar Asgari  
GRF Director – Joan Milliman, Bunny Carpenter

**Candidates Present:** Deb Allen, Brad Rinehart

**1. Call Meeting to Order / Establish Quorum – President Laws**

President Laws called the meeting to order at 9:30 a.m. and established that a quorum was present.

**2. State Purpose of Meeting – President Laws**

President Laws indicated the purpose of the meeting is to qualify and tabulate the ballot for the Third Annual Election to elect four director positions: Four 3-year terms ending in 2026.

**3. Acknowledgement of Inspectors of Election – Catherine and Andrew Burkhart, UniLect Election Services**

President Laws introduced Catherine Burkhart of UniLect Election Services. Ms. Burkhart and asked her to provide a summary of the tabulation process.

Ms. Burkhart announced that 5,944 ballots were mailed to Third Mutual residents. Of the ballots mailed, 2,509 ballots were returned. And of the ballots returned, 2,423 ballots were signed and eligible. There were 86 ballots that were ineligible: 46 ballots were unsigned; 33 ballots had no number identifier; 3 ballots were duplicates; and 4 ballots were returned late.

At 11:50 p.m., Ms. Burkhart displayed the ballots that had light markings and filled them in properly. A small portion of the ballots were also recreated insuring that they would be counted properly.

At 12:15 p.m., Mr. Burkhart performed a Logic and Accuracy Test and described the process.

**4. Counting of the 2023 Ballots for the Third Board Openings (Four 3-year terms ending in 2026)**

At 12:27 p.m. the Inspector of Elections started counting the ballots for Third Mutual. The counting of the ballot process was televised live on the Laguna Woods Village television, Granicus, and Zoom webinar.

At 12:30 p.m. Ms. Burkhart announced ballots were not filled in correctly and ballots that were damaged. These ballots were recreated so they can be counted by the ballot counting machine.

At 12:42 p.m., Mr. Burkhart stated that there were two United ballots that were erroneously counted in the total number of ballots signed and eligible, which affected the total number of ballots signed and eligible by 2 ballots, thus making the corrected total number of ballots signed and eligible of 2,421.

**5. Announcement of Ballot Results – Catherine Burkhart, UniLect Election Service**

At 12:43 p.m. Ms. Burkhart announced the results of the Third Board of Directors election:

Deborah Allen	887	11.81%
Andrew Ginocchio	1252	16.68%
Donna Rane-Szostak	1159	15.44%
Brad Rinehart	1238	16.49%
Moon G. Yun	1755	23.38%
Jules Zalon	1217	16.21%

2,421 ballots counted

**6. Member Comments - None**

**7. Adjournment**

The meeting was adjourned at 12:47 p.m.



DocuSigned by:

*N. Cris Prince*

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N. Cris Prince, Secretary of the Board  
Third Laguna Hills Mutual

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**OPEN SESSION**

**MINUTES OF THE 53rd ANNUAL MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT  
CORPORATION**

**Thursday, October 5, 2023 - 9:30 a.m.  
Laguna Woods Village  
24351 El Toro Road  
Laguna Woods, California**

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Directors Present: Mark Laws, Jim Cook, N. Cris Prince, Ralph Engdahl, Cush Bhada, Nathaniel Ira Lewis, Jules Zalon, S.K. Park, Donna Rane-Szostak, Andy Ginocchio, Moon G. Yun

Directors Absent: None

Staff Present: CEO- Siobhan Foster, Makayla Schwietert, Paul Nguyen

Others Present: Brad Rinehart – Third Elected Director

**1. Call meeting to Order / Establish Quorum - President Laws**

President Laws called the meeting to order at 9:30 a.m. and established that a quorum was present.

**2. Pledge of Allegiance**

Director Prince led the membership in the Pledge of Allegiance.

**3. Approval of the Agenda**

Director Prince made a motion to approve the agenda Director Lewis seconded.

Hearing no changes or objections, the motion was approved by consent.

**4. Minutes for Reference**

**a. October 5, 2022 – 52<sup>nd</sup> Annual Meeting of Members**

The Board reviewed the meeting minutes from October 5, 2022.

**5. Chair's Remarks - President Laws**

President Laws commented on the following:

- The Board has identified efficiencies to reduce costs
- Improved communications to its members
- Acknowledge progress has been slower than anyone had thought

**6. Annual Review – Accomplishments and Plans**

President Laws introduced the Third Mutual Committee and Task Force Chairs who gave year-end reports on the accomplishments of the committees.

- Landscape Committee — Director Lewis
- Manor Alterations – Director Cook
- Maintenance and Construction — Director Engdahl
- Water Conservation — Director Rane-Szostak
- Resident Policy & Compliance— President Laws

**7. Acknowledge Directors with Expiring Term – President Laws**

President Laws thanked the Directors with expiring terms:

- Andy Ginocchio
- Donna Rane-Szostak
- Moon G. Yun
- Jules Zalon

President Laws thanked the board members for their service on the board.

**8. Introduction of Continuing Directors – Mark Laws**

- Jim Cook (term expires 2024)
- Mark Laws (term expires 2024)
- Nathaniel Ira Lewis (term expires 2024)
- Cusrow “Cush” Bhada (term expires 2025)
- Ralph Engdahl (term expires 2025)
- S.K. Park (term expires 2025)
- Cris Prince (term expires 2025)

**9. Introduction of Newly Elected Directors for Three-year Term- President Laws**

President Laws congratulated the newly elected board members:

- Moon G. Yun (term expires 2026)
- Brad Rinehart (term expires 2026)
- Jules Zalon (term expires 2026)

- Andy Ginocchio (term expires 2026)

**10. Member Comments - None**

**11. Responses to Members Comments - None**

**12. Adjournment**

There being no further business, the meeting was adjourned at 9:54 a.m.

**ORGANIZATIONAL MEETING: Immediately following the Annual Meeting**

DocuSigned by:

*N. Cris Prince*

N. Cris Prince, Secretary of the Board  
Third Laguna Hills Mutual

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**OPEN SESSION**

**MINUTES OF THE 53rd ORGANIZATIONAL MEETING  
OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Thursday, October 5, 2023  
Immediately Following the Annual Meeting  
Laguna Woods Village  
24351 El Toro Road  
Laguna Woods, California**

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<b>Directors Present</b>	Mark Laws, Jim Cook, N. Cris Prince, Ralph Engdahl, Nathaniel Ira Lewis, Jules Zalon, Cush Bhada, S.K. Park, Moon G. Yun, Andy Ginocchio, Brad Rinehart
<b>Directors Absent</b>	None
<b>Staff Present</b>	Siobhan Foster, Makayla Schwietert, Paul Nguyen, Carlos Rojas
<b>Others Present</b>	Yvonne Horton - GRF

**1. Call meeting to Order / Establish Quorum – Mark Laws, Chair**

President Laws called the meeting to order at 9:57 a.m. and established that a quorum was present.

**2. Approval of the Agenda**

Director Zalon made a motion to approve the agenda as presented. Director Lewis seconded.

Hearing no changes, the motion was called to a vote and was approved by consent.

**3. Minutes for Reference**

**a. October 6, 2022 - 52<sup>nd</sup> Organizational Meeting of Members**

The Board revised the meeting minutes from October 6, 2022.

**4. Member Comments – None**

**5. Election of Officers - Entertain a Motion to Open Nominations, Close Nominations and Vote for President, First Vice President, Second Vice President, Treasurer and Secretary**

President Laws made a motion to open nominations for board officers.

Hearing no changes or objections, the motion was approved by consent.

**PRESIDENT**

President Laws opened the floor for nomination of President.

Director Lewis nominated Mark Laws for the position of President. Director Cook seconded the nomination. President Laws accepted the nomination.

Director Ginocchio nominated Moon G. Yun for the position of President. Director Rinehart seconded the nomination. Director Yun accepted the nomination.

Hearing no other nominations, the board voted by secret ballot. Corporate Secretary, Makayla Schwiertert, tallied the vote and announced that Director Laws was elected President of the Board by a vote of 6-5.

**FIRST VICE PRESIDENT**

President Laws opened the floor for First Vice President.

Director Engdahl nominated Jim Cook for the position of First Vice President. Director Lewis seconded the nomination. Director Cook accepted the nomination.

Hearing no other nominations, the board elected Director Cook First Vice President.

**SECOND VICE PRESIDENT**

President Laws opened the floor for nominations for Second Vice President.

Director Lewis nominated Ralph Engdahl for the position of Second Vice President. Director Cook seconded the nomination. Director Engdahl accepted the nomination.

Hearing no other nominations, the board elected Director Engdahl Second Vice President.

**TREASURER**

President Laws opened the floor for nominations for Treasurer.

Director Cook nominated Andy Ginocchio for the position of Treasurer. Director Cook seconded the nomination. Director Ginocchio accepted the nomination.

Hearing no other nominations, the board elected Director Ginocchio Treasurer.



## **SECRETARY**

President Laws opened the floor for nominations for Secretary.

Director Cook nominated N. Cris Prince for the position of Secretary. President Laws seconded the nomination. Director Prince accepted the nomination.

Hearing no other nominations, the board elected Director Prince Secretary.

### **6. Announcement of the Ex Officio Officers**

President Laws announced the following officers:

Mark Laws	President
Jim Cook	1 <sup>st</sup> Vice President
Ralph Engdahl	2 <sup>nd</sup> Vice President
Andy Ginocchio	Treasurer
N. Cris Prince	Secretary

### **7. Entertain a Motion to Approve a Resolution for the Appointment of Officers**

#### **RESOLUTION 03-23-117**

#### **APPOINTMENT OF OFFICERS**

**RESOLVED**, on October 5, 2023, pursuant to Third Laguna Hills Mutual Bylaws Article 9 which sets guidelines, terms and responsibilities for the election of Officers to this Corporation the following persons are hereby elected to the office indicated next to their names to serve:

Mark Laws	President
Jim Cook	1 <sup>st</sup> Vice President
Ralph Engdahl	2 <sup>nd</sup> Vice President
Andy Ginocchio	Treasurer
N. Cris Prince	Secretary

**RESOLVED FURTHER**, that the following Staff person is hereby appointed as ex Officio officer of this Corporation:

Siobhan Foster	Vice President ex Officio
Carlos Rojas	Assistant Secretary ex Officio
Steve Hormuth	Assistant Treasurer ex Officio

**RESOLVED FURTHER**, that Resolution 03-22-104, adopted October 6, 2022, is hereby superseded and cancelled; and

**RESOLVED FURTHER;** that the officers and agents of this Corporation are directed on behalf of the Corporation to carry out this resolution.

Director Prince made a motion to approve the resolution for appointment of officers. Director Cook seconded.

Hearing no changes or objections, the motion was called to a vote and passed unanimously.

**8. Adjournment**

There being no further business, the meeting was adjourned at 10:11 a.m.

DocuSigned by:

*N. Cris Prince*

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N. Cris Prince, Secretary of the Board  
Third Laguna Hills Mutual



## **OPEN SESSION**

### **MINUTES OF THE AGENDA PREP MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Friday, October 06, 2023 – 9:30 a.m.  
Willow Room/Virtual Meeting  
24351 El Toro Road  
Laguna Woods, California**

The purpose of this meeting was to discuss agenda items for the Third Board Regular Meeting  
Civil Code §4930

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Directors present: Mark Laws, Nathaniel Ira Lewis, N. Cris Prince, Andy Ginocchio, Jules Zalon, Ralph Engdahl, Jim Cook, Cush Bhada, Moon G. Yun and Brad Rinehart

Directors absent: S.K. Park (excused)

Staff present: CEO Siobhan Foster, Makayla Schwieter, Paul Nguyen, Catherine Laster

Others present: None

**1. Call Meeting to Order / Establish Quorum**

President Laws called the meeting to order at 9:30 a.m. and established that a quorum was present.

**2. Approval of the Agenda**

President Laws asked for a motion to approve the Agenda.

Director Lewis made a motion to approve the Agenda. Director Cook seconded.

Hearing no changes or objections, the Agenda was approved by consent.

**3. Discuss and Consider Items to be placed on the Third Board Regular Meeting Agenda (open & closed session) on October 17, 2023**

Discussion ensued among the Board, and changes were made to the Open and Closed meeting Agendas.

President Laws asked for a motion to approve the Open and Closed meeting Agendas as amended.

Director Cook made a motion to approve the amended Open and Closed Meeting Agenda. Director Laws seconded.

Hearing no objections, the October 17, 2023 amended Open and Closed Meeting Agenda were approved by consent.

**4. Directors' Comments**

- Director Bhada congratulated the winners of the recent election

**5. Adjournment**

The meeting was adjourned at 9:50 a.m.

DocuSigned by:

*N. Cris Prince*

3441FC1ED518422

N. Cris Prince, Secretary of the Board  
Third Laguna Hills Mutual



### **RESOLUTION 03-23-XX**

#### **Recording of a Lien**

**WHEREAS**, Member ID 931-630-71; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, that the Board of Directors hereby approves the recording of a Lien for Member ID 931- 630-71 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.

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### **RESOLUTION 03-23-XX**

#### **Recording of a Lien**

**WHEREAS**, Member ID 931-510-14; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, that the Board of Directors hereby approves the recording of a Lien for Member ID 931- 510-14 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.

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## **RESOLUTION 03-23-XX**

### **Recording of a Lien**

**WHEREAS**, Member ID 933-800-30; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

**WHEREAS**, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, that the Board of Directors hereby approves the recording of a Lien for Member ID 933- 800-30 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.

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**ENDORSEMENT (to the Board)**

**Entertain a Motion to Amend the Administrative Fee for Damage Reimbursement**

In 2018, the Third Board approved a resolution that allowed a 10 percent fee to be imposed in addition to the reimbursement charge for damage reimbursement cases exceeding \$1,000, where the member is found to be at fault (Attachment 1).

In 2023, staff has processed 23 damage reimbursement cases for review by the Executive Hearings Committee. These 23 cases total \$101,916, ranging from \$66.95 to \$17,030, with an average cost of \$4,431.

The administrative costs for staff to evaluate the damage that has occurred, ensure invoice payment processing, prepare notification documents, communicate with the member, and compile the data to be presented at the monthly Executive Hearings Committee meeting are the same regardless of the reimbursement amount.

On August 22, 2023, Mr. Jay Allen, Damage Restoration Manager, presented the Administrative Fee for Damage Reimbursements Policy for discussion. The Committee discussed the matter and asked questions.

Chair Laws made a motion to revise the Administrative Fee for Damage Reimbursements to include a minimum of \$20 or 10% whichever is greater and apply to all cases. Director Prince seconded the motion.

By a vote of 4-1-0 (Director Zalon voted No), the motion passed.

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Revised Damage Reimbursement Administrative Fee

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### **RECOMMENDATION**

Discuss revising the current Damage Reimbursement Administrative Fee policy, Resolution 03-18-157, and provide direction to staff.

### **BACKGROUND**

Per Civil Code §5855, the Board is required to hold hearings to “impose a monetary charge as a means of reimbursing the association for costs incurred by the association in the repair of damage to common area and facilities caused by a member or the member’s guest or tenant.”

In 2018, the Third Board approved a resolution that allowed a 10 percent fee to be imposed in addition to the reimbursement charge for damage reimbursement cases exceeding \$1,000, where the member is found to be at fault (Attachment 1).

### **DISCUSSION**

In 2023, staff has processed 23 damage reimbursement cases for review by the Executive Hearings Committee. These 23 cases total \$101,916, ranging from \$66.95 to \$17,030, with an average cost of \$4,431.

The administrative costs for staff to evaluate the damage that has occurred, ensure invoice payment processing, prepare notification documents, communicate with the member, and compile the data to be presented at the monthly Executive Hearings Committee meeting are the same regardless of the reimbursement amount.

Staff seeks direction from the Committee on the possibility of revising the Damage Reimbursement Administrative Fee policy so that the 10 percent fee will be applied to all damage reimbursement cases.

### **FINANCIAL ANALYSIS**

The additional fee revenue will help offset existing administrative costs in operations.

**Prepared By:** Laurie Chavarria, Senior Management Analyst

**Reviewed By:** Manuel Gomez, Maintenance and Construction Director  
Bart Mejia, Assistant Director  
Jay Allen, Damage Restoration Manager

**ATTACHMENT(S)**

- Attachment 1: Existing Resolution 03-18-157
- Attachment 2: Redlined Copy of Revised Resolution 03-23-XX
- Attachment 3: Clean Copy of Revised Resolution 03-23-XX

**RESOLUTION 03-18-157**

**Administrative Fee for Damage Reimbursements**

**WHEREAS**, pursuant to Civil Code §5855, the Mutual is required to hold hearings to impose any monetary charges to reimburse the Mutual for costs incurred in the repair of damage to common area or facilities caused by the actions or inactions of a member, his or her tenant, guest, invitee, or vendor;

**WHEREAS**, significant staff time is necessary to investigate, document, and prepare concise reports for Damage Reimbursement Hearings for damage caused by a member; and,

**WHEREAS**, the Mutual has seen an increase in administrative costs related to these damage reimbursement proceedings.

**NOW THEREFORE BE IT RESOLVED**, November 29, 2018, that the Board of Directors hereby adopts the Damage Reimbursement Administrative Fee;

**RESOLVED FURTHER**, effective December 1, 2018, the fee for costs related to damage reimbursement proceedings will be ten percent of the total reimbursement decision amount for all decisions of one thousand dollars or more;

**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.

September 18, 2018 Initial Notification  
30-Day notification to comply with Civil Code §4360 has been satisfied.

**RESOLUTION 03-23-XXX18-157****Revised Administrative Fee for  
Damage Reimbursements**

**WHEREAS**, pursuant to Civil Code §5855, the Mutual is required to hold hearings to impose any monetary charges to reimburse the Mutual for costs incurred in the repair of damage to the common area, or facilities caused by the actions or inactions of a member, his or her tenant, guest, invitee, or vendor; and,

**WHEREAS**, significant staff time is necessary to investigate, document, and prepare concise reports for the Damage Reimbursement Hearings ~~for damage caused by a member~~; and,

**WHEREAS**, the previous policy only applied the administrative fee to damage reimbursements over one thousand dollars; and,

**WHEREAS**, the Mutual has seen an increase in administrative costs related to these damage reimbursement proceedings.

**NOW THEREFORE BE IT RESOLVED**, ~~November~~October 17~~29~~23, 20~~23~~18, that the Board of Directors hereby adopts a Revised Administrative Fee Policy for Damage Reimbursements ~~the Damage Reimbursement Administrative Fee~~; and,

**RESOLVED FURTHER**, effective ~~December~~November 1, 20~~23~~18, the fee for costs related to damage reimbursement proceedings will be a minimum of \$20.00 or ten percent of the total reimbursement, ~~decision amount~~ for all decisions, regardless of the amount, whichever is greater, ~~of one thousand dollars or more~~; and,

**RESOLVED FURTHER**, this fee would become applicable at the point the hearing notification is generated, as at that point, additional staff work is involved; and,

**RESOLVED FURTHER**, Resolution 03-18-157, adopted on November 29, 2018, 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.

**SEPTEMBER INITIAL NOTIFICATION:** Should the Board endorse the proposed revisions, staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.



**RESOLUTION 03-23-XX****Revised Administrative Fee for  
Damage Reimbursements**

**WHEREAS**, pursuant to Civil Code §5855, the Mutual is required to hold hearings to impose any monetary charges to reimburse the Mutual for costs incurred in the repair of damage to the common area, or facilities caused by the actions or inactions of a member, his or her tenant, guest, invitee, or vendor; and

**WHEREAS**, significant staff time is necessary to investigate, document, and prepare concise reports for the Damage Reimbursement Hearings; and

**WHEREAS**, the previous policy only applied the administrative fee to damage reimbursements over one thousand dollars; and

**WHEREAS**, the Mutual has seen an increase in administrative costs related to these damage reimbursement proceedings;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, that the Board of Directors hereby adopts a Revised Administrative Fee Policy for Damage Reimbursements; and

**RESOLVED FURTHER**, effective November 1, 2023, the fee for costs related to damage reimbursement proceedings will be a minimum of \$20.00 or ten percent of the total reimbursement, for all decisions, regardless of the amount, whichever is greater; and

**RESOLVED FURTHER**, this fee would become applicable at the point the hearing notification is generated, as at that point, additional staff work is involved; and

**RESOLVED FURTHER**, Resolution 03-18-157, adopted on November 29, 2018, is hereby superseded and canceled; 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.

**SEPTEMBER INITIAL NOTIFICATION:** 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied.

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**ENDORSEMENT (to Board)**

**Revision to Demolition Consent Requirements & Associated Fees**

Baltazar Mejia, Maintenance & Construction Assistant Director, presented the staff report and answered questions from the committee.

A motion was made and carried unanimously to recommend that the Board of Directors approve the revisions to the Demolition Consent Requirements & Associated Fees.

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Board of Directors  
**SUBJECT:** Revision to Demolition Consent Requirements & Associated Fees

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### **RECOMMENDATION**

Approve a resolution to revise the demolition consent requirements and associated fees.

### **BACKGROUND**

In 2018, in response to a rise in unauthorized alterations which resulted in asbestos materials disturbances, a separate demolition consent was established. The mutual demolition consent was intended to allow for tracking the progress of alteration projects between the demolition and construction phases and to provide staff with the material survey, testing and report while the member continues with the design and City permitting of the project. This practice seems to have created unnecessary steps in the processing and issuance of mutual consents and led to the request by the board to remove this requirement.

The Alteration Fee Schedule (Attachment 1) was last revised in September 2023 by Resolution 03-23-111 (Attachment 2) to update valuation thresholds and to move certain simpler alterations to the flat rate column.

On September 19, 2023, the Third Board reviewed the ACSC recommendation to revise the demolition consent requirements and fees and voted to send the item back to the ACSC for additional revisions.

### **DISCUSSION**

Staff recommends the ACSC consider recommending that the board approve the following revisions to the current demolition requirements and options for members and their consultants and contractors seeking to obtain a Mutual Consent:

#### **Revisions to the Current Demolition Requirements:**

The activities that precede build back work have historically been covered under the Demolition Consent process. Members and board members have requested that this activity, which is believed to imply regulatory actions that may not be required, be revised to a more generic activity. The activities approved under this consent include environmental compliance (surveys, regulatory permitting when required and abatement) and removal of materials. As a result of this, it is proposed to replace “Demolition Mutual Consent” with “Pre-Construction Mutual Consent”. The attached fee schedule (Attachment 1) is the first document to be revised (Attachment 3) and its associated resolution (Attachment 4). Other documents that reference “Demolition Mutual Consents” will be revised after board approval of the proposed change.

#### **Options for the Processing of Mutual Consents:**

1. Process a single Mutual Consent where removal of building materials are incidental to the proposed work.

Processing a single Mutual Consent for an alteration will expedite the processing of the mutual consent for projects that have been completely designed and are ready to be submitted to the City for plan check and saves the member the cost of a separate Pre-Construction Mutual Consent. This action does not, in any way, waive or eliminate any regulatory requirements such as asbestos surveys, testing and reports. Those regulatory requirements will be imposed by the appropriate regulatory agency or the City. However, the mutual should continue to require the member to submit copies of the final air clearance to the mutual when the air clearance is required by the regulatory agency. A copy of the air clearance will allow staff to release any holds placed on the manor entered for the safety of VMS employees and its contractors.

Upon receipt of a complete mutual consent application, staff will collect the appropriate mutual consent fees and issue the mutual consent. The City will not issue any permits until there is an approved mutual consent on file. As per current standard procedure, a 'regulated materials' hold will be placed on a manor at the time the mutual consent for alteration work is issued to the member and will only be removed, once appropriate documents, if required by the regulatory agency, are provided to manor alterations staff showing the manor meets state requirements for re-entry.

2. Process a separate Pre-Construction Mutual Consent followed by a Mutual Consent for the balance of the work.

This is the current practice and offers the advantage of initiating hazardous material surveys, obtaining approvals from regulatory agencies and completing any required abatement while plans are being finalized. This is particularly advantageous for projects that need to be completed within a specified schedule.

On October 09, 2023 the ACSC reviewed and voted unanimously to recommend that the Board of Directors approve the revisions to the demolition consent requirements and associated fees.

**FINANCIAL ANALYSIS**

Based on the Mutual Consent Processing Analysis, it is anticipated that the projected revenue for 2024 will be reduced by \$4,500. The amount of staff time spent on processing Pre-Construction Mutual consents will be freed up to enhance efficiency for processing other manor alterations functions.

**Prepared By:** Baltazar Mejia, Maintenance & Construction Assistant Director  
**Reviewed By:** Manuel Gomez, Maintenance & Construction Director

**ATTACHMENT(S)**

Attachment 1 – Current Alteration Fee Schedule

Attachment 2 – Current Resolution 03-23-111

Attachment 3 – Redlined Alteration Fee Schedule

Attachment 4 – Revised Resolution 03-23-XX and Alteration Fee Schedule

**For items not listed, please contact Manor Alterations at (949) 597-4616 or [alterations@vmsinc.org](mailto:alterations@vmsinc.org)**

Alteration Fee Legend	
Valuation	Fee
Less than \$750	\$50
\$751 to \$2,000	\$77
\$2,001 to \$4,000	\$168
\$4,001 to \$10,000	\$280
\$10,001 to \$20,000	\$392
\$20,001 to \$29,999	\$504
Above \$30,000	\$700

Type	Fee
Demolition Fee	\$50
Variance Processing Fee	\$150
Unauthorized Alteration Fee (Applicable to alterations that require City of Laguna Woods building permits)	\$300
Solar Application Processing Fee	\$223
Legal Fee for the preparation of a Recordable Exclusive Use of Common Area Revocable License Agreement for the use of common areas that extend beyond the original floorplan to be collected after board approval of the variance	\$750



## Alteration Fee Schedule (Continued)

### Notes

- Per Resolution 03-23-111, future revisions to the Alteration Fee Schedule will be included with the Annual Assessment Letter Packet that the Finance Department issues every year in November under the Architectural Review Procedures section of the Annual Policy Statement.
- The approval of variances for the use of common areas that extend beyond the original floorplan and that meet the requirements of Civil Code Section 4600, requires the execution and recordation of a Recordable Exclusive Use of Common Area Revocable License. The processing of agreements for all other approved variances, including exclusive use common area as recognized within the footprint of the property, will utilize a Counsel-prepared and approved boilerplate form at no additional charge to the member.
- Some Alterations may require a Demolition Mutual Consent, which carries a \$50 fee. To confirm if your Alteration will require a Demolition Mutual Consent, please contact Manor Alterations.
- Alteration Fees are paid via credit card upon approval of a completed Mutual Consent application. Manor Alterations will contact applicants directly upon approval to collect payment.
- The following fees, as appropriate to the nature of the work, apply to work completed without a Mutual Consent: Unauthorized alteration fee + Demolition fee + Mutual Consent fee + Variance fee (if applicable).
- Variance Processing Fees are in addition to any fees incurred via Mutual Consent processing.





### **RESOLUTION 03-23-111**

#### **Alteration Fee Schedule**

**WHEREAS**, alteration and variance requests require significant staff time for proper processing, including research, report preparation, presentation to the appropriate committee and Board; and

**WHEREAS**, in order to offset a portion of the administrative costs associated with processing alteration applications, the Board has adopted an Alterations Fee Schedule; and

**WHEREAS**, the attached revisions to the Alteration Fee Schedule are recommended to be approved by the Board; and

**WHEREAS**, the new Alteration Fee Schedule better aligns the fees with the administrative time it takes to process each task;

**NOW THEREFORE BE IT RESOLVED**, September 19, 2023, that the Board hereby adopts the revised Alteration Fee Schedule as attached to the official minutes of this meeting and this resolution; and

**RESOLVED FURTHER**, that the following sections from prior resolutions remain valid:

(1) The mutual consent processing fee for Solar Panel installation is to be calculated based on 4.7 hours charged at the current bill rates; and the mutual consent processing fee for Solar Panel installation requests is set at the initial rate of \$223 for 2023 and will be adjusted annually with the adoption of the new bill rates; and

(2) The approval of variances for the use of common areas that extend beyond the original floorplan and that meet the requirements of Civil Code Section 4600, requires the execution and recordation of a Recordable Exclusive Use of Common Area Revocable License; that a flat legal fee of \$750 for the preparation of these agreements as a pass-through charge to the Mutual's legal team is adopted; and the processing of agreements for all other approved variances, including exclusive use common area as recognized within the footprint of the property, will utilize a Counsel- prepared and approved boilerplate form at no additional charge to the member;

**RESOLVED FURTHER**, that Resolution 03-23-43 adopted April 18, 2023 and Resolution 03-23-69 adopted June 20, 2023 are hereby superseded and canceled; and

**RESOLVED FURTHER**, that future revisions to the Alteration Fee Schedule will be included with the Annual Assessment Letter Packet that the Finance Department issues every year in November under the Architectural Review Procedures section of the Annual Policy Statement; and

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



## Alteration Fee Schedule

Visit [www.lagunawoodsvillage.com](http://www.lagunawoodsvillage.com) for Mutual Standards and Standard Plans

All items below require HOA Mutual Consent from Manor Alterations.

A City Permit may also be required. Contact the City Building Permits office for permitting requirements.

For items not listed, please contact Manor Alterations at (949) 597-4616 or [alterations@vmsinc.org](mailto:alterations@vmsinc.org)

\$50 Alteration Processing Fee	
Alteration Type	
Acoustic Ceiling Removal	
Awnings (Standard, Less than 54")	
Awnings (Powered)	
HVAC (No Increase in Amperage)	
Tub Replacement	
Block Walls (Less than 48" H)	
Block Walls (More than 48" H)	
Planter Wall	
Dishwasher (New Installation)	
Door Revision (Exterior)	
Electrical	
Exhaust Fan	
Fences (Less than 84") and Gates	
Floor Coverings (Exterior)	
Flooring (Vinyl)	
Gutters and Downspouts	
Metal Drop Shades	
Modesty Panels (Balcony)	
Patio Slab Revision	
Patio Wall Revision	
Plumbing	
Sliding Glass Doors (Retrofit)	
Soft Water System (Independent)	
Soft Water System (Connected to Water Heater)	
Solar Tubes	
Storage Cabinets (Carpport)	
Tub to Tub Replacement	
Windows (Retrofit)	
Shades (Roll-up)	

Alteration Fees Based on Valuation	
Alteration Type	
Air Conditioner (Through the Wall)	
Bathroom Addition (Split)	
Central HVAC (New Installation)	
Atrium, Balcony, Patio Covers (Replacement or New Installation)	
Doors (New Construction)	
Atrium, Balcony, Patio Enclosures	
French Doors (New Installation)	
Garden Room, Solarium	
Heat Pumps (New Installation through Wall)	
Man Doors (New Installation)	
Plumbing (New Installation or Relocation)	
Room Addition	
Shower to Shower Replacement	
Skylights	
Sliding Glass Doors (New Installation)	
Tub to Shower Installation	
Wall Revisions	
Washer and Dryer (New Installation)	
Water Heater (Relocation)	
Windows (New Construction)	

Alteration Fee Legend	
Valuation	Fee
Less than \$750	\$50
\$751 to \$2,000	\$77
\$2,001 to \$4,000	\$168
\$4,001 to \$10,000	\$280
\$10,001 to \$20,000	\$392
\$20,001 to \$29,999	\$504
Above \$30,000	\$700

## Other Fees

Type	Fee
<b>Demolition-Fee Pre-Construction Mutual Consent</b>	\$50
Variance Processing Fee	\$150
Unauthorized Alteration Fee (Applicable to alterations that require City of Laguna Woods building permits)	\$300
Solar Application Processing Fee	\$223
Legal Fee for the preparation of a Recordable Exclusive Use of Common Area Revocable License Agreement for the use of common areas that extend beyond the original floorplan to be collected after board approval of the variance	\$750



## Alteration Fee Schedule (Continued)

### Notes

- Per Resolution 03-23-111, future revisions to the Alteration Fee Schedule will be included with the Annual Assessment Letter Packet that the Finance Department issues every year in November under the Architectural Review Procedures section of the Annual Policy Statement.
- The approval of variances for the use of common areas that extend beyond the original floorplan and that meet the requirements of Civil Code Section 4600, requires the execution and recordation of a Recordable Exclusive Use of Common Area Revocable License. The processing of agreements for all other approved variances, including exclusive use common area as recognized within the footprint of the property, will utilize a Counsel-prepared and approved boilerplate form at no additional charge to the member.
- Some Alterations may require a ~~Demolition~~ Pre-Construction Mutual Consent, which carries a \$50 fee. To confirm if your Alteration will require a ~~Demolition~~ Pre-Construction Mutual Consent, please contact Manor Alterations.
- Alteration Fees are paid via credit card upon approval of a completed Mutual Consent application. Manor Alterations will contact applicants directly upon approval to collect payment.
- The following fees, as appropriate to the nature of the work, apply to work completed without a Mutual Consent: Unauthorized alteration fee + ~~Demolition~~ Pre-Construction Mutual Consent fee + Mutual Consent fee + Variance fee (if applicable).
- Variance Processing Fees are in addition to any fees incurred via Mutual Consent processing.



## Alteration Fee Schedule

Visit [www.lagunawoodsvillage.com](http://www.lagunawoodsvillage.com) for Mutual Standards and Standard Plans

All items below require HOA Mutual Consent from Manor Alterations.

A City Permit may also be required. Contact the City Building Permits office for permitting requirements.

For items not listed, please contact Manor Alterations at (949) 597-4616 or [alterations@vmsinc.org](mailto:alterations@vmsinc.org)

\$50 Alteration Processing Fee	
Alteration Type	
Acoustic Ceiling Removal	
Awnings (Standard, Less than 54")	
Awnings (Powered)	
HVAC (No Increase in Amperage)	
Tub Replacement	
Block Walls (Less than 48" H)	
Block Walls (More than 48" H)	
Planter Wall	
Dishwasher (New Installation)	
Door Revision (Exterior)	
Electrical	
Exhaust Fan	
Fences (Less than 84") and Gates	
Floor Coverings (Exterior)	
Flooring (Vinyl)	
Gutters and Downspouts	
Metal Drop Shades	
Modesty Panels (Balcony)	
Patio Slab Revision	
Patio Wall Revision	
Plumbing	
Sliding Glass Doors (Retrofit)	
Soft Water System (Independent)	
Soft Water System (Connected to Water Heater)	
Solar Tubes	
Storage Cabinets (Carpport)	
Tub to Tub Replacement	
Windows (Retrofit)	
Shades (Roll-up)	

Alteration Fees Based on Valuation	
Alteration Type	
Air Conditioner (Through the Wall)	
Bathroom Addition (Split)	
Central HVAC (New Installation)	
Atrium, Balcony, Patio Covers (Replacement or New Installation)	
Doors (New Construction)	
Atrium, Balcony, Patio Enclosures	
French Doors (New Installation)	
Garden Room, Solarium	
Heat Pumps (New Installation through Wall)	
Man Doors (New Installation)	
Plumbing (New Installation or Relocation)	
Room Addition	
Shower to Shower Replacement	
Skylights	
Sliding Glass Doors (New Installation)	
Tub to Shower Installation	
Wall Revisions	
Washer and Dryer (New Installation)	
Water Heater (Relocation)	
Windows (New Construction)	

Alteration Fee Legend	
Valuation	Fee
Less than \$750	\$50
\$751 to \$2,000	\$77
\$2,001 to \$4,000	\$168
\$4,001 to \$10,000	\$280
\$10,001 to \$20,000	\$392
\$20,001 to \$29,999	\$504
Above \$30,000	\$700

## Other Fees

Type	Fee
Pre-Construction Mutual Consent	\$50
Variance Processing Fee	\$150
Unauthorized Alteration Fee (Applicable to alterations that require City of Laguna Woods building permits)	\$300
Solar Application Processing Fee	\$223
Legal Fee for the preparation of a Recordable Exclusive Use of Common Area Revocable License Agreement for the use of common areas that extend beyond the original floorplan to be collected after board approval of the variance	\$750



## Alteration Fee Schedule (Continued)

### Notes

- Per Resolution 03-23-111, future revisions to the Alteration Fee Schedule will be included with the Annual Assessment Letter Packet that the Finance Department issues every year in November under the Architectural Review Procedures section of the Annual Policy Statement.
- The approval of variances for the use of common areas that extend beyond the original floorplan and that meet the requirements of Civil Code Section 4600, requires the execution and recordation of a Recordable Exclusive Use of Common Area Revocable License. The processing of agreements for all other approved variances, including exclusive use common area as recognized within the footprint of the property, will utilize a Counsel-prepared and approved boilerplate form at no additional charge to the member.
- Some Alterations may require a Pre-Construction Mutual Consent, which carries a \$50 fee. To confirm if your Alteration will require a Pre-Construction Mutual Consent, please contact Manor Alterations.
- Alteration Fees are paid via credit card upon approval of a completed Mutual Consent application. Manor Alterations will contact applicants directly upon approval to collect payment.
- The following fees, as appropriate to the nature of the work, apply to work completed without a Mutual Consent: Unauthorized alteration fee + Pre-Construction Mutual Consent fee + Mutual Consent fee + Variance fee (if applicable).
- Variance Processing Fees are in addition to any fees incurred via Mutual Consent processing.



### **RESOLUTION 03-23-XX**

#### **Alteration Fee Schedule**

**WHEREAS**, alteration and variance requests require significant staff time for proper processing, including research, report preparation, presentation to the appropriate committee and Board; and

**WHEREAS**, in order to offset a portion of the administrative costs associated with processing alteration applications, the Board has adopted an Alterations Fee Schedule; and

**WHEREAS**, the attached revisions to the Alteration Fee Schedule are recommended to be approved by the Board; and

**WHEREAS**, the new Alteration Fee Schedule better aligns the fees with the administrative time it takes to process each task;

**NOW THEREFORE BE IT RESOLVED**, November 21, 2023, that the Board hereby adopts the revised Alteration Fee Schedule as attached to the official minutes of this meeting and this resolution; and

**RESOLVED FURTHER**, that the following sections from prior resolutions remain valid:

(1) The mutual consent processing fee for Solar Panel installation is to be calculated based on 4.7 hours charged at the current bill rates; and the mutual consent processing fee for Solar Panel installation requests is set at the initial rate of \$223 for 2023 and will be adjusted annually with the adoption of the new bill rates; and

(2) The approval of variances for the use of common areas that extend beyond the original floorplan and that meet the requirements of Civil Code Section 4600, requires the execution and recordation of a Recordable Exclusive Use of Common Area Revocable License; that a flat legal fee of \$750 for the preparation of these agreements as a pass-through charge to the Mutual's legal team is adopted; and the processing of agreements for all other approved variances, including exclusive use common area as recognized within the footprint of the property, will utilize a Counsel- prepared and approved boilerplate form at no additional charge to the member;



**RESOLVED FURTHER**, that replacing all references to Demolition Mutual Consents with Pre-Construction Mutual Consents better defines the proposed activity without triggering unneeded regulatory requirements; and

**RESOLVED FURTHER**, that Resolution 03-23-111 adopted September 19, 2023 is hereby superseded and canceled; and

**RESOLVED FURTHER**, that future revisions to the Alteration Fee Schedule will be included with the Annual Assessment Letter Packet that the Finance Department issues every year in November under the Architectural Review Procedures section of the Annual Policy Statement; and

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

**SEPTEMBER INITIAL NOTIFICATION:** Should the Board endorse the proposed resolution, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28- days from the postponement to comply with Civil Code §4360.



**ENDORSEMENT (to Board)**

**Revision to Architectural Standard No. 31 – Washer and Dryer Installations**

Baltazar Mejia, Maintenance & Construction Assistant Director, presented the staff report and answered questions from the committee.

A motion was made and carried unanimously to recommend that the Board of Directors approve the revisions to the Architectural Standard No. 31 – Washer and Dryer Installations.

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Board of Directors  
**SUBJECT:** Revision to Standard 31: Washer & Dryer Installations

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### **RECOMMENDATION**

Approve a resolution to revise the Architectural Standard 31: Washer and Dryer Installations.

### **BACKGROUND**

The ACSC initiated a review of the current Standard 31: Washer & Dryer Installation (Attachment 1) and proposed revisions to the Standard to allow for the installation of washers and dryers in 3-story buildings. Standard 31 was last revised in December 2018, via Resolution 03-18-156 (Attachment 2).

### **DISCUSSION**

On January 17, 2023, the Third Board reviewed the initial ACSC recommendation and directed staff to make additional revisions to the Standard and deferred the matter for 28-day member review.

On February 21, 2023, the Third Board again reviewed the proposed revisions and voted to table the matter until the Garden Villa Association (GVA) had an opportunity to discuss the topic at their March 9<sup>th</sup> meeting.

On March 9, 2023, the GVA discussed the proposed Standard 31 revisions. Extensive discussion took place and included concerns with noise and plumbing. The discussion also included an option to revise the proposed Standard to only apply to those buildings that have been epoxy coated. There was no consensus in support or against the Standard as presented or for the option that excludes buildings with unlined waste lines.

Since the March GVA meeting, staff reviewed the member comments and suggestions and has drafted a revised Standard for consideration by the board. The attached revised Standard 31 (Attachment 3) reflects the current Building Codes, Municipal Codes, and mutual policies as well as the essence of these comments to allow for the installation of washers and dryers in 3-story buildings. Attachment 4 is a clean copy of the proposed revised Standard and Attachment 5 is the proposed resolution.

On October 09, 2023 the ACSC reviewed and voted unanimously to recommend that the Board of Directors approve the revisions to Standard 31.

### **FINANCIAL ANALYSIS**

The installation of the washers and dryers will be considered an alteration and the installation cost will be the responsibility of the requesting mutual member. It is recommended that if the

proposed installation requires that the waste line be epoxy lined, that the cost that the member pays be reimbursed to the member if the building is scheduled to be epoxy lined within five years of the washer/dryer installation. The reimbursement will be processed on the year the building is budgeted for epoxy lining under the Epoxy Waste Line Remediation program.

**Prepared By:** Baltazar Mejia, Maintenance & Construction Assistant Director

**Reviewed By:** Gavin Fogg, Manor Alterations Supervisor

**ATTACHMENT(S)**

Attachment 1 – Current Standard 31: Washer & Dryer Installations

Attachment 2 – Current Resolution 03-18-156

Attachment 3 – Redlined Revised Standard 31: Washer & Dryer Installations

Attachment 4 – Final Draft Standard 31: Washer & Dryer Installations

Attachment 5 – Proposed Resolution 03-23-XX



## **STANDARD 31: WASHER & DRYER INSTALLATIONS**

APRIL 1991

REVISED DECEMBER 1998, RESOLUTION M3-98-65

GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49

GENERAL REQUIREMENTS REVISED JANUARY 2018, RESOLUTION 03-18-12

REVISED DECEMBER 2018, RESOLUTION 03-18-156

### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

### **2.0 EXTERIOR CABINETS**

- 2.1** All patio installations shall be enclosed in a cabinet which meets all manufacturer's requirements.
- 2.2** The cabinet design shall be submitted to the Alterations Division prior to issuance of a Mutual Consent. The design shall address protection of the equipment from the elements.
- 2.3** Cabinets must be obscured from public view (i.e., block wall, closed patio).
- 2.4** Cabinets to be painted to match existing color of building.
- 2.5** Location of unit and/or plumbing connections must be submitted in writing to the the Alterations Division prior to issuance of a Mutual Consent.
- 2.6** A Mutual Consent will be not be issued for manors that do not qualify as determined by existing waste line sizes. Minimum sizes are 3" ABS plastic and 3" cast iron.
- 2.7** All penetrations through existing walls shall be properly flashed and caulked to provide a weather tight seal around all protruding plumbing, electrical and vent lines.

- 2.8 Connections below slab shall be properly vented and covered with sand and "Visqueen" before replacement of concrete.
- 2.9 All hot and cold water supply lines shall be of minimum 1/2" diameter, type L copper.
- 2.10 All pressure lines shall be securely strapped to prevent movement or knocking.
- 2.11 All electrical wiring to be located in walls. No exposed conduit will be permitted.
- 2.12 **The installation of washers and dryers in three-story buildings is prohibited and variance requests for washers and dryers in three-story buildings will not be accepted.**

**RESOLUTION 03-18-156****REVISE ALTERATION STANDARD 31: WASHER AND DRY INSTALLATIONS**

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to amend Alteration Standards and create new Alteration Standards as necessary; and,

**WHEREAS**, the Architectural Control and Standard Committee recognizes the need to revise Alteration Standard 31: Washer and Dry Installations; and

**WHEREAS**, Resolution M3-98-65 ceased the acceptance of variance requests for installations of washers and dryers in three-story buildings and, by inference, "grandfathered" previous permitted installations of washers and dryers.

**NOW THEREFORE BE IT RESOLVED**, November 29, 2018, that the Board of Directors of this Corporation hereby adopts Alteration Standard 31: Washer and Dry Installations as attached to the official meeting minutes;

**RESOLVED FURTHER**, that Resolution M3-98-65 adopted December, 1998, is hereby superseded in its entirety and no longer in effect;

**RESOLVED FURTHER**, all washer and dryers installed in three story buildings with a Mutual Consent prior to December 15, 1998, continue to be "grandfathered;"

**RESOLVED FURTHER**, all washers and dryers installed after December 15, 1998, or without a Mutual Consent, shall be removed at the sole expense of the owner upon its discovery;

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



## STANDARD 31: WASHER & DRYER INSTALLATIONS

APRIL 1991

REVISED DECEMBER 1998, RESOLUTION M3-98-65

GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49

GENERAL REQUIREMENTS REVISED JANUARY 2018, RESOLUTION 03-18-12

REVISED DECEMBER 2018, RESOLUTION 03-18-156

REVISED [DATE], RESOLUTION 03-23-XX

### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

### **2.0 SPECIAL REQUIREMENTS**

- 2.1** Location of units and/or plumbing connections must be submitted in writing to the Alterations Division prior to issuance of a Mutual Consent.
- 2.2** A Mutual Consent will be not be issued for the installation of new washers and dryers for manors that do not meet the minimum waste line flow calculations.
- 2.3** All hot and cold water supply lines shall be of minimum 1/2" diameter, type L copper or PEX to type L copper in 3<sup>rd</sup> Mutual as required by the current City-adopted Building code.
- 2.4** All pressure lines shall be securely strapped to prevent movement or knocking.
- 2.5** All electrical wiring to be located in walls. No exposed conduit will be permitted.
- 2.6** Washers and dryers in multi-story buildings on 2<sup>nd</sup> or 3<sup>rd</sup> floors or ground floor manors with common walls, ceiling/floors must be the quietest available on the market at the time of installation, but in no



case should the washer exceed 73 db and the dryer 65 db. All installations must include commercial grade anti-vibration pads for the legs of the approved appliance.

- 2.7 Any flooring on upper floors which a washer/dryer is being installed must meet field impact insulation class (FIIC) rating of 50 as defined in the American Society for Testing and Materials (ASTM) E 1007 standard as per Standard 11A: Interior Hard-Surface Flooring requirements.

### **2.03.0 EXTERIOR CABINETS**

- 2.13.1 All patio installations shall be enclosed in a cabinet which meets all manufacturer's requirements.

- 2.23.2 The cabinet design shall be submitted to the Alterations Division prior to issuance of a Mutual Consent. The design shall address protection of the equipment from the elements as well as the architecture of the building.

- 2.33.3 Cabinets must be obscured from public view (i.e., block wall, closed patio).

- 2.43.4 Cabinets to be painted to match existing color of building.

- 2.53.5 All penetrations through existing walls shall be properly flashed and caulked to provide a weathertight seal around all protruding plumbing, electrical and vent lines. Location of unit and/or plumbing connections must be submitted in writing to the Alterations Division prior to issuance of a Mutual Consent.

- 2.63.6 Connections below slab shall be properly vented and covered with sand and "Visqueen" before replacement of concrete. A Mutual Consent will be not be issued for manors that do not qualify as determined by existing waste line sizes. Minimum sizes are 3" ABS plastic and 3" cast iron.

- 2.7 All penetrations through existing walls shall be properly flashed and caulked to provide a weather tight seal around all protruding plumbing, electrical and vent lines.

- 2.8 Connections below slab shall be properly vented and covered with sand and "Visqueen" before replacement of concrete.

- 2.9 All hot and cold water supply lines shall be of minimum 1/2" diameter, type L copper

- 2.10 All pressure lines shall be securely strapped to prevent movement or knocking.

~~2.11 All electrical wiring to be located in walls. No exposed conduit will be permitted.~~

#### **4.0 INSTALLATION IN THREE-STORY BUILDINGS**

**4.1** ~~The installation of washers and dryers in three-story buildings is prohibited and variance requests for washers and dryers in three-story buildings will not be accepted.~~ may be permitted under one of the following conditions:

- a. For building with waste lines that have been recently (less than five years) epoxy-lined, a licensed engineer must confirm that the existing waste line has the capacity to handle the additional flow from these appliances.
- b. For buildings with the original waste lines, a licensed engineer must verify that the existing waste lines have the capacity to handle the additional flow. Any approved installations will require that the waste line be cleared of any obstructions and/or build up from the point of connection in the manor to the sewer main line (Building Main). Depending on the condition of the waste line, the Member may be required to repair, replace or epoxy-line the waste line from the washer to the sewer main line (Building Main). The engineer of record must certify that the waste line meets the requirements of the design.

All work must conform to applicable building code requirements and the mutual specifications for waste line epoxy lining. Once the work is completed and has passed City and mutual inspections, the upgraded plumbing stack will become the responsibility of the mutual. Altered waste lines connecting to the main stack become the responsibility of the member as per current policy.

If the applicant is required to epoxy line the waste line due to the condition of the pipe and if the building is scheduled to be epoxy lined within five years after the installation of the washer, the amount paid by the member to epoxy line the waste line will be reimbursed to the member. Funding for this reimbursement will come from the budget allocations for the Epoxy Waste Line Remediation program.

**2.124.2** All installations must have an appropriate plastic pan designed to catch any liquid that may inadvertently leak or be spilled. Exception being those units with built in safety pans.

4.3 All washer connections shall be required to have a leak detecting automatic shut off system installed as per manufacturers requirements and meet current California Plumbing Code at the time of install.

~~2.13~~4.4 New dryers must be ventless unless unfeasible. If a conventional dryer is the only option, all penetrations through existing walls shall be properly flashed and caulked to provide a weathertight seal and any penetrations made on Mutual-owned flat roofs requires express approval by the Mutual via Mutual Consent and the Mutual Roofing Contractor to perform tie-ins per Mutual Roof Warranty requirements. Failure to do so, will result in corrections being performed by the Mutual and costs incurred, being passed onto the Member. For roofs under warranty, the roofing contractor holding the warranty shall be hired to complete the roof tie-in work.



## **STANDARD 31: WASHER & DRYER INSTALLATIONS**

APRIL 1991

REVISED DECEMBER 1998, RESOLUTION M3-98-65

GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49

GENERAL REQUIREMENTS REVISED JANUARY 2018, RESOLUTION 03-18-12

REVISED DECEMBER 2018, RESOLUTION 03-18-156

REVISED [DATE], RESOLUTION 03-23-XX

### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

### **2.0 SPECIAL REQUIREMENTS**

- 2.1** Location of units and/or plumbing connections must be submitted in writing to the Alterations Division prior to issuance of a Mutual Consent.
- 2.2** A Mutual Consent will be not be issued for the installation of new washers and dryers for manors that do not meet the minimum waste line flow calculations.
- 2.3** All hot and cold water supply lines shall be of minimum 1/2" diameter, type L copper or PEX to type L copper in 3<sup>rd</sup> Mutual as required by the current City-adopted Building code.
- 2.4** All pressure lines shall be securely strapped to prevent movement or knocking.
- 2.5** All electrical wiring to be located in walls. No exposed conduit will be permitted.
- 2.6** Washers and dryers in multi-story buildings on 2<sup>nd</sup> or 3<sup>rd</sup> floors or ground floor manors with common walls, ceiling/floors must be the quietest available on the market at the time of installation, but in no

case should the washer exceed 73 db and the dryer 65 db. All installations must include commercial grade anti-vibration pads for the legs of the approved appliance.

- 2.7 Any flooring on upper floors which a washer/dryer is being installed must meet field impact insulation class (FIIC) rating of 50 as defined in the American Society for Testing and Materials (ASTM) E 1007 standard as per Standard 11A: Interior Hard-Surface Flooring requirements.

### **3.0 EXTERIOR CABINETS**

- 3.1 All patio installations shall be enclosed in a cabinet which meets all manufacturer's requirements.
- 3.2 The cabinet design shall be submitted to the Alterations Division prior to issuance of a Mutual Consent. The design shall address protection of the equipment from the elements as well as the architecture of the building.
- 3.3 Cabinets must be obscured from public view (i.e., block wall, closed patio).
- 3.4 Cabinets to be painted to match existing color of building.
- 3.5 All penetrations through existing walls shall be properly flashed and caulked to provide a weathertight seal around all protruding plumbing, electrical and vent lines.
- 3.6 Connections below slab shall be properly vented and covered with sand and "Visqueen" before replacement of concrete.

### **4.0 INSTALLATION IN THREE-STORY BUILDINGS**

- 4.1 The installation of washers and dryers in three-story buildings may be permitted under one of the following conditions:
  - a. For building with waste lines that have been recently (less than five years) epoxy-lined, a licensed engineer must confirm that the existing waste line has the capacity to handle the additional flow from these appliances.
  - b. For buildings with the original waste lines, a licensed engineer must verify that the existing waste lines have the capacity to handle the additional flow. Any approved installations will require that the waste line be cleared of

any obstructions and/or build up from the point of connection in the manor to the sewer main line (Building Main). Depending on the condition of the waste line, the Member may be required to repair, replace or epoxy-line the waste line from the washer to the sewer main line (Building Main). The engineer of record must certify that the waste line meets the requirements of the design.

All work must conform to applicable building code requirements and the mutual specifications for waste line epoxy lining. Once the work is completed and has passed City and mutual inspections, the upgraded plumbing stack will become the responsibility of the mutual. Altered waste lines connecting to the main stack become the responsibility of the member as per current policy.

If the applicant is required to epoxy line the waste line due to the condition of the pipe and if the building is scheduled to be epoxy lined within five years after the installation of the washer, the amount paid by the member to epoxy line the waste line will be reimbursed to the member. Funding for this reimbursement will come from the budget allocations for the Epoxy Waste Line Remediation program.

- 4.2** All installations must have an appropriate plastic pan designed to catch any liquid that may inadvertently leak or be spilled. Exception being those units with built in safety pans.
- 4.3** All washer connections shall be required to have a leak detecting automatic shut off system installed as per manufacturers requirements and meet current California Plumbing Code at the time of install.
- 4.4** New dryers must be ventless unless unfeasible. If a conventional dryer is the only option, all penetrations through existing walls shall be properly flashed and caulked to provide a weathertight seal and any penetrations made on Mutual-owned flat roofs requires express approval by the Mutual via Mutual Consent. For roofs under warranty, the roofing contractor holding the warranty shall be hired to complete the roof tie-in work.



**RESOLUTION 03-23-XX**

**STANDARD 31: WASHER AND DRYER INSTALLATIONS**

**WHEREAS**, the Architectural Control and Standards Committee recognizes the need to amend Standards and create new Standards as necessary; and

**WHEREAS**, the Architectural Control and Standards Committee recognizes the need to revise Alteration Standard 31: Washer and Dryer Installations;

**NOW THEREFORE BE IT RESOLVED**, November 21, 2023, that the Board of Directors of this Corporation hereby adopts Standard 31: Washer and Dryer Installations as attached to the official meeting minutes; and

**RESOLVED FURTHER**, that Resolution 03-18-156 adopted November 29, 2018, is hereby superseded in its entirety and no longer in effect; and

**RESOLVED FURTHER**, all washer and dryers installed in three story buildings with a Mutual Consent prior to November 21, 2023, 2023 continue to be “grandfathered”; and

**RESOLVED FURTHER**; that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out this resolution as written.

**JANUARY INITIAL NOTIFICATION:** Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Board of Directors  
**SUBJECT:** Stepping Stone Approval Process and Guidelines

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### **RECOMMENDATION**

Approve the Revised Stepping Stone Resolution and Guidelines.

### **BACKGROUND**

Stepping stones in common area have long been a contentious subject in Third Mutual. There have been various resolutions adopted and revoked over the years (Attachment 1). The most recent Board action on the subject was Resolution 03-22-17, in which the stepping stone guidelines were enacted and required a Landscape Request Form to be approved by the landscape committee and all previous non-approved installations be removed at resale.

The Third Mutual Landscape Committee reviewed the recommendation along with the supporting attachments at their regular open session meeting on September 7, 2023. A motion was made to approve the revised stepping stone resolution and guidelines. The motion passed unanimously.

### **DISCUSSION**

Stepping stones are popular with residents; they enable them to access hose bibs, gardens, and electrical panels.

The most recent Board action requires the process of applying for a Landscape Request Form. The stepping stones are located within the common area landscaping, and the presence of stepping stones is often discovered during the resale process. As improper stepping stone installation can be a hazard to residents, the installations need to be inspected prior to any approval. To better serve the residents and facilitate an expeditious resale, staff proposes that approval of simple stepping stone installations, e.g. to access a hose bib or other appurtenance of the residence, by landscape management. All such approvals would be documented and saved in the management database.

Larger, more complex installations, e.g. patio extensions, extended walkways etc. should be reviewed by the landscape committee via the Landscape Request Form process, which is available at no cost to the members.

The proposed resolution would change the process of the management review (Attachment 2). All existing stepping stones not approved by this process, the Landscape Request Form process, or by approved Standard, will need to be removed.

### **FINANCIAL ANALYSIS**

There are no funds attributable to this action.

**Prepared By:** Kurt Wiemann, Director of Field Operations  
**Reviewed By:** Jayanna Abolmoloki, Department Administrative Assistant

**ATTACHMENT(S)**

Attachment 1: Stepping Stone Resolution History Proposed  
Attachment 2: Stepping Stone Resolution 03-23-XX

**Stepping Stone Resolution History in Third Mutual**

<b>Resolution Number</b>	<b>Topic</b>	<b>Date Approved</b>
M385-7	Prohibition of stepping stones in common area	1/15/85
M396- 28	Approve Third LHM Alteration Standards revised	5/21/96
03-05-19	Approval of New Alteration Standard, Section 36 <i>Stepping Stones</i> (Resolution M3-96-28, adopted May 21, 1996 is amended and Resolution M3-85-7 adopted January 15, 1985 is canceled)	9/20/05
03-07-02	Approval to revoke Alteration Standard <i>Section 36 – Stepping Stones</i> (Resolution M3-96-28, adopted May 21, 1996 is amended; and Resolution 03-05-19, adopted September 20, 2005 is cancelled.)	1/16/07
03-09-108	Adopt policy to allow for the installation of pavers, gravel, decomposed granite, and stepping stones as part of the re-landscaping program for soil retention in areas not to exceed 300 square feet	09/15/09
03-22-17	Adopted Stepping Stone Guidelines	02/15/22

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### **RESOLUTION 03-23-XX**

#### **Stepping Stone Policy and Guidelines**

**WHEREAS**, on January 16, 2007, that the Board of Directors adopted Resolution 03-07-02 Approval to Revoke Alteration Standard Section 36 – Stepping Stones; and

**WHEREAS**, Resolution 03-07-02, revoked the standard for stepping stones and required a variance application to the Architectural Committee; and

**WHEREAS**, the Landscape Committee determined that stepping stones are temporary in nature and are placed within common area landscaping; and

**WHEREAS**, the Landscape Committee determined that requiring a landscape request form application may unduly restrictive during the resale process and could be simplified by landscape management review;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023 the Board of Directors introduces the change from mandatory landscape request form and consideration thereof shall be performed by Landscape Management; and

**RESOLVED FURTHER**, all new stepping stone installations shall be performed following the attached Stepping Stone Guidelines and all existing stepping stone installations not previously approved by Variance or Standard shall be reviewed by landscape management staff for adherence to the Stepping Stone Guidelines; and

**RESOLVED FURTHER**, all existing stepping stone installations not previously approved by Variance or Standard, and found not in adherence to the Stepping Stone Guidelines may be reviewed through the landscape request form process; and

**RESOLVED FURTHER**, Resolution 03-22-17, adopted February 15, 2022, is hereby superseded in their entirety and no longer in effect; and

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

**SEPTEMBER INITIAL NOTIFICATION: 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied.**

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# THIRD LAGUNA HILLS MUTUAL

## Stepping Stone Guidelines

PLANS: The Member applying for a Landscape Variance shall provide to the Landscape Department a Landscape Request Form with detailed plan(s), for approval, indicating all work to be done, i.e., size, location, description, and specifications.

### 2.0 PREPARATIONS

- 2.1 Stepping stones shall not be used to create a new path across common area for access to exclusive use patios, courtyards or parking areas.
- 2.2 No stepping stones will be allowed that will hinder yard drainage.
- 2.3 In no case will stepping stones cover over sprinklers, sprinkler lines, or other related items.
- 2.4 Stepping stones may not hinder access by maintenance crews.
- 2.5 Stepping stones will not be allowed farther than four feet from the walls of the manor. No stepping stones will be permitted in the grass.
- 2.6 Stepping stone layout will only be permitted to provide access from a point of ingress/egress to a hose bib, an existing patio gate or opening and/or personal plants.

### 3.0 APPLICATIONS

- 3.1 Stepping stones should be constructed of concrete. No wood or degradable products.
- 3.2 All stepping stones must have a non-slip/non-skid surface.
- 3.3 All stepping stones must have a minimum diameter or width of 12 inches.
- 3.4 Stepping stones should be spaced no more than eight inches apart.
- 3.5 The layout created with the stepping stones should be no greater than two feet wide.
- 3.6 No decorative material may be used to fill in the spacing between stepping stones (i.e. gravel, pebbles, etc.)

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Board of Directors  
**SUBJECT:** Requests to Stop Herbicide Spray

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### **RECOMMENDATION**

Approve the Resolution for Herbicide Spray Guidelines and Acknowledgment Form.

### **BACKGROUND**

In recent years, herbicide use has become an issue for some residents. In 2019, due to news reports on the potential dangers of herbicides containing glyphosate, such as RoundUp®, Third Mutual ceased the use of these herbicides and began using herbicides that are considered safer, for the control of weeds in the shrub beds.

The Third Mutual Landscape Committee reviewed the recommendation along with the attachments at their regular open session meeting on September 7, 2023. A motion was made to approve the resolution for herbicide spray guidelines and acknowledgment form. The motion passed unanimously.

### **DISCUSSION**

In Third Mutual there are 165 acres of turf, 83 acres of shrub beds, and 67 miles of turf edges that are maintained by 48 budgeted Gardener positions. Controlling the weeds in the shrub beds and adjacent turf edges is labor intensive; with the existing turf having a high concentration of the highly invasive kikuyu grass, the only way to control the weeds with current staffing levels is through the use of herbicides.

Although staff uses alternative herbicides and regularly tests for newer, safer herbicides, there remains concern with some residents in the Mutual. Staff occasionally receives requests from residents to stop spraying herbicides in the vicinity of their respective units. While it is possible to not spray herbicides in selected areas, it makes weed control much more labor intensive. There are not sufficient labor hours in the budgeted staffing levels to hand weed the shrub beds or adequately maintain the edges of the turf adjacent to the shrub beds.

Staff proposes that if a member requests herbicide not be applied adjacent to the member's residence, the member must take on the responsibility to perform necessary weeding and edging. Staff has developed a form to be completed and signed by the resident acknowledging responsibility for the mentioned activities (Attachment 1).

Upon receiving a request, staff would meet with the resident and determine the common area that is directly adjacent to the unit that would be affected by the request. Staff would then deploy marking flags to delineate the area (Attachment 2). Photos of the area would be taken and filed along with the completed form. Staff would then cease all herbicide spraying in the shrub bed areas. This program would not be feasible to include turf areas as they are often

contiguous and difficult to discern different areas. This would also not apply to insecticides used to control ants and other pests that affect the entire building.

**FINANCIAL ANALYSIS**

The costs associated with implementing this program would be offset by the associated reduction in herbicides and their application.

<b>Prepared By:</b>	Kurt Wiemann, Director of Field Operations
<b>Reviewed By:</b>	Jayanna Abolmoloki, Department Administrative Assistant

**ATTACHMENT(S)**

Attachment 1:	No Herbicide Form
Attachment 2:	No Spray Flag Photo
Attachment 3:	Proposed Resolution 03-23-XX



### No Herbicide Agreement

Members of the Village are entitled to request that herbicide is not sprayed in the common area shrub beds (planters) adjacent to their unit by Landscaping Services staff. However, this request prevents staff from the ability to perform regular landscape maintenance as scheduled at the unit. By signing the agreement below, you are acknowledging that you do not want VMS, Inc. staff to spray herbicides in the designated area adjacent your unit, and that you will maintain the turf edging and weeding in the designated area adjacent to your unit going forward. This agreement applies only to herbicides used for the control of weeds and grasses in the shrub beds. The Village reserves the right to revoke this agreement if landscape maintenance standards are not being met by the undersigned member.

I, \_\_\_\_\_, certify that I have read and understand the agreement above. I also understand that due to my request, I am now responsible for the routine landscape weeding in the shrub beds adjacent to my unit in the common area. If I do not maintain the landscaping up to the current standards, the Mutual maintains the right to void this agreement at any time and VMS, Inc. will regain routine maintenance responsibilities at my unit, including the right to spray herbicides.

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
Staff Signature

\_\_\_\_\_  
Employee ID#

\_\_\_\_\_  
Date





### **RESOLUTION 03-23-XX**

#### **Herbicide Spray Cessation Guidelines**

**WHEREAS**, due to staffing levels and the proliferation of invasive kikuyu grass, the only practical way to control weeds in the shrub beds and turf edges is the use of herbicides; and

**WHEREAS**, some members of Third Mutual have requested that staff not use herbicides in the shrub beds adjacent to their respective units; and

**WHEREAS**, due to the increased labor associated with hand weeding shrub beds, residents requesting the cessation of herbicide application adjacent to their units should be responsible for the timely removal of weeds and maintenance of the turf edges at the shrub beds; and

**WHEREAS**, said members of Third Mutual making such requests shall fill out and sign an agreement stating their intention and responsibility to perform the weeding and edging of the shrub beds; and

**WHEREAS**, the Landscape Department shall retain the responsibility for regular pruning of shrubs and the right to apply herbicides to turf areas, insecticides when necessary;

**NOW THEREFORE BE IT RESOLVED**, October 17, 2023, the Board of Directors introduces the ability to request cessation of herbicide applications in the shrub bed areas following the filing of a signed No Herbicide Agreement; and

**RESOLVED FURTHER**, all responsibility of weeding and turf edging in the shrub beds shall become the responsibility of the requesting resident; and

**RESOLVED FURTHER**, all other routine maintenance of the shrub beds shall remain the responsibility of the Landscape Department; and

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

**SEPTEMBER INITIAL NOTIFICATION: 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied.**

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**ENDORSEMENT (to board)**

**2024 Collections and Lien Enforcement Policy**

The 2023 Collection and Lien Enforcement Policy was provided to legal counsel for review. Legal provided a revised 2024 policy to be reviewed and discussed for approval. A motion was made to accept and endorse the 2024 Collections and Lien Enforcement Policy as provided by legal.

Hearing no objection, the motion passed unanimously and will be presented at the next board meeting and be placed on the Consent Calendar and 28-day notice.

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Finance Committee  
**SUBJECT:** 2024 Collection and Lien Enforcement

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### **RECOMMENDATION**

Staff recommends approval of the proposed 2024 Collection and Lien Enforcement Policy (ATT1).

### **BACKGROUND**

Third residents receive a copy of the upcoming year's Collection and Lien Enforcement Policy in accordance with Civil Code 5310(a)(6):

Within 30 – 90 day before the end of its fiscal year, the board shall distribute an annual policy statement that provides the members with information about association policies. The annual policy statement shall include all of the following information:

(6) The statement of assessment collections policies required by Section 5730.

### **DISCUSSION**

Per staff research, there have been no law changes affecting assessment collection policies. Therefore, the content of the policy remains consistent with the 2023 Collection and Lien Enforcement Policy with two exceptions. The two changes highlighted in the redline version of the policy (ATT2) are an update of the title from 2023 to 2024 and an increase in the assessment late charge from \$75.00 to \$80.00. With the approval of the 2024 Business Plan, the total basic assessment in 2024 is \$815.82, therefore a late charge of \$80.00 equals 9.8% of the assessment.

### **FINANCIAL ANALYSIS**

On average, Third has approximately 80 late charges per month. The additional \$5 per late charge is anticipated to equal \$4,800 per year.

**Prepared By:** Steve Hormuth, Director of Financial Services

**Reviewed By:** Jose Campos, Assistant Director of Financial Services

### **ATTACHMENT(S)**

Attachment 1: 2024 Collection and Lien Enforcement Policy (Redline)  
Attachment 2: 2024 Collection and Lien Enforcement Policy (Clean)  
Attachment 3: Resolution 03-23-XX

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## **2024 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 Third Laguna Hills Mutual, 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(a)(7).

The collection of delinquent assessments 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. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been 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.

**FAILURE TO MAKE TIMELY PAYMENTS CAN RESULT IN THE IMPOSITION OF LATE CHARGES, INTEREST, COSTS OF COLLECTION, POSSIBLE RESULTANT LEGAL ACTION AND MEMBERS AGREE THAT THEY CAN BE REQUIRED TO REIMBURSE THE MUTUAL FOR SUCH LEGAL COSTS, REGARDLESS OF WHETHER FORMAL LEGAL ACTION IS TAKEN. IT IS IN YOUR AND EVERY OTHER MEMBER’S BEST INTEREST FOR EACH OF YOU TO MAKE YOUR MONTHLY ASSESSMENT 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 CHARGES.**

### **BASIC POLICIES AND PROCEDURES**

Delinquency reports are prepared monthly by the Mutual’s managing agent to the Mutual’s Board of Directors (“Board”), identifying the delinquent Member, and the amount and 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 Board, 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 recorded CC&Rs, rules and regulations, and written policies) (collectively, the “Governing Documents”) and the Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including for the collection of assessments, late charges, interest, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

### **1. Assessment Due Date**

Regular assessments (“Carrying Charges” as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first (1<sup>st</sup>) 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 shall be due and payable on the due date specified by the Board 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 notice of the special assessment is ~~duly imposed~~provided to Members.

### **2. Reminder Notice**

A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16<sup>th</sup>) day of the month (or, for special assessments, if it is not received by the Mutual on or before the close of business on the fifteenth (15<sup>th</sup>) day after it is due). A written reminder notice may be sent and emailed to the Member. It is each Member’s responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

TO BE CONSIDERED TIMELY, PAYMENT MUST BE **RECEIVED** BY THE MUTUAL WITHIN THE FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS INSUFFICIENT.

IN ADDITION TO THE FOREGOING, CHARGEABLE SERVICES ARE LATE IF NOT PAID WITHIN TWENTY-FIVE (25) DAYS AFTER BECOMING DUE.

### **3. Administrative Collection Fee**

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred “Costs of Collection.” “Costs of Collection” as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of five hundred dollars (\$500) (the “Administrative Collection Fee”), which is charged by the Mutual’s managing agent to cover staff’s costs to prepare files for delivery to the Mutual’s legal counsel and/or collection agent in order to carry out authorized legal and/or collection actions, as well as direct costs incurred in recording and/or mailing documents attendant to the legal and/or collection process.

The Administrative Collection Fee may be increased by majority vote of the Mutual’s Board and may be collected by the Mutual’s legal counsel and/or collection agent on its behalf, and remitted to the Mutual’s managing agent, or may be directly collected by the Mutual’s managing agent. Any change to the Administrative Collection Fee shall not be deemed a change to this Policy and shall not require rule change or member review period procedures to be undertaken by the Board.

**4. Late Charge**

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THEY BECOME DELINQUENT. Any notices or invoices for assessments and/or special assessments will be sent to Members by first-class and/or certified mail addressed to the Member at his/her/their/its address as shown on the books and records of the Mutual<sup>[JP1]</sup> and/or by other delivery method required by Civil Code Section 4040 where applicable. However, it is the Member's responsibility to be aware of the assessment payment amounts and due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code Section 4041.

A late payment charge for a delinquent assessment will be assessed in ~~the~~ an amount equal to ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater, e amount of eighty dollars (\$80) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both Civil Code Section 5650 and the Mutual's Governing Documents provide for interest on all sums imposed in accordance with Section 5650, including on delinquent assessment, reasonable fees and costs of collection, and reasonable attorney's fees, which may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of twelve percent (12%). Such interest may be imposed and collected regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

**5. Demand Letter (aka Pre-Lien Notice)**

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of a reminder notice, as described in Section 2 above, or if no reminder notice was sent, then within thirty (30) days after the date when the delinquent amount became due, ~~But then~~ a demand letter pursuant to Civil Code Section 5660 (a "Pre-Lien Notice"), as detailed below, will be sent to the Member by 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 off the delinquency whether or not a reminder notice or telephone reminder is actually received by the Member.

**6. Alternate Means to Collect Delinquent Sums**

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late charges and interest) is not received by the close of business on the thirtieth (30<sup>th</sup>) day after the date of a demand letter for payment of same (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor"), on the ~~thirtieth-forty-fifth~~ <sup>[JP2]</sup> ~~(4530<sup>th</sup>)~~ day after ~~receipt of mailing~~ a Pre-Lien Notice) the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, 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) recording a notice of delinquent assessment (lien); (24) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or Golden Rain Foundation of Laguna Woods ("GRF") facilities; (32) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure; (43) legal actions, discussed further below; or (54) other means permitted by law.

~~A demand letter and/or Pre-Lien Notice is presumed to have been received in the regular course of mail within five (5) days of mailing if the mailing address is within California and within ten (10) days if the~~ **Agenda Item #11a**

~~mailing address is within the United States but outside of California and within twenty (20) days if the mailing address is outside of the United States.~~

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's Governing Documents, suspend a delinquent Member's right to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, late charges, and/or Costs of Collection, as may have been imposed or incurred in a particular instance. Failure to pay in full such amounts may also result in suspension of certain Membership rights and the ability to use the facilities or services provided by GRF 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.**

### **7. Small Claims Court**

A civil action in small claims court may be filed, with a management company representative 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 (LIEN), AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments, fines, fees, or chargeable services, and any reasonable late charges, fees and Costs of Collection (including attorney's fees), and interest, all up to the jurisdictional limits of the small claims court.

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

### **8. Lien**

The Mutual may secure the delinquency by recording a notice of delinquent assessment (lien) on the owner's Manor with the Orange County recorder. The debt shall be a lien on the owner's Manor from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with Civil Code Section 5650(b); a legal description of the owner's Manor; and the name of the record owner of the Manor.

An itemized statement of the debt owed by the owner, as described in Civil Code Section 5660(b), shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in Civil Code Sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Mutual to enforce the lien by sale of the Manor. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the Mutual for that purpose, or if no one is designated, by the president of the Mutual. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail

to every person whose name is shown as an owner of the Manor in the Mutual's records, and shall be mailed no later than ten (10) calendar days after recordation.

If it is determined that the Mutual has recorded a lien for a delinquent assessment in error, the Mutual shall promptly reverse all related late charges, fees, interest, attorney's fees, and Costs of Collection, and pay all costs incurred by the Mutual related to any ~~related-an~~ internal dispute resolution (IDR) or alternative dispute resolution (ADR).

### **9. Foreclosure/ADR**

After thirty (30) days following the recording of a delinquent assessment lien, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, 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 the conditions specified below, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual shall participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution (ADR). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Civil Code Section 5965 requires the following statement to be included 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 the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any "meet and confer" session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the statutory minimum as to the delinquent amount or duration of the delinquency has been met, the Mutual may commence foreclosing the lien against the Member's Manor and sell the Manor at a private sale or by a judicial sale. If this occurs, the Member may lose title to his/her/their/its Manor.

### **10. Board Decision to Initiate Foreclosure**

The decision to initiate foreclosure of a validly recorded delinquent assessment lien shall be made **only** by the Board and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number or account number, and not by the name of the delinquent Member. 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.

If the Board votes to foreclose upon an owner's Manor, the Board shall provide notice by personal service in accordance with the manner of service of summons to an owner of a Manor if the owner occupies the Manor or to their legal representative. For a non-occupying owner, the Board shall provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the



owner's Manor may be treated as the owner's mailing address.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late charges on the delinquent assessments and/or interest charges and/or Costs of Collection (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.

Moreover, pursuant to California law, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member's guests or tenants were responsible may also be enforced as a lien against the Member's Manor.

### **11. Non-Judicial Foreclosure/Right of Redemption**

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the Manor may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per Civil Code Section 5715.

~~If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late charges on the delinquent assessments and/or interest charges and/or Costs of Collection (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.~~

~~Moreover, pursuant to California law, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member's guests or tenants were responsible may also be enforced as a lien against the Member's Manor.~~

### **12. Prerequisites to Recording a Lien: Offer of IDR/ADR and ~~Thirty (30) Day~~ Pre-Lien Notice**

Before a lien may be recorded against a Manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in IDR pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the Civil Code.

Any choice by a Member to pursue IDR or any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue IDR/ADR, whether it is before a lien can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest Development Act or the Mutual's Governing Documents authorize or allow a Member to choose IDR/ADR. A Member's right to pursue IDR/ADR may be triggered by, among other things, a decision by the Board and/or Executive Hearing Committee, as applicable, following any right to appeal pursuant to the Mutual's Appeal Policy.



THE DECISION TO PURSUE IDR OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

### **13. Pre-Lien Notice**

Prior to recording a lien against a Member's Manor, the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until ~~thirty (30)~~ forty-five (45) days after this Pre-Lien Notice has been given.

The Pre-Lien Notice must include the following information (per Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount, a statement that the owner of the Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:  
  
"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."
- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any;
- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the Board as provided in Section 5665;
- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure;

### **14. Member's Right to Request a Meeting with the Board, or IDR or ADR.**

Upon receipt of the certified Pre-Lien Notice described above, the noticed Member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The Member has the right to dispute the assessment debt by submitting a written request for IDR to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code Sections 5900-5920;
- (b) The Member may exercise his/her/their/its right to participate in ADR with a neutral third party under Civil Code Sections 5925-5965 before the Mutual may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;

- (c) The Member has a right to submit a written request to meet with the Board to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member in a specially called executive session meeting that will occur within forty-five (45) days of the Member's request.

### **15. 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 Notice. 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 that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's Manor 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. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

### **16. Application of Payments**

In accordance with state law payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: assessments owed, then fees and costs of collection, attorney's fees, late charges, interest. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code Section 5655.

### **17. Secondary Address**

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code Section 4041 and the Governing Documents, the Mutual must send additional copies of specified notices to this secondary address. Pursuant to Civil Code Section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the Manor shall be deemed to be the address to which notices are to be delivered.

**18. No Right of Offset**

There is no right of offset. This means that a Member may not withhold assessments and related charges 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 other obligation or some claim of another obligation.

**19. Returned Checks**

The Mutual may charge the Member a twenty-five-dollar (\$25) 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) 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); or (b) three (3) times the amount of the check up to one thousand five hundred dollars (\$1,500) in accordance with Civil Code Section 1719.

**20. Charges and Fees Subject to Change**

All charges and fees set forth in this Policy Statement are subject to change upon thirty (30) days prior written notice.

**21. Overnight Payments**

The mailing address for overnight payment of assessments is:

Third Laguna Hills Mutual  
Attn: Assessment Payments  
24351 El Toro Road  
Laguna Woods, CA 92637

**22. Rights Reserved by Mutual**

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

**23. Attachments**

Notice of Assessments and Foreclosure (pursuant to Civil Code Section 5730): Attachment A.

State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act disclosures: Attachment B.

**BOARD OF DIRECTORS**

**THIRD LAGUNA HILLS MUTUAL**

**ATTACHMENT A**  
**NOTICE OF**  
**ASSESSMENTS AND FORECLOSURE**

*The following notice is provided pursuant to California 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 fifteen (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 thirty (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 twenty-one (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. (Section 5665 of the Civil Code)

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

*The following Disclosure is made pursuant to California Civil Code Sections 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](http://www.ftc.gov).”



## **2024 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 Third Laguna Hills Mutual, 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(a)(7).

The collection of delinquent assessments 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. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been 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.

**FAILURE TO MAKE TIMELY PAYMENTS CAN RESULT IN THE IMPOSITION OF LATE CHARGES, INTEREST, COSTS OF COLLECTION, POSSIBLE RESULTANT LEGAL ACTION AND MEMBERS AGREE THAT THEY CAN BE REQUIRED TO REIMBURSE THE MUTUAL FOR SUCH LEGAL COSTS, REGARDLESS OF WHETHER FORMAL LEGAL ACTION IS TAKEN. IT IS IN YOUR AND EVERY OTHER MEMBER’S BEST INTEREST FOR EACH OF YOU TO MAKE YOUR MONTHLY ASSESSMENT 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 CHARGES.**

### **BASIC POLICIES AND PROCEDURES**

Delinquency reports are prepared monthly by the Mutual’s managing agent to the Mutual’s Board of Directors (“Board”), identifying the delinquent Member, and the amount and 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 Board, 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 recorded CC&Rs, rules and regulations, and written policies) (collectively, the “Governing Documents”) and the Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including for the collection of assessments, late charges, interest, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

### **1. Assessment Due Date**

Regular assessments (“Carrying Charges” as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first (1<sup>st</sup>) 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 shall be due and payable on the due date specified by the Board 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 notice of the special assessment is provided to Members.

### **2. Reminder Notice**

A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16<sup>th</sup>) day of the month (or, for special assessments, if it is not received by the Mutual on or before the close of business on the fifteenth (15<sup>th</sup>) day after it is due). A written reminder notice may be sent and emailed to the Member. It is each Member’s responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

TO BE CONSIDERED TIMELY, PAYMENT MUST BE **RECEIVED** BY THE MUTUAL WITHIN THE FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS INSUFFICIENT.

IN ADDITION TO THE FOREGOING, CHARGEABLE SERVICES ARE LATE IF NOT PAID WITHIN TWENTY-FIVE (25) DAYS AFTER BECOMING DUE.

### **3. Administrative Collection Fee**

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred “Costs of Collection.” “Costs of Collection” as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of five hundred dollars (\$500) (the “Administrative Collection Fee”), which is charged by the Mutual’s managing agent to cover staff’s costs to prepare files for delivery to the Mutual’s legal counsel and/or collection agent in order to carry out authorized legal and/or collection actions, as well as direct costs incurred in recording and/or mailing documents attendant to the legal and/or collection process.

The Administrative Collection Fee may be increased by majority vote of the Mutual’s Board and may be collected by the Mutual’s legal counsel and/or collection agent on its behalf, and remitted to the Mutual’s managing agent, or may be directly collected by the Mutual’s managing agent. Any change to the Administrative Collection Fee shall not be deemed a change to this Policy and shall not require rule change or member review period procedures to be undertaken by the Board.

#### **4. Late Charge**

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THEY BECOME DELINQUENT. Any notices or invoices for assessments and/or special assessments will be sent to Members by first-class and/or certified mail addressed to the Member at his/her/their/its address as shown on the books and records of the Mutual and/or by other delivery method required by Civil Code Section 4040 where applicable. However, it is the Member's responsibility to be aware of the assessment payment amounts and due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code Section 4041.

A late payment charge for a delinquent assessment will be assessed in an amount equal to ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater, and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both Civil Code Section 5650 and the Mutual's Governing Documents provide for interest on all sums imposed in accordance with Section 5650, including on delinquent assessment, reasonable fees and costs of collection, and reasonable attorney's fees, which may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of twelve percent (12%). Such interest may be imposed and collected regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

#### **5. Demand Letter (aka Pre-Lien Notice)**

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of a reminder notice, as described in Section 2 above, or if no reminder notice was sent, then within thirty (30) days after the date when the delinquent amount became due, Buta demand letter pursuant to Civil Code Section 5660 (a "Pre-Lien Notice"), as detailed below, will be sent to the Member by 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 off the delinquency whether or not a reminder notice or telephone reminder is actually received by the Member.

#### **6. Alternate Means to Collect Delinquent Sums**

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late charges and interest) is not received by the close of business on the thirtieth (30<sup>th</sup>) day after the date of a demand letter for payment of same (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor"), on the forty-fifth (45<sup>th</sup>) day after mailing a Pre-Lien Notice) the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, 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) recording a notice of delinquent assessment (lien); (2) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or Golden Rain Foundation of Laguna Woods ("GRF") facilities; (3) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure; (4) legal actions, discussed further below; or (5) other means permitted by law.

Documents, suspend a delinquent Member's right to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, late charges, and/or Costs of Collection, as may have been imposed or incurred in a particular instance. Failure to pay in full such amounts may also result in suspension of certain Membership rights and the ability to use the facilities or services provided by GRF 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.**

### **7. Small Claims Court**

A civil action in small claims court may be filed, with a management company representative 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 (LIEN), AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments, fines, fees, or chargeable services, and any reasonable late charges, fees and Costs of Collection (including attorney's fees), and interest, all up to the jurisdictional limits of the small claims court.

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

### **8. Lien**

The Mutual may secure the delinquency by recording a notice of delinquent assessment (lien) on the owner's Manor with the Orange County recorder. The debt shall be a lien on the owner's Manor from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with Civil Code Section 5650(b); a legal description of the owner's Manor; and the name of the record owner of the Manor.

An itemized statement of the debt owed by the owner, as described in Civil Code Section 5660(b), shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in Civil Code Sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Mutual to enforce the lien by sale of the Manor. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the Mutual for that purpose, or if no one is designated, by the president of the Mutual. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail

to every person whose name is shown as an owner of the Manor in the Mutual's records, and shall be mailed no later than ten (10) calendar days after recordation.

If it is determined that the Mutual has recorded a lien for a delinquent assessment in error, the Mutual shall promptly reverse all related late charges, fees, interest, attorney's fees, and Costs of Collection, and pay all costs incurred by the Mutual related to any internal dispute resolution (IDR) or alternative dispute resolution (ADR).

### **9. Foreclosure/ADR**

After thirty (30) days following the recording of a delinquent assessment lien, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, 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 the conditions specified below, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual shall participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution (ADR). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Civil Code Section 5965 requires the following statement to be included 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 the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any "meet and confer" session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the statutory minimum as to the delinquent amount or duration of the delinquency has been met, the Mutual may commence foreclosing the lien against the Member's Manor and sell the Manor at a private sale or by a judicial sale. If this occurs, the Member may lose title to his/her/their/its Manor.

### **10. Board Decision to Initiate Foreclosure**

The decision to initiate foreclosure of a validly recorded delinquent assessment lien shall be made **only** by the Board and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number or account number, and not by the name of the delinquent Member. 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.

If the Board votes to foreclose upon an owner's Manor, the Board shall provide notice by personal service in accordance with the manner of service of summons to an owner of a Manor if the owner occupies the Manor or to their legal representative. For a non-occupying owner, the Board shall provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the

owner's Manor may be treated as the owner's mailing address.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late charges on the delinquent assessments and/or interest charges and/or Costs of Collection (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.

Moreover, pursuant to California law, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member's guests or tenants were responsible may also be enforced as a lien against the Member's Manor.

### **11. Non-Judicial Foreclosure/Right of Redemption**

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the Manor may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per Civil Code Section 5715.

### **12. Prerequisites to Recording a Lien: Offer of IDR/ADR and Pre-Lien Notice**

Before a lien may be recorded against a Manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in IDR pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the Civil Code.

Any choice by a Member to pursue IDR or any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue IDR/ADR, whether it is before a lien can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest Development Act or the Mutual's Governing Documents authorize or allow a Member to choose IDR/ADR. A Member's right to pursue IDR/ADR may be triggered by, among other things, a decision by the Board and/or Executive Hearing Committee, as applicable, following any right to appeal pursuant to the Mutual's Appeal Policy.

THE DECISION TO PURSUE IDR OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

### **13. Pre-Lien Notice**

Prior to recording a lien against a Member's Manor, the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until forty-five (45) days after this Pre-Lien Notice has been given.

The Pre-Lien Notice must include the following information (per Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount, a statement that the owner of the Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:  
  
"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."
- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any;
- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the Board as provided in Section 5665;
- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure;

### **14. Member's Right to Request a Meeting with the Board, or IDR or ADR.**

Upon receipt of the certified Pre-Lien Notice described above, the noticed Member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The Member has the right to dispute the assessment debt by submitting a written request for IDR to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code Sections 5900-5920;
- (b) The Member may exercise his/her/their/its right to participate in ADR with a neutral third party under Civil Code Sections 5925-5965 before the Mutual may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;

- (c) The Member has a right to submit a written request to meet with the Board to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member in a specially called executive session meeting that will occur within forty-five (45) days of the Member's request.

### **15. 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 Notice. 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 that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's Manor 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. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

### **16. Application of Payments**

In accordance with state law payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: assessments owed, then fees and costs of collection, attorney's fees, late charges, interest. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code Section 5655.

### **17. Secondary Address**

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code Section 4041 and the Governing Documents, the Mutual must send additional copies of specified notices to this secondary address. Pursuant to Civil Code Section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the Manor shall be deemed to be the address to which notices are to be delivered.

### **18. No Right of Offset**

There is no right of offset. This means that a Member may not withhold assessments and related charges 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 other obligation or some claim of another obligation.

### **19. Returned Checks**

The Mutual may charge the Member a twenty-five-dollar (\$25) 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) 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); or (b) three (3) times the amount of the check up to one thousand five hundred dollars (\$1,500) in accordance with Civil Code Section 1719.

### **20. Charges and Fees Subject to Change**

All charges and fees set forth in this Policy Statement are subject to change upon thirty (30) days prior written notice

### **21. Overnight Payments**

The mailing address for overnight payment of assessments is:

Third Laguna Hills Mutual  
Attn: Assessment Payments  
24351 El Toro Road  
Laguna Woods, CA 92637

### **22. Rights Reserved by Mutual**

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

### **23. Attachments**

Notice of Assessments and Foreclosure (pursuant to Civil Code Section 5730): Attachment A.

State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act disclosures: Attachment B.

**BOARD OF DIRECTORS**

**THIRD LAGUNA HILLS MUTUAL**



**ATTACHMENT A**

**NOTICE OF**

**ASSESSMENTS AND FORECLOSURE**

*The following notice is provided pursuant to California 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 fifteen (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 thirty (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 twenty-one (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. (Section 5665 of the Civil Code)

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**

*The following Disclosure is made pursuant to California Civil Code Sections 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](http://www.ftc.gov).”

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**RESOLUTION 03-23-XX****2024 Collection and Lien Enforcement Policy**

**WHEREAS**, in accordance with California Civil Code, Third Laguna Hills Mutual maintains a collection and lien enforcement policy that outlines the procedures, policies and practices employed by the Mutual in enforcing lien rights or other legal remedies for default in payment of assessments; and

**WHEREAS**, legal counsel has reviewed the existing Collection and Lien Enforcement Policy and determined that the updated policy complies with Civil Code requirements and reflects current practices for collection of Mutual delinquencies;

**NOW THEREFORE BE IT RESOLVED**, November 21, 2023, that the Board of Directors hereby adopts the 2024 Third Laguna Hills Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2023 as part of the Annual Policy Statement; and

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

**OCTOBER Initial Notification - Should the Board endorse the proposed resolution, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28- days from the postponement to comply with Civil Code §4360.**

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**ENDORSEMENT (to the Third Finance Committee)**

**Entertain a Motion to amend: Monetary Penalties**

The Schedule of Monetary Penalties identifies the violations and potential monetary penalties which may be imposed upon a member following a duly noticed disciplinary hearing. Per California Civil Code, the Member Disciplinary Process and Schedule of Monetary Penalties must be disclosed to the membership yearly. A summary of the process and schedule are included as part of the annual mailing in November. Additionally, per Bylaws, Section 4.5.3, Disciplinary or Suspension Action Authorized, states that the Board is authorized to impose "... a fine for each breach, not to exceed the maximum established in the adopted Schedule of Monetary Penalties."

On July 26, 2023, Chair Laws, presented the Schedule of Monetary Penalties for discussion. The Committee discussed the matter and asked questions.

Director Prince made a motion to update the monetary penalties of the minimum \$50 to a maximum \$2,000. Chair Laws seconded the motion.

By way of vote, 3-1-0 (Director Zalon voted No), the motion passed.

Staff was directed to forward the matter to be reviewed by the Third Finance Committee.

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**ENDORSEMENT (to board)**

**Amend Schedule of Monetary Penalties**

Francis Gomez, Operations Manager, presented a staff report recommending an increase to the penalty schedule ranging from \$50-\$2,000. A motion was made and moved by President Mark Laws to accept staff's recommendation of the amended Monetary Penalty schedule as presented. Director Cris Prince seconded. Discussion ensued. By Unanimous decision, the motion passed and will be presented at the subsequent Board meeting.

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Schedule of Monetary Penalty

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### **RECOMMENDATION**

Entertain a Motion to approve the Schedule for Monetary Penalty.

### **BACKGROUND**

The Schedule of Monetary Penalties identifies the violations and potential monetary penalties which may be imposed upon a member following a duly noticed disciplinary hearing. Per California Civil Code, the Member Disciplinary Process and Schedule of Monetary Penalties must be disclosed to the membership yearly. A summary of the process and schedule are included as part of the annual mailing in November. Additionally, per Bylaws, Section 4.5.3, Disciplinary or Suspension Action Authorized, states that the Board is authorized to impose "... a fine for each breach, not to exceed the maximum established in the adopted Schedule of Monetary Penalties."

On January 19, 1993, the Board of Directors approved the Schedule of Monetary Penalties (Resolution M3-93-14. The Schedule of Monetary Penalties was amended in 1995 and 1996 (Resolutions M3-95-70 and M3-96-31.

The member-discipline process is coordinated by the Compliance Division. Upon notice of an alleged violation, staff investigates and should staff identify objective evidence of a violation by a member or their guests, staff will send a courtesy notice to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Staff will monitor the situation and if compliance is not evident, staff will send a final notice requesting compliance. Additionally, the matter is scheduled for a disciplinary hearing with the Board of Directors to determine if member-discipline is merited. If the alleged violation has been resolved, no further action is required.

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

On June, 27, 2023, the Committee discussed the matter and determined to table till the next meeting.

### **DISCUSSION**

The Committee requested review of the Schedule of Monetary Penalties.

### **FINANCIAL ANALYSIS**

The Board imposes disciplinary monetary penalties as an action for violation of the governing documents. The penalties range from \$25 - \$500 depending on the specifics of the matter. To date for 2023, the Board held twenty-three (23) hearings and imposed monetary penalties in total of \$4,100.

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Francis Gomez, Operations Manager

### **ATTACHMENT(S)**

Attachment 1: Schedule of Monetary Penalty Redline

Attachment 2: Schedule of Monetary Penalty Clean

Attachment 3: Resolution Schedule of Monetary Penalty 03-23-XX



### SCHEDULE OF MONETARY PENALTIES

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

The following schedules identify the violations and potential monetary penalties which may be imposed upon a member. Such penalties may be imposed following a hearing by Third Laguna Hills Mutual (Third) Board of Directors (Board) for a violation of the governing documents and rules and regulations by the member, co-occupant, guest or lessee.

Type of Violation	Penalty Ranges
<b>Alteration</b>	
Examples: Debris, work without a permit, work beyond the allowed hours, expired permit, noncompliance with approved variance request, use of community trash bins, failure to maintain alteration, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25-</del> <del>\$500</del>
<b>Clutter Restrictions</b>	
Examples: Balcony, breezeway, carport, common area, interior, patio, vehicle, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25-</del> <del>\$500</del>
<b>Landscape Restrictions</b>	
Examples: Saucers/casters not present, too many plants (refer to landscape maintenance manual), vegetable plants, vines attached to walls, wind chimes, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25-</del> <del>\$500</del>
<b>Maintenance/Repair</b>	
Examples: (Major) failure to correct fire, safety, health hazard or other dangerous condition; (minor) broken blinds, etc., violation of the paint program, interior pest policy, moisture intrusion event, etc.	<del>\$50 -</del> <del>\$500</del> <del>\$2,000</del>
<b>Nonpayment</b>	
Examples: Nonpayment of assessments, chargeable services, disciplinary penalties, facilities or services use charges, traffic citations, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25-</del> <del>\$500</del>
<b>Nuisance/Harassment Restrictions</b>	
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25-</del> <del>\$500</del>
Noise: Activities that interfere with quiet enjoyment such as improperly installed hardwood floors, neighbors playing music or television too loud, loud conversation, barking dogs, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25-</del> <del>\$500</del>

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Third Laguna Hills Mutual  
Schedule of Monetary Penalties  
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Odors: Strong cooking odors, BBQ smoke entering other units, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
Visual: Draping articles over balcony rails, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
Health/Safety: Hoarders who allow unsanitary conditions to exist that attract insects and rodents, or residents who wash dog feces and urine off their balcony onto the property below them, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
Violation of laws: Violations of federal, state or local ordinances. Examples include public nudity or a resident engaged in drug dealing etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
<b>Occupancy Restrictions</b>	
Examples: Caregiver policy, short-term rentals, advertisement of short-term/vacation rentals, lease policy, unapproved occupancy, qualifying resident not in unit, room rentals, guest visitations exceeding 60 calendar days within a 12-month period, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
<b>Other</b>	
Illegal business, nonsmoking policy, portable storage container policy	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
<b>Pet Restrictions</b>	
Examples: Dog not on leash, dog not under control, unreasonable noise (barking), not picking up and disposing of feces, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
Examples: Breeding of animals for sale or commercial gain, injury to persons or damage to property caused by animal, etc.	<del>\$50 -</del> <del>\$500</del> <del>\$2,000</del>
<b>Traffic Rules and Regulations</b>	
Examples: Abandoned vehicle, commercial vehicles, excessive vehicles, vehicle oil, etc.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
Any violation of the governing documents or rules and regulations not specifically identified in this schedule.	<del>\$50 -</del> <del>\$2,000</del> <del>\$25</del> <del>\$500</del>
<b>Second or Subsequent Violations of the Same Rule</b>	
Ongoing violation of the same event may result in a daily fine in accordance with current monetary penalty schedule until compliance is achieved and/or double of fines imposed.	

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

1. Suspension of the right to use any facilities owned, operated or managed by Third, for a period not to exceed 30 days for each breach, and/or any facilities owned, operated

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Third Laguna Hills Mutual  
Schedule of Monetary Penalties  
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or managed by the Golden Rain Foundation (GRF) for a period not to exceed 90 days for each breach.

2. Third may also make an application to a court of competent jurisdiction for legal or equitable relief.

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

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

If you have questions regarding the above information, please contact the Compliance Division during regular business hours at 949-268-CALL or at [compliance@vmsinc.org](mailto:compliance@vmsinc.org).

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



### SCHEDULE OF MONETARY PENALTIES

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

The following schedules identify the violations and potential monetary penalties which may be imposed upon a member. Such penalties may be imposed following a hearing by Third Laguna Hills Mutual (Third) Board of Directors (Board) for a violation of the governing documents and rules and regulations by the member, co-occupant, guest or lessee.

Type of Violation	Penalty Ranges
<b>Alteration</b>	
Examples: Debris, work without a permit, work beyond the allowed hours, expired permit, noncompliance with approved variance request, use of community trash bins, failure to maintain alteration, etc.	\$50 - \$2,000
<b>Clutter Restrictions</b>	
Examples: Balcony, breezeway, carport, common area, interior, patio, vehicle, etc.	\$50 - \$2,000
<b>Landscape Restrictions</b>	
Examples: Saucers/casters not present, too many plants (refer to landscape maintenance manual), vegetable plants, vines attached to walls, wind chimes, etc.	\$50 - \$2,000
<b>Maintenance/Repair</b>	
Examples: (Major) failure to correct fire, safety, health hazard or other dangerous condition; (minor) broken blinds, etc., violation of the paint program, interior pest policy, moisture intrusion event, etc.	\$50 - \$2,000
<b>Nonpayment</b>	
Examples: Nonpayment of assessments, chargeable services, disciplinary penalties, facilities or services use charges, traffic citations, etc.	\$50 - \$2,000
<b>Nuisance/Harassment Restrictions</b>	
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	\$50 - \$2,000
Noise: Activities that interfere with quiet enjoyment such as improperly installed hardwood floors, neighbors playing music or television too loud, loud conversation, barking dogs, etc.	\$50 - \$2,000
Odors: Strong cooking odors, BBQ smoke entering other units, etc.	\$50 - \$2,000
Visual: Draping articles over balcony rails, etc.	\$50 - \$2,000



Health/Safety: Hoarders who allow unsanitary conditions to exist that attract insects and rodents, or residents who wash dog feces and urine off their balcony onto the property below them, etc.	\$50 - \$2,000
Violation of laws: Violations of federal, state or local ordinances. Examples include public nudity or a resident engaged in drug dealing etc.	\$50 - \$2,000
<b>Occupancy Restrictions</b>	
Examples: Caregiver policy, short-term rentals, advertisement of short-term/vacation rentals, lease policy, unapproved occupancy, qualifying resident not in unit, room rentals, guest visitations exceeding 60 calendar days within a 12-month period, etc.	\$50 - \$2,000
<b>Other</b>	
Illegal business, nonsmoking policy, portable storage container policy	\$50 - \$2,000
<b>Pet Restrictions</b>	
Examples: Dog not on leash, dog not under control, unreasonable noise (barking), not picking up and disposing of feces, etc.	\$50 - \$2,000
Examples: Breeding of animals for sale or commercial gain, injury to persons or damage to property caused by animal, etc.	\$50 - \$2,000
<b>Traffic Rules and Regulations</b>	
Examples: Abandoned vehicle, commercial vehicles, excessive vehicles, vehicle oil, etc.	\$50 - \$2,000
Any violation of the governing documents or rules and regulations not specifically identified in this schedule.	\$50 - \$2,000
<b>Second or Subsequent Violations of the Same Rule</b>	
Ongoing violation of the same event may result in a daily fine in accordance with current monetary penalty schedule until compliance is achieved and/or double of fines imposed.	

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

1. Suspension of the right to use any facilities owned, operated or managed by Third, for a period not to exceed 30 days for each breach, and/or any facilities owned, operated or managed by the Golden Rain Foundation (GRF) for a period not to exceed 90 days for each breach.
2. Third may also make an application to a court of competent jurisdiction for legal or equitable relief.

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

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

If you have questions regarding the above information, please contact the Compliance Division during regular business hours at 949-268-CALL or at [compliance@vmsinc.org](mailto:compliance@vmsinc.org).



### **RESOLUTION 03-23-XX**

#### **Monetary Penalty Schedule**

**WHEREAS**, the Monetary Penalty Schedule is required per Civil Code to identify violations and potential monetary penalties which may be imposed upon a member following a disciplinary hearing by the Board of Directors for violations of the governing documents and rules and regulations by a member, co-occupant, guest or lessee; and

**WHEREAS**, the Resident Policy and Compliance Committee has recommended amending the Monetary Penalty Schedule to increase the penalty ranges to \$50 - \$2,000;

**NOW THEREFORE BE IT RESOLVED**, November 21, 2023, that the Board of Directors of this Corporation hereby approves the attached amended Monetary Penalty Schedule; and

**RESOLVED FURTHER**, that Resolution 03-96-31 adopted May 21, 1996 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.

**OCTOBER Initial Notification** - Should the Board endorse the proposed resolution, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28- days from the postponement to comply with Civil Code §4360.

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**ENDORSEMENT (to board)**

**Unbudgeted Expense for the Landscape Projects**

Kurt Wiemann, Director of Landscape Services, presented a staff report requesting approval for an unbudgeted expenditure in the amount of \$314,900 to be funded from the Operating Fund.

The motion was made by Director Ira Lewis and President Mark Laws seconded. Hearing no objection, the motion passed unanimously and will be presented at the next scheduled board meeting.

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## STAFF REPORT

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**DATE:** October 17, 2023  
**FOR:** Third Board Meeting  
**SUBJECT:** Unbudgeted Operating Expense for Water Saving Landscaping

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### **RECOMMENDATION**

Approve an unbudgeted operating expense in the amount of \$314,900 to be funded from the 2023 Water Expense Account, for water saving landscaping projects within Third Mutual.

### **BACKGROUND**

On June 21, 2022, the Board of Directors approved Resolution 03-22-65, directing staff to reduce irrigation water use by 15 percent (Attachment 1). Staff began reducing irrigation water usage in early July 2022 by decreasing run times on shrub beds and reducing watering days for turf, from three days to two. Additionally, the new Hydropoint Irrigation Central Control System is almost complete and water savings from that project have also contributed to the overall irrigation water savings.

These reductions have lowered expenditures for water significantly. Staff has forecasted these savings to the end of the year (Attachment 2). Staff predicts an estimated savings of \$314,900 to the budgeted amount for 2023 based on five-year averages.

The Landscape Committee reviewed the recommendation, along with the supporting attachments, at their regular open session meeting on September 7, 2023. A motion was made to approve the recommendation. The motion passed unanimously.

### **DISCUSSION**

The Third Landscape Committee has hired a landscape architect to design attractive water saving landscape plantings to replace existing plantings and turf areas. The designs are intended to have two parts, specific designs for large non-functional turf areas and templates for staff to use to replace turf in hard to maintain and irrigate areas. Along with the designs for turf removal areas the Board and Landscape Committee are working various improvements in landscaping and irrigation.

The funds from this supplemental appropriation will be used for improvements in landscaping.

**FINANCIAL ANALYSIS**

An unbudgeted operating expenditure of \$314,900 will accomplish the completion of various improvements in landscape and irrigation.

**Prepared By:** Kurt Wiemann, Director of Landscape Services  
**Reviewed By:** Jayanna Abolmoloki, Landscape Administrative Assistant  
Jose Campos, Assistant Finance Director

**ATTACHMENT(S)**

**Attachment 1:** Resolution 03-22-65  
**Attachment 2:** Water Saving Comparison  
**Attachment 3:** Resolution 03-23-XX



**RESOLUTION 03-22-65**

**Recycled Water Mandate**

**WHEREAS**, June 2, 2022, the Landscape Committee recognized that the State of California is experiencing record drought conditions requiring parts of Southern California to reduce exterior irrigation water use; and

**WHEREAS**, the irrigation water sources in Third Mutual are a mixture of potable water and recycled water; and

**WHEREAS**, at this time, state and local mandates do not apply to recycled water; and

**WHEREAS**, the Landscape Committee determined that irrigation reductions shall be equitable across the Mutual, regardless of water source;

**NOW THEREFORE BE IT RESOLVED**, on June 21, 2022, that all state and local irrigation water use restrictions and mandates shall be applied to all irrigation within Third Mutual; and

**RESOLVED FURTHER**, this resolution shall become in full force and effect on June 21, 2022; and

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

## Third Mutual - Water Irrigation Consumption and \$\$ (Based on Consumption Month)

	2018	2019	2020	2021	2022	2023 (Projected Jul-Dec)	5 Year Average	Variance	% Savings
January	\$46,327	\$5,598	\$12,227	\$39,589	\$33,288	\$1,225	\$27,406	(\$26,181)	2138.1%
February	\$59,730	\$2,672	\$31,699	\$71,274	\$83,252	\$22,197	\$49,725	(\$27,528)	124.0%
March	\$36,332	\$21,123	\$8,090	\$64,180	\$103,377	\$335	\$46,620	(\$46,286)	13829.0%
April	\$120,954	\$105,306	\$32,665	\$128,462	\$118,102	\$74,860	\$101,098	(\$26,237)	35.0%
May	\$109,760	\$78,511	\$126,233	\$131,371	\$141,271	\$60,047	\$117,429	(\$57,382)	95.6%
June	\$148,267	\$120,216	\$160,381	\$165,898	\$155,671	\$129,149	\$150,086	(\$20,937)	16.2%
July	\$190,021	\$194,815	\$177,731	\$145,365	\$119,768	\$136,571	\$165,540	(\$28,970)	21.2%
August	\$197,284	\$189,412	\$159,602	\$168,706	\$125,716	\$138,719	\$168,144	(\$29,425)	21.2%
September	\$121,949	\$134,384	\$152,719	\$143,107	\$95,510	\$106,866	\$129,534	(\$22,668)	21.2%
October	\$82,878	\$138,908	\$103,841	\$56,166	\$78,740	\$75,988	\$92,107	(\$16,119)	21.2%
November	\$47,712	\$56,981	\$66,696	\$96,403	\$37,386	\$50,354	\$61,036	(\$10,681)	21.2%
December	\$10,469	\$5,705	\$45,137	\$5,360	\$4,854	\$11,802	\$14,305	(\$2,503)	21.2%
								<b>(\$314,918)</b>	



## **RESOLUTION 03-22-XX**

### **Unbudgeted Expense for Landscape Improvement Projects**

**WHEREAS**, June 21, 2022, the Third Board of Directors recognized that the State of California is experiencing record drought conditions requiring parts of Southern California to reduce exterior irrigation water use and directed staff to reduce irrigation by 15 percent; and

**WHEREAS**, the Third Landscape Committee determined that funding for turf reduction projects should be appropriated from savings to the Water Expense account based on savings from these reductions; and

**WHEREAS**, September 7, 2023, the Third Mutual Landscape Committee endorsed the recommendation; and

**WHEREAS**, October 3, 2023, the Third Mutual Finance Committee endorsed the recommendation;

**NOW THEREFORE BE IT RESOLVED**, on November 21, 2023, that an Unbudgeted expense of \$314,900 has been approved to be used for landscape improvement projects throughout Third Mutual; and

**RESOLVED FURTHER**, this resolution shall become in full force and effect on October 17, 2023; and

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

**OCTOBER Initial Notification** - Should the Board endorse the proposed resolution, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28- days from the postponement to comply with Civil Code §4360.

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## **RESOLUTION 03-23-XX**

### **Third Mutual Committee Appointments**

**RESOLVED**, October 17, 2023, that the following persons are hereby appointed to serve on the committees and services of this Corporation;

**RESOLVED FURTHER**, that each committee chair may appoint additional members and advisors with interim approval by the President subject to the approval of the Board of Directors:

#### **Finance Committee (meets every other month)**

~~Donna Rane-Szostak, Chair~~

Andy Ginocchio, Chair

~~Mark Laws~~

~~Ralph Engdahl~~

~~Cris Prince~~

Cush Bhada

~~Jim Cook~~

~~Ira Lewis~~

~~Jules Zalon~~

Moon Yun

~~Brad Rinehart~~

SK Park

Non-Voting Advisors: Wei-Ming Tao

#### **Architectural Control and Standards Committee (meets monthly)**

James Cook, Chair

Cush Bhada

Ralph Engdahl

Nathaniel Ira

Lewis

Cris Prince

Andy Ginocchio, Alternate

Non-Voting Advisors: Mike Butler, Mike Plean, Lisa Mills

**Landscape Committee** (meets monthly)

Nathaniel Ira Lewis, Chair

~~Mark Laws~~

~~Jules Zalon~~

Ralph Engdahl

SK Park

Brad Rinehart

Cush Bhada, ~~Alternate~~

~~Donna Rane-Szostak~~

Moon Yun, Alternate

**Maintenance and Construction Committee** (meets every other month)

Ralph Engdahl, Chair

James Cook

~~Mark Laws~~

Brad Rinehart

Moon Yun

SK Park

Andy Ginocchio, Alternate

Non-voting Advisors: Judith Troutman, Peter Henschel

**Executive Hearing Committee** (meets monthly)

Mark Laws, Chair

Jim Cook, ~~Alternate~~

Cris Prince

Ralph Engdahl, ~~Alternate~~

Andy Ginocchio, Alternate

~~Donna Rane-Szostak, Alternate~~

**Resident Policy and Compliance Committee** (meets monthly)

Mark Laws, Chair

~~Cush Bhada~~

Moon Yun

Andy Ginocchio

Cris Prince

Nathaniel Ira Lewis

SK Park, Alternate

Non-Voting Advisors: Stuart Hack, Theresa Keegan

**Water Conservation Committee** (meets quarterly)

~~Donna Rane-Szostak, Chair~~

Jules Zalon, ~~Chair~~

Cush Bhada

Brad Rinehart

Nathaniel Ira Lewis  
~~Lee Goldstein, Advisor~~

**Garden Villa Recreation Room Subcommittee** (meets thrice yearly)

~~Mark Laws, Chair~~

SK Park, Chair

Moon Yun

Cush Bhada

~~Donna Rane-Szostak~~

Voting Advisors: Stuart Hack, Lynn Jarrett

Non-Voting Advisors: Lorna Seung

**Executive Hearing Committee** (can attend Closed Meetings / Executive Sessions)

Mark Laws

Jim Cook

Ralph Engdahl

Andy Ginocchio

Cris Prince

Cush Bhada

Nathaniel Ira Lewis

Moon Yun

SK Park

Brad Rinehart

**RESOLVED FURTHER**, that Resolution 03-23-114, adopted September 19, 2023, is hereby superseded and canceled; and

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

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## **RESOLUTION 03-23-XX**

### **GRF Committee Appointments**

**RESOLVED**, October 17, 2023, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

#### **Community Activities Committee**

Mark Laws

Andy Ginocchio

Cush Bhada, Alternate

~~Jules Zalon, Alternate~~

#### **GRF Finance Committee**

~~Donna Rane-Szostak~~

Andy Ginocchio

Brad Rinehart

Mark Laws, Alternate

#### **GRF Landscape Committee**

Nathaniel Ira Lewis

SK Park

~~Jules Zalon~~

Andy Ginocchio, Alternate

#### **GRF Maintenance and Construction Committee**

Brad Rinehart

Ralph Engdahl

James Cook, Alternate

~~Andy Ginocchio, Alternate~~

#### **Clubhouse Renovation Ad Hoc Committee**

Ralph Engdahl

Andy Ginocchio

Moon Yun, Alternate

**GRF Media and Communications Committee**

Jim Cook  
Cris Prince  
Moon Yun, Alternate

**Mobility and Vehicles Committee**

Cush Bhada  
Moon Yun  
Jim Cook, Alternate

**Security and Community Access Committee**

S.K. Park  
~~Donna Rane-Szostak, Alternate~~

**Purchasing Ad Hoc Committee (new)**

~~Donna Rane-Szostak~~  
Andy Ginocchio  
Ralph Engdahl, Alternate

**Broadband Ad Hoc Committee**

Cris Prince  
Jim Cook

**Disaster Preparedness**

SK Park  
Moon Yun  
~~Donna Rane-Szostak, Alternate~~

**Laguna Woods Village Traffic Hearings**

SK Park  
Mark Laws, Alternate

**IT Technology Advisory Committee (ITAC)**

Mark Laws  
SK Park

**Website Ad Hoc Committee**

Mark Laws  
~~Donna Rane-Szostak~~

**Compliance Ad Hoc Committee**

~~Moon Yun~~  
~~SK Park~~

Andy Ginocchio

**Finance Advisory Group**

~~Donna Rane-Szostak~~

**Space Planning Ad Hoc Committee**

Cush Bhada

Andy Ginocchio

S.K. Park

**RESOLVED FURTHER**, that Resolution 03-23-67, adopted June 20, 2023, is hereby superseded and canceled; and

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

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## Chair's Report for October 17, 2023 Board Meeting

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**SLIDE 1** – Through the reporting period of **August 31, 2023**, total revenue for Third was \$29,715K compared to expenses of \$27,133K, resulting in a net revenue of \$2,582K.

**SLIDE 2** – In Finance, we keep a close eye on the operating portion of our financial results. The Operating Fund shows a surplus of \$1,260K through the reporting period. This chart shows how much of our revenue went into operations, with \$19,105K coming in from assessments and \$1,376K coming from non-assessment revenue. This is compared to operating expenditures of \$19,221K (without Depreciation).

**SLIDE 3** – This next chart takes the full income statement and compares those results to budget. We can see that Third ended the period better than budget by \$1,817K when combining both operating and reserve revenues and expenses.

**SLIDE 4** – The most significant variances from budget were attributable to:

- **Employee Compensation and Related \$1,023K;** Favorable variance resulted primarily in the Landscape and M&C departments due to open positions. Impacted areas include grounds maintenance, irrigation, manor alterations, paint, plumbing, and interior components. Recruitment is in progress to fill in current open positions. Grounds maintenance contracted shrub-bed maintenance to outside vendors for the pruning/weeding cycle as they continue to fill open positions.
- **Investment Income \$432K;** Favorable variance resulted primarily from Treasury Bills yielding a higher return than anticipated. Investments have averaged 4% return versus a budget of 1.5%.
- **Insurance \$169K;** Favorable variance resulted primarily from slightly lower premiums than anticipated at budget preparation.
- **Utilities and Telephone \$131K;** Favorable variance resulted primarily in water and sewer due to rainfall and conservation efforts. Water consumption was 14% lower than budgeted through August 31. Sewer ended the period favorable as a result of lower sewer rates for domestic use than anticipated at the time of budget preparation.

**SLIDE 5** – On this pie chart, we show non-assessment revenues earned to date of \$2,091K by category, starting with our largest revenue generating categories of Investment Income,



### Chair's Report for October 17, 2023 Board Meeting

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Chargeable Services, Lease Processing Fee, Permit Fee, Laundry Revenue, Resale Processing Fee and so on.

**SLIDE 6** – On this pie chart, we see the expenses to date of \$27,134K by category, starting with our largest categories of Employee Compensation & Related, Outside Services, Insurance, Utilities and so on.

**SLIDE 7** – The non-operating fund balance on August 31, 2023 was \$32,836K. YTD contributions and interest were \$9,234K while YTD expenditures were \$7,842K.

**SLIDE 8** – We compare the non-operating fund balances to historical fund balances for the past five years on this chart, which has averaged \$30.1 Million. Third Laguna Hills Mutual has been committed to supporting reserve requirements while providing more contingency funds for unexpected events.

**SLIDE 9** – We have a slide here to show resale history from 2021 - 2023. Through August 31, 2023, Third resales totaled 237, which is 63 lower resales than the prior year for the same time period. The average YTD resale price for a Third Mutual was \$582K, which is \$22K lower than the prior year for the same time period.

# Financial Report

As of August 31, 2023



INCOME STATEMENT (in Thousands)		ACTUAL
Assessment Revenue		\$27,624
Non-assessment Revenue		\$2,091
Total Revenue		\$29,715
Total Expense		\$27,133
Net Revenue/(Expense)		\$2,582

# Financial Report

As of August 31, 2023



OPERATING INCOME STATEMENT (in Thousands)		ACTUAL
Assessment Revenue		\$19,105
Non-assessment Revenue		\$1,376
Total Revenue		\$20,481
Total Expense <sup>1</sup>		\$19,221
Operating Surplus		\$1,260

1) excludes depreciation



# Financial Report

As of August 31, 2023



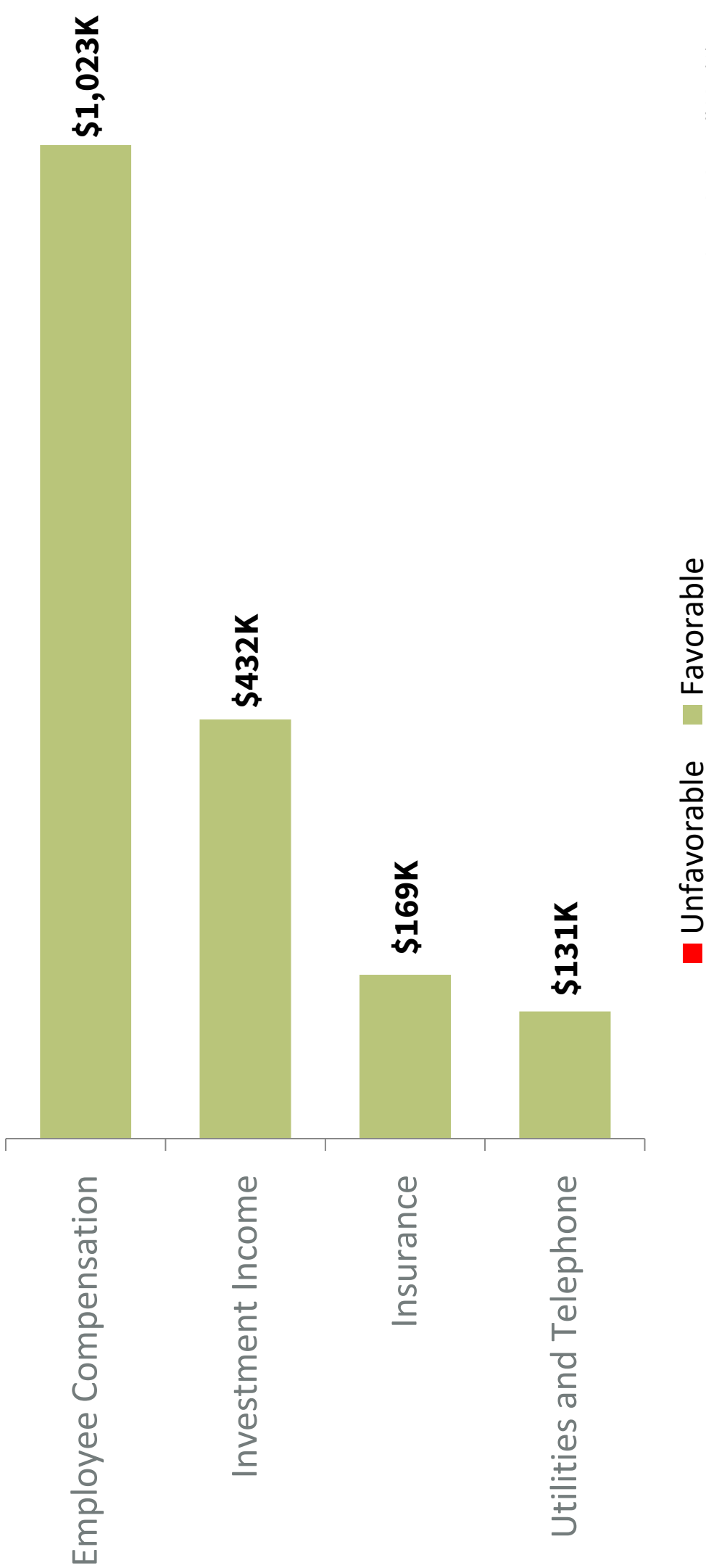
INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE B/(W)
Assessment Revenue	\$27,624	\$27,624	\$0
Non-assessment Revenue	\$2,091	\$1,638	\$453
Total Revenue	\$29,715	\$29,262	\$453
Total Expense	\$27,133	\$28,498	\$1,364
Net Revenue/(Expense)	\$2,582	\$765	\$1,817

# Financial Report

As of August 31, 2023



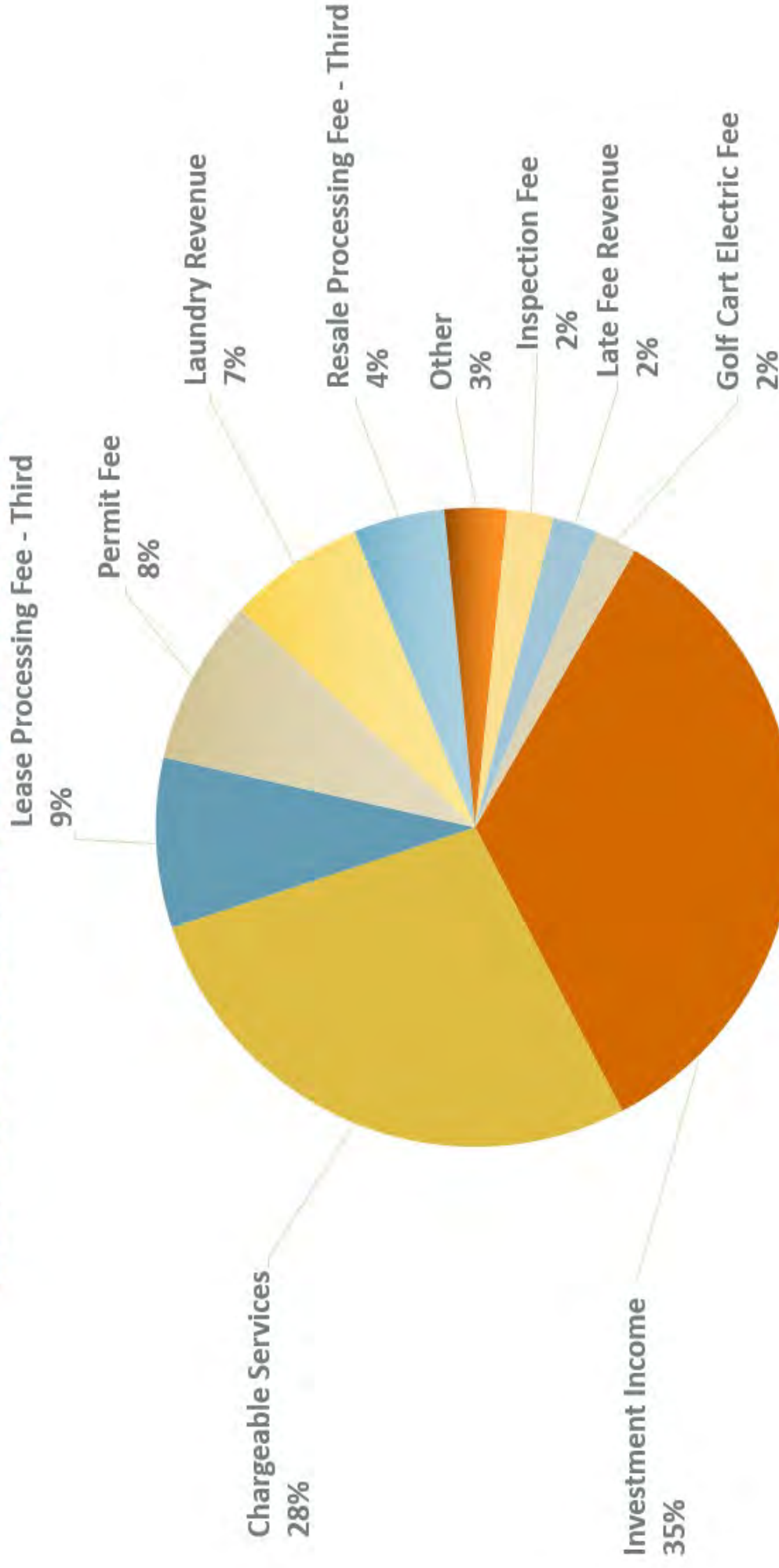
## Year to Date Variances



# Financial Report

As of August 31, 2023

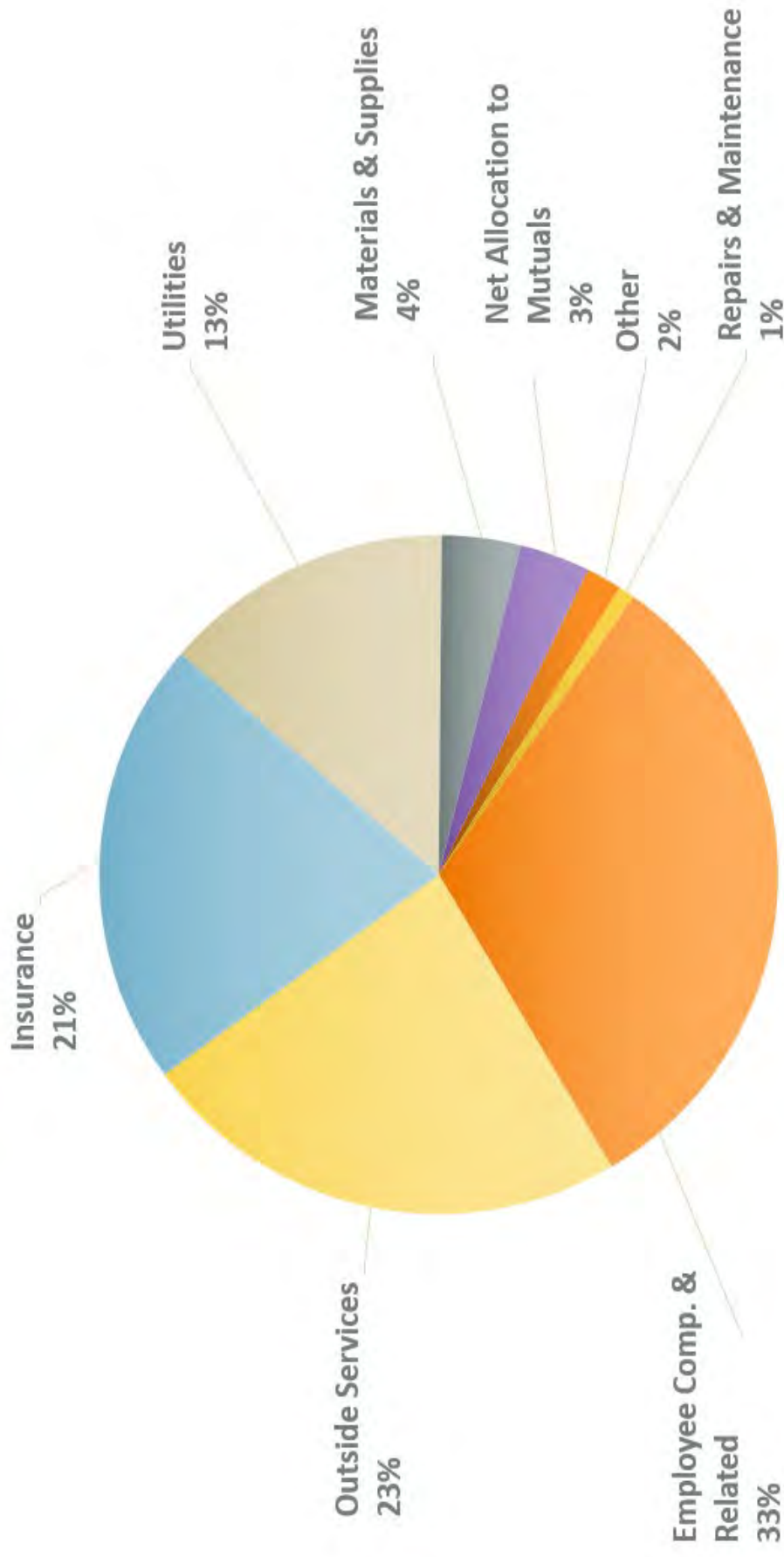
## Total Non Assessment Revenues \$2,090,772



# Financial Report

As of August 31, 2023

**Total Expenses \$27,133,629**



# Financial Report

As of August 31, 2023



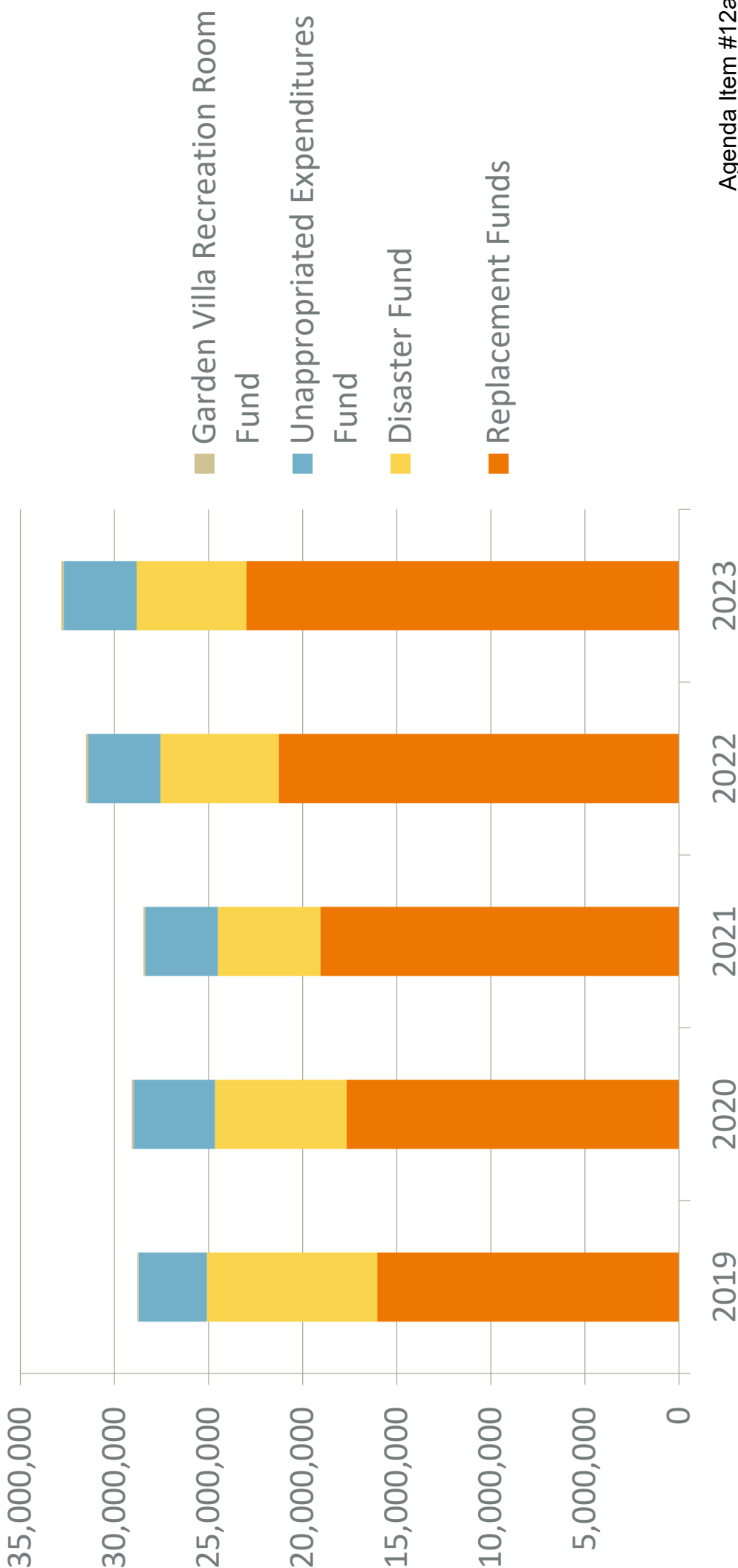
NON OPERATING FUND BALANCES (in Thousands)	Replacement Funds*	Garden Villa Fund	Disaster Fund	Unappropriated Expenditures Fund	TOTAL
Beginning Balances: 12/31/22	\$21,200	\$111	\$6,279	\$3,854	\$31,444
Contributions & Interest	\$8,433	\$64	\$706	\$31	\$9,234
Expenditures	\$6,632	\$39	\$1,152	\$19	\$7,842
Current Balances: 8/31/23	\$23,001	\$136	\$5,833	\$3,866	\$32,836

\* Includes Elevator and Laundry Funds

# Financial Report

As of August 31, 2023

## FUND BALANCES – Third Mutual

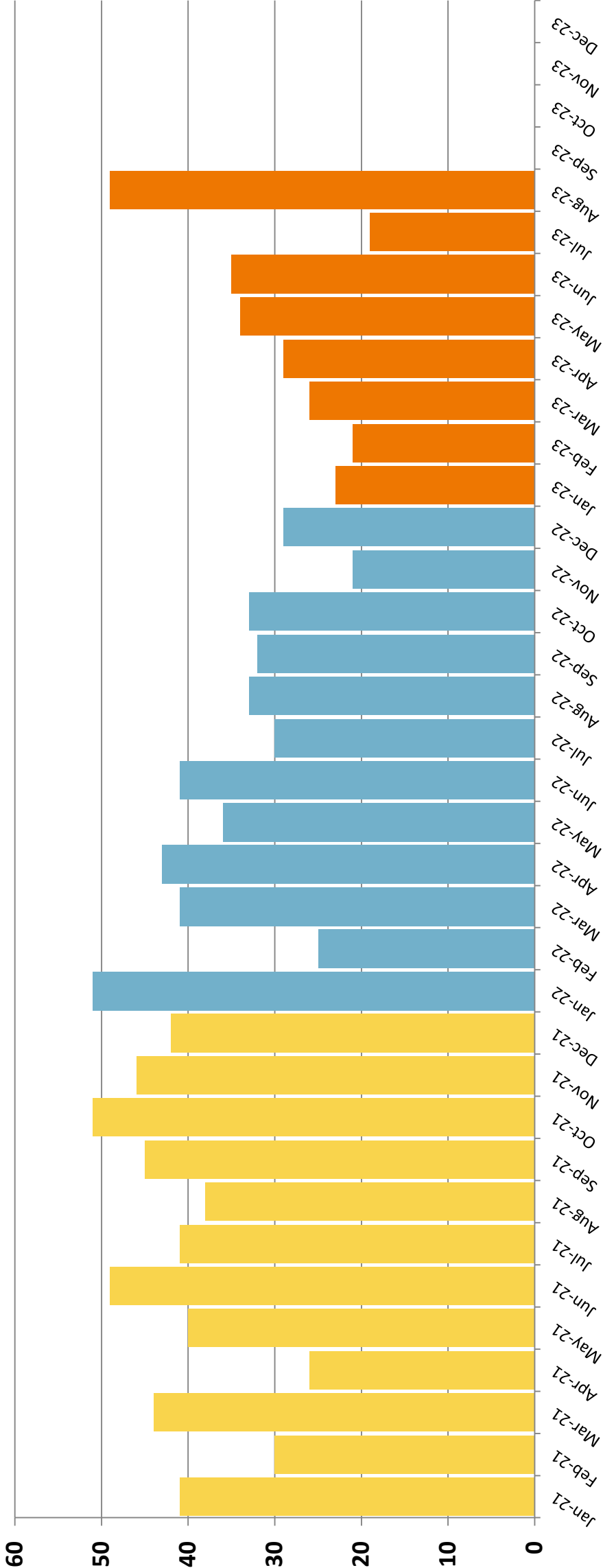


# Financial Report

As of August 31, 2023

## RESALE HISTORY – Third Mutual

	NO. OF RESALES	AVG. RESALE PRICE
YTD 2021	309	\$481,368
YTD 2022	300	\$603,809
YTD 2023	237	\$582,184



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

Tuesday, October 3, 2023 – 1:30 p.m.  
Hybrid Meeting

**DIRECTORS PRESENT:** Donna Rane-Szostak – Chair, Mark Laws, Jim Cook, Ralph Engdahl, Cris Prince, Cush Bhada, Ira Lewis, Moon Yun, S.K. Park, Andy Ginocchio  
**DIRECTORS ABSENT:** Jules Zalon  
**ADVISORS PRESENT:** Wei Ming Tao  
**STAFF PRESENT:** Steve Hormuth, Jose Campos, Kurt Wiemann, Francis Gomez, Erika Hernandez

**Call to Order**

Director Donna Rane-Szostak, Treasurer, chaired and called the meeting to order at 1:30 p.m.

**Approval of Meeting Agenda**

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

**Approval of Meeting Report for August 1, 2023**

A motion was made to approve the meeting report as presented; no changes were requested, and the report was approved by consent.

**Chair Remarks**

Director Rane-Szostak thanked the Board, the Village and the community for allowing her to serve as the Treasurer. In addition, she briefly discussed the Investment Policy and current investments.

**Member Comments (Items Not on the Agenda)**

None.

**Department Head Update**

Steve Hormuth, Director of Financial Services, provided an update of the 2024 Business Plan adoption that took place on September 19 and the implementation process of the ERP.

**Preliminary Financial Statements dated August 31, 2023**

Jose Campos, Assistant Director of Financials Services, presented the Preliminary Financial Statements dated August 31, 2023. Questions and comments were noted by staff.

### **2024 Collections and Lien Enforcement Policy**

The 2023 Collection and Lien Enforcement Policy was provided to legal counsel for review. Legal provided a revised 2024 policy to be reviewed and discussed for approval. A motion was made to accept and endorse the 2024 Collections and Lien Enforcement Policy as provided by legal. Hearing no objection, the motion passed unanimously and will be presented at the next board meeting and be placed on the Consent Calendar and 28-day notice.

### **Endorsements from Standing Committees**

Resident Policy & Compliance Committee – Amend Schedule of Monetary Penalties. Francis Gomez, Operations Manager, presented a staff report recommending an increase to the penalty schedule ranging from \$50-\$2,000. A motion was made and moved by President Mark Laws to accept staff's recommendation of the amended Monetary Penalty schedule as presented. Director Cris Prince seconded. Discussion ensued. By Unanimous decision, the motion passed and will be presented at the subsequent Board meeting.

Director Jim Cook left the meeting at 3:00PM.

Landscape Services Committee – Approve and Endorse an Unbudgeted Expense for Landscape Projects. Kurt Wiemann, Director of Landscape Services, presented a staff report requesting approval for a supplemental expenditure in the amount of \$314,900 to be funded from the 2023 Operating Fund. The motion was made and moved by Director Ira Lewis and seconded by President Mark Laws. Hearing no objection, the motion passed unanimously and will be presented at the next scheduled board meeting.

### **Future Agenda Items**

Self-Insurance: Joint Powers Insurance Authority (JPIA)

### **Committee Member Comments**

Multiple members of the committee shared their gratitude towards Director Rane-Szostak and thanked her for her years as Treasurer of Third Mutual.

### **Date of Next Meeting**

Tuesday, December 5, 2023 at 1:30 p.m.

### **Recess to Closed Session**

The meeting recessed at 3:17 p.m.



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Donna Rane-Szostak, Chair

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# Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

September, 2023

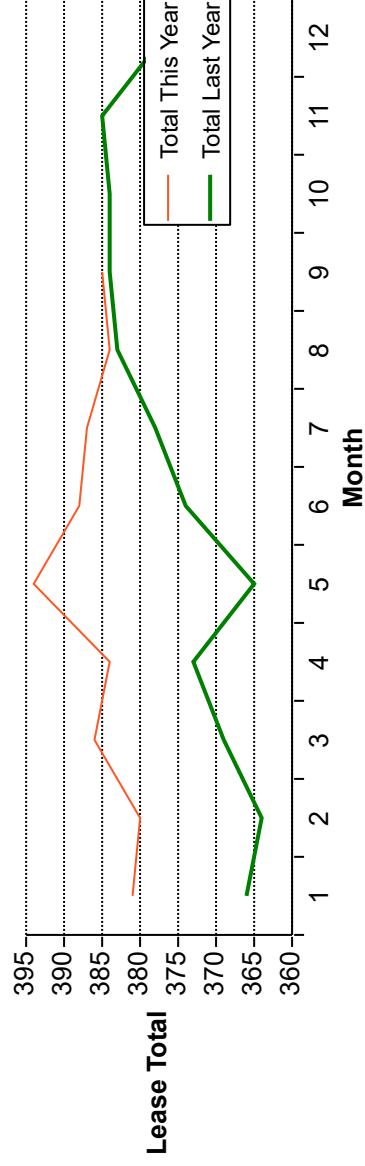
MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	23	51	\$8,174,400	\$22,789,400	\$355,409	\$446,851
February	21	25	\$12,607,846	\$12,688,000	\$600,374	\$507,520
March	26	41	\$14,732,200	\$19,655,200	\$566,623	\$479,395
April	29	43	\$17,300,000	\$27,123,000	\$596,552	\$630,767
May	34	36	\$19,129,310	\$19,627,005	\$562,627	\$545,195
June	36	41	\$21,850,900	\$23,772,900	\$606,969	\$579,827
July	20	30	\$8,542,500	\$13,801,990	\$427,125	\$460,066
August	50	33	\$28,932,000	\$19,925,700	\$578,640	\$603,809
September	39	32	\$20,535,980	\$14,594,000	\$526,564	\$456,063
October		*		\$17,632,500		* \$534,318
November		*		\$10,409,612		* \$495,696
December		*		\$15,819,500		* \$545,500
TOTAL	278.00	332.00	\$151,805,136	\$173,977,195		
ALL TOTAL	278.00	415.00	\$151,805,136	\$217,838,807		
MON AVG	30.00	36.00	\$16,867,237	\$19,330,799	\$535,654	\$523,277
% CHANGE - YTD	-16.3%		-12.7%		2.4%	

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation

# Monthly Active Leasing Report

## 2023 Period 9 (Mutual 3)



Year	Month	1 to 3 Month	4 to 6 Month	7 to 12 Month	12+ Month	Total This Year	Total Last Year	% Leased Last Year	% Leased This Year	% Change	Total Renewals	Total Expirations
2023	January	3	9	54	315	381	366	6.2	6.0	0.2	120	12
2023	February	1	8	63	308	380	364	6.2	6.0	0.2	92	9
2023	March	3	9	70	304	386	369	6.3	6.0	0.3	125	15
2023	April	4	7	81	292	384	373	6.3	6.1	0.2	128	11
2023	May	4	10	94	286	394	365	6.5	6.0	0.5	147	17
2023	June	4	9	104	271	388	374	6.4	6.1	0.3	119	11
2023	July	5	10	114	258	387	378	6.3	6.2	0.1	136	14
2023	August	5	8	121	250	384	383	6.3	6.3	0.0	169	11
2023	September	4	7	129	245	385	384	6.3	6.3	0.0	165	12
2023	October					384						
2023	November					385						
2023	December					377						



**OPEN MEETING**

**REGULAR MEETING OF THIRD LAGUNA HILLS MUTUAL  
ARCHITECTURAL CONTROLS AND STANDARDS COMMITTEE\***

**Monday, September 11, 2023 – 1:30 p.m.  
Laguna Woods Village Board Room/Virtual Meeting  
24351 El Toro Road, Laguna Woods, California**

**REPORT**

**COMMITTEE MEMBERS PRESENT:** Jim Cook – Chair, Ralph Engdahl, Andy Ginocchio (Alternate), Nathaniel Ira Lewis, Cris Prince, Advisors: Michael Butler, Lisa Mills, Mike Plean

**COMMITTEE MEMBERS ABSENT:** Cush Bhada (Excused)

**STAFF PRESENT:** Bart Mejia – Maintenance & Construction Assistant Director, Gavin Fogg – Manor Alterations Supervisor, David Rudge – Manor Alterations Inspector II, Josh Monroy – Manor Alterations Coordinator

**OTHER DIRECTORS PRESENT:** S.K. Park

**1. Call Meeting to Order**

Chair Cook called the meeting to order at 1:30 p.m.

**2. Approval of the Agenda**

Hearing no objection, the agenda was approved by consent.

**3. Approval of the Meeting Report for August 14, 2023**

Hearing no objection, the meeting report was unanimously approved as written.

**4. Remarks of the Chair**

None.

**5. Member Comments - (Items Not on the Agenda)**

- A member commented on the revised Alteration Fee Schedule.

**6. Response to Member Comments**

None.

**7. Department Head Update**

Mr. Mejia advised members that Manor Alterations is in the process of remodeling their front counter. In the meantime, window seven in Resident Services has been made available to assist residents.

- 8. Consent Calendar:** All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

- a. Over-The-Counter Variances – None.**

Due to audio problems a short recess was called to order.

**9. Variance Requests**

- a. 5585-A: Variance for Entry and Dining Room Extension Add Bedroom and Vanity Area Windows**

The variance was introduced by Mr. Rudge. Discussion ensued and staff answered questions from the committee.

A motion was made to approve the variance as described. The variance was approved by unanimous consent.

**10. Items for Discussion and Consideration**

- a. Discussion More Detailed Interior Inspections**

Mr. Mejia asked the committee for input on what items they would like to see added, if any, to the scope of resale inspections. The committee suggested including inspection and certification of low-flow toilets at the same time they are reviewing water heaters to avoid additional costs to members. There was also discussion on additional considerations for water heaters replacements: year of installation, guarantees, and the location of that installation.



b. Eliminate Demolition Consent Requirements & Associated Fees

A motion was made to recommend the Third Board approve the elimination of the demolition consent requirements and associated fees and incorporate the appropriate sections of the demolition conditions into the Mutual Consent conditions. Hearing no objection, the motion was approved by unanimous consent.

**11. Items for Future Agendas**

- a. Revision to Architectural Standard 8: Porch Lift/Elevators – **November**
- b. Proposed Architectural Standard 41B: Solar Panels, 3 Story Buildings – **November**
- c. Revision to Architectural Standard 31: Washer and Dryer Installation – **October**

**12. Committee Member Comments**

- Advisor Mills suggested grandfathering in garage doors and storage cabinets.
- Director Lewis concurred with Advisor Mills sentiments.

**13. Date of Next Meeting: Monday, October 09, 2023 at 1:30 p.m.**

**14. Adjournment**

The meeting was adjourned at 2:08 p.m.

  
\_\_\_\_\_  
Jim Cook, Chair

Jim Cook, Chair  
Baltazar Mejia, Staff Officer  
Telephone: 949-597-4616

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**OPEN MEETING**

**REPORT OF THE REGULAR MEETING OF THE  
THIRD LAGUNA HILLS MUTUAL  
MAINTENANCE AND CONSTRUCTION COMMITTEE**

**Wednesday, August 30, 2023 at 1:30 p.m.  
24351 El Toro Road, Laguna Woods, CA 92637  
Board Room and Virtual with Zoom**

**REPORT**

**MEMBERS PRESENT:** Ralph Engdahl - Chair, Jim Cook, SK Park, Mark Laws, Andy Ginocchio (in for Moon Yun)

**MEMBERS ABSENT:** Moon Yun

**OTHERS PRESENT:** Peter Henschel, Advisor

**STAFF PRESENT:** Manuel Gomez – Maintenance & Construction Director, Ian Barnette – Maintenance & Construction Assistant Director, Guy West – Projects Division Manager, Jay Allen – Damage Restoration Manager, Laurie Chavarria – Senior Management Analyst, Sandra Spencer – Administrative Assistant

**1. Call Meeting to Order**

Chair Engdahl called the meeting to order at 1:32 p.m.

**2. Approval of the Agenda**

Hearing no objection, the agenda was approved as written.

**3. Approval of the Meeting Report from July 11, 2023**

Hearing no objection, the meeting report was approved unanimously.

**4. Remarks of the Chair**

None.

**5. Member Comments – *(Items Not on the Agenda)***

- A member commented on the lack of gutters on their manor.

- A member commented on their building gutters needing repair and recent painting of the common area breezeway.
- A member commented on pressure regulator valves, contractor oversight, and dry rot repair projects.
- A member commented on the status of repairs at their manor, and asbestos testing.

## **6. Response to Member Comments**

Staff responded to the member comments and will follow up individually, as appropriate.

## **7. Department Head Update**

Mr. Gomez and Mr. Barnette provided updates on the following projects:

- **Gate 11 Seepage Update**  
Work began on August 14, 2023 and is estimated to be completed by the end of October.
- **Buildings 3434-3438 Mailbox Replacement Update**  
Of the three mailboxes that were scheduled for installation, two are complete. The final mailbox will be installed in September.
- **3-Story Buildings Washer/Dryer Damper Pads Update**  
There are approximately 100 remaining damper pads to be installed in the 24-unit Garden Villa buildings; 60 have already been installed. Staff was directed to inquire about hiring additional employees to accelerate the pace of the installations.

**8. Consent:** *All matters listed under the Consent Calendar are considered routine and will be enacted by the committee by one motion. In the event that an item is removed from the Consent Calendar by members of the committee, such item(s) shall be the subject of further discussion and action by the committee.*

The Project Log was pulled for discussion.

### **a. Project Log**

Staff answered questions from the committee regarding various projects on the project log. A motion was made and passed by unanimous consent to approve the consent calendar.

## **9. Items for Discussion and Consideration**

### **a. 3361-O Non-Standard Electrical Use Reimbursement Request**



Mr. Gomez presented the staff report and answered questions from the committee.

A motion was made and unanimously approved to recommend the board approve staff's recommendation to reimburse the manor owner \$136, in addition to the \$64 already reimbursed, for electrical use related to a moisture intrusion event.

b. Garden Villa Rec Room Heat Pump Noise Level Update

Mr. Barnette responded to a concern presented at the July 5, 2023 Garden Villa Recreation Room Subcommittee meeting regarding the noise level of newly-installed heat pumps. Based on a recent decibel reading, the new model heat pumps produce less noise than the old model heat pumps.

c. Garden Villa Rec Room Ceilings Paint Update

Mr. Barnette responded to a concern presented at the July 5, 2023 Garden Villa Recreation Room Subcommittee meeting regarding the frequency of rec room ceiling painting. Mr. Barnette clarified that while the ceilings are not part of the interior paint program, if requested, ceilings can be repainted as needed. If a service order is entered, staff will schedule an inspection and repaint as needed.

d. Slope Repair RFP Update

Mr. Gomez updated the committee on the status of the RFP for 5 to 6 areas throughout the mutual which need slope repairs. As no bids have been received, the deadline has been extended to September 1, 2023. The slopes are being monitored by the Landscape Department in the interim.

e. Re-Consideration of Vendor Referral Program for Small Drywall Removals

Mr. Gomez reintroduced the topic which was presented at a prior committee meeting and board meeting. Discussion ensued state requirements for asbestos testing in condos; referral to Legal for potential ramifications for referring a specific vendor and script for Manor Alterations to use in response to inquiries; and possible next steps.

Advisor Henschel left the meeting at 2:55 p.m.

**10. Items for Future Agendas:** *All matters listed under Future Agenda Items are items for a future committee meeting. No action will be taken by the committee on these agenda items at this meeting.*

- a. Incentive to Upgrade Pipes/Dedicated Water Shut-Off Valves in Walls During Remodeling
- b. Minimize Water Waste While Waiting for Water to Heat
- c. Post-Paint Program

- d. Mutual Owned/Mutual Funded Solar Power Options for EV Charging
- e. Share Contractor Oversight Presentation from Client Services Meeting

**11. Committee Member Comments**

- Director Ginocchio inquired about utilizing a liaison with the CAI-OC.

**12. Date of Next Meeting: Monday, November 6, 2023 at 1:30 p.m.**

**13. Recess** – The meeting was recessed at 3:19 p.m.

  
Ralph Engdahl, Chair

Ralph Engdahl, Chair  
Manuel Gomez, Staff Officer  
Telephone: 949-268-2380



**OPEN MEETING**

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
LANDSCAPE COMMITTEE**

**Thursday, September 7, 2023 at 9:30 a.m.  
BOARD ROOM/VIRTUAL MEETING  
Laguna Woods Village Community Center, 24351 El Toro Road**

**REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair- Ira Lewis, Cush Bhada (Alternate), Ralph Engdahl, Andy Ginocchio (Alternate)

**COMMITTEE MEMBERS ABSENT:** Donna Rane-Szostak (Excused), Mark Laws (Excused)

**OTHERS PRESENT:** S.K. Park (Board Member, Third Laguna Hills Mutual), Vu Chu (Water Use Efficiency Analyst, El Toro Water District)

**ADVISORS PRESENT:** None.

**STAFF PRESENT:** Kurt Wiemann, Jayanna Abolmoloki

**1. Call Meeting to Order**

Chair Lewis called the meeting to order at 9:31 a.m.

**2. Approval of Agenda**

Director Ginocchio made a motion to approve the agenda. Director Bhada seconded. The meeting agenda was approved by unanimous consent.

**3. Approval of the July 6, 2023 Report**

Director Bhada made a motion to approve the meeting report. Director Engdahl seconded. The committee was in unanimous support.

**4. Remarks of the Chair**

Chair Lewis informed the Committee and the audience that Landscaping Services has been instructed to put a hold on all staff conducted turf reduction projects to focus their efforts on routine maintenance for the foreseeable future. Chair Lewis also asked the

audience to send an email to Resident Services if they have a service request that has been pending for six months or longer.

## **5. Department Head Update**

Mr. Wiemann informed the Committee that Landscaping Services just received their shipment of new hand-held electric equipment. He also stated that landscape currently has 24 open positions, with 16 contract workers on site.

### **5a. Project Log**

Mr. Wiemann discussed the provided Project Log in detail. Members made comments and asked questions.

### **5b. Water Use Comparison**

Mr. Wiemann provided an overview of the provided graph. Members made comments and asked questions.

### **5c. Tree Work Status Report**

## **6. Member Comments**

Three comments were made. Topics included the following:

- Unit-specific requests for maintenance

## **7. Response to Member Comments**

Mr. Wiemann responded to the comments.

## **8. Items for Discussion and Consideration**

### **8a. Tree Removal Request: 3075-C**

Director Bhada made a motion to accept staff recommendation to deny the removal of one Rusty Leaf Fig tree located at 3075-C. Director Engdahl seconded. The motion passed unanimously.

### **8b. Stepping Stones Policy**

Director Ginocchio left the room at 10:22 a.m.

Director Bhada made a motion to approve the revised stepping stone resolution and guidelines. Chair Lewis seconded. The motion passed unanimously.

Director Ginocchio returned at 10:24 a.m. after the motion passed.

### **8c. Fruit Trees Policy**

Discussion ensued among the Committee. The Committee directed staff to bring a revised version of Resolution 03-19-94 to the next meeting for approval.



**8d. No Herbicide Spraying Agreement**

Director Bhada made a motion to approve the resolution for herbicide spray guidelines and the acknowledgement form. Director Ginocchio seconded. The motion passed unanimously.

**8e. Unbudgeted Operating Expense for Water Saving Landscaping**

Chair Lewis requested that verbiage be added to Attachment 3 to include the phrase "and other related projects" to the fourth paragraph of the resolution.

Director Bhada made a motion to approve an unbudgeted operating expense in the amount of \$314,900 to be funded from the 2023 Water Expense Account for water saving landscaping projects within Third Mutual, with the addition of "and other related projects," to the attached resolution. Director Engdahl seconded. The motion passed unanimously.

**8f. Urban Forest Management Plan Update**

Mr. Wiemann informed the Committee that staff met with Dudek yesterday to discuss comments received by the Third Landscape Committee. Mr. Wiemann stated that he expects the 90% Draft to be available within the next three weeks.

**8g. Turf Reduction Location Review**

Director Bhada made a motion to direct staff to proceed with the design of the projects at locations one and two. Director Ginocchio seconded. The motion passed unanimously.

**9. Items for Future Agendas**

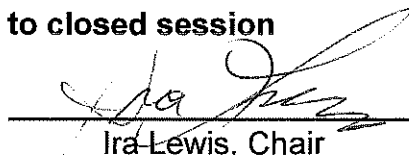
- Landscape Manual

**10. Committee Member Comments**

No comments were made.

**11. Date of Next Meeting:** Thursday, October 11, 2023, at 9:30 a.m.

**12. Adjourned at 11:19 a.m. to closed session**



Ira Lewis, Chair

Kurt Wiemann, Staff Officer

Jayanna Abolmoloki, Landscape Administrative Assistant

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**OPEN MEETING**

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
WATER CONSERVATION SUB-COMMITTEE**

**Thursday, July 27, 2023 – 2:00 p.m.  
SYCAMORE ROOM AND VIRTUAL MEETING  
Laguna Woods Village Community Center 24351 El Toro Road**

**REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair- Donna Rane-Szostak, Cush Bhada, S.K. Park, Ira Lewis

**COMMITTEE MEMBERS ABSENT:** None.

**OTHERS PRESENT:** Vu Chu (Water Use Efficiency Analyst), El Toro Water District), Kay Havens (President of El Toro Water District Board of Directors), Abel Estrada (Customer Service and Billing Manager, El Toro Water District)

**ADVISORS PRESENT:** Lee Goldstein

**STAFF PRESENT:** Robert Merget, Jayanna Abolmoloki

**1. Call Meeting to Order**

Chair Rane-Szostak called the meeting to order at 2:02 p.m.

**2. Approval of the Agenda**

The meeting agenda was approved by unanimous consent.

**3. Approval of the Meeting Report from April 27, 2023**

The meeting report was approved by unanimous consent.

**4. Committee Chair Remarks**

Chair Rane-Szostak reviewed charts provided by the Finance Committee in detail.

Members made comments and asked questions.

**5. Member Comments**

No comments were made.

**6. Response to Member Comments**

None.

**7. Items for Discussion and Consideration**

**7a. Proposed El Toro Water District increased charges for water/sewer**

Chair Rane-Szostak provided informational documents from El Toro Water District and discussed them in detail. Multiple members made comments and asked questions.

**7b. Tier 4 Water Usage**

Chair Rane-Szostak discussed the provided chart in detail. Members made comments and asked questions.

**7c. Residential Water Usage**

Director Rane-Szostak skipped this item due to addressing it earlier in the meeting.

**8. Items for Future Agendas**

Chair Rane-Szostak encouraged members to share their ideas for future agendas.

**9. Committee Member Comments**

Various comments were made.

**10. Date of Next Meeting:** Thursday, October 26, 2023 at 2:00 p.m.

**11. Adjournment** at 3:44 p.m.

**DRAFT**

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Donna Rane-Szostak, Chair



**REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
RESIDENT POLICY AND COMPLIANCE COMMITTEE**

Wednesday, September 27, 2023 at 9:30 A.M.  
Board Room/Virtual Meeting  
Laguna Woods Village Community Center  
24351 El Toro Road, Laguna Woods, CA 92637

**MEMBERS PRESENT:** Mark Laws - Chair, Nathaniel "Ira" Lewis, Cush Bhada, Andy Ginocchio and S.K. Park

**MEMBER EXCUSED:** Cris Prince

**ADVISORS PRESENT:** Stuart Hack and Theresa Keegan (entered meeting 9:33 a.m.)

**ADVISORS ABSENT:** None

**STAFF PRESENT:** Blessilda Wright and Ruby Rojas

**OTHERS PRESENT:** None

**1. Call to Order**

Mark Laws, Chair, called the meeting to order at 9:30 a.m.

**2. Approval of Agenda**

Director Bhada made a motion to approve the agenda. Director Ginocchio seconded the motion. By unanimous consent, the motion passed.

**3. Approval of Meeting Report**

Director Lewis made a motion to approve the August 22, 2023 meeting report. Director Bhada seconded the motion. By unanimous consent, the motion passed.

**4. Remarks of the Chair**

None.

**5. Members Comments (Items Not on Agenda)**

None.

**6. Response to Members Comments**

None.

**7. Department Head Update**

None.

## **8. Items for Discussion and Consideration**

### **a. Disciplinary Violations Matrix – Updated Version Attached**

Chair Laws, presented the Disciplinary Violations Matrix for the committees review and discussion. The Committee discussed the matter and asked questions.

The committee approved the Disciplinary Violations Matrix for staff use.

### **b. Continued Reporting of Events after Issue Resolution**

Chair Laws, presented the Continued Reporting of Events after Issue Resolution for discussion. The Committee discussed the matter and asked questions.

The committee elected to take no action.

### **c. Barbecue Policy**

Chair Laws, presented the Barbecue Policy for discussion. The Committee discussed the matter and asked questions.

Members made comments expressing concern regarding the lack of Barbecue Rules and clarity for members to prevent barbecue units becoming clutter in breezeways and walkways.

The committee consensus was to allow electric and gas grill under 20 lbs. at any unit and prohibit charcoal grills from multistory units. The committee elected to request the Chair and Staff to draft a new Barbecue Policy based upon comments received and bring to next Committee Meeting for further discussion.

## **9. Items for Future Agendas**

- a. Financial Qualifications for Purchasing in Third Mutual
- b. Audit/ Review of Compliance Department against updated Davis-Stirling laws

## **10. Committee Member Comments**

None.

## **11. Date of Next Meeting**

Tuesday: October 24, 2023 at 9:30 a.m.

## **12. Adjournment**

With no further business before the Committee, the meeting was adjourned at 10:57 a.m.

Mark W. Laws  
Mark W. Laws (Oct 11, 2023 12:42 PDT)

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Mark W. Laws, Chair  
Third Laguna Hills Mutual

## **OPEN MEETING**

### **REPORT OF THE REGULAR MEETING OF THE GOLDEN RAIN FOUNDATION COMMUNITY ACTIVITIES COMMITTEE**

Thursday, September 14, 2023 – 1:30 p.m.  
Board Room/Virtual Meeting

**MEMBERS PRESENT:** Yvonne Horton, Chair, Elsie Addington, Maggie Blackwell, Cush Bhada, Mark Laws, Sue Stephens, Ajit Gidwani, Dennis Boudreau

**MEMBERS ABSENT:** Pearl Lee (excused), Diane Casey

**OTHERS PRESENT:** Bunny Carpenter, Juanita Skillman, Andy Ginocchio, S.K. Park, Joan Milliman, Diane Phelps

**STAFF PRESENT:** Alison Giglio, Jennifer Murphy, Jackie Chioni, Tom McCray, Peter Quan, Laura Cooley, Laura Cobarruviaz

#### **Call to Order**

Chair Horton called the meeting to order at 1:31 p.m.

#### **Acknowledgement of Media**

There was no press present.

#### **Approval of Agenda**

Director Bhada made a motion to approve the agenda. Director Laws seconded.

Motion passed unanimously.

#### **Approval of Committee Report for August 10, 2023**

Director Bhada made a motion to approve the report. Director Blackwell seconded.

Motion passed unanimously.

#### **Chair's Remarks**

Chair Horton stated she will comment at the end of the meeting to save time for operating rules discussion.

#### **Report of the Recreation and Special Events Director**

Ms. Giglio reported the following Recreation Department highlights: Clubhouse 1 floor maintenance is completed and the main lounge HVAC is repaired; the final summer splash day at pool 2 was held on August 18 all three events selling out; weekend hours at Clubhouse 4 have been expanded from 9 a.m. to 4 p.m. and the workshop volunteers are making efforts to get all workshops open; volunteer supervisors, Emeritus instructors, Emeritus staff and Recreation staff recently had a meeting to build cooperation between all involved; the Art studio floor was recently stripped and waxed for the first time since before Covid; the first training of the longarm quilting machine was held and will be repeated every Friday; the Clubhouse 5 Italian Buffet had 122 people in attendance; Grandparents Fun Day was hosted at Clubhouse 5 with an estimated attendance of 350 to 400 which includes 114 grandchildren; the Clubhouse 7 main lounge floor has been replaced and we appreciate everyone's flexibility and patience during this project; the 5<sup>th</sup> Dimension concert at the Performing Arts Center was sold out at 814 attendees; the Equestrian Center security gate project is progressing with finalizing of the plans and permits; the Equestrian Center door and trim maintenance project is complete and new lesson session has begun with increased volume; on average, over 300 users three days per week visit the Clubhouse 1 Fitness Center and close to 300 users in the same time period at the Community Fitness Center; the Library continues to be a great service to the residents as they have greeted 2,744 visitors with volunteers working 762 hours which is only three less people compared to July.

Ms. Giglio stated staff was in the process of coordinating a new event, the International Peace Festival, which was an effort to bring together different clubs and cultures with entertainment and food. Unfortunately, staff must cancel this event due to not enough interest and participation from the clubs. This event will be reevaluated to determine if it can be offered in the future.

Ms. Murphy stated the following upcoming events: the AARP sponsored Smart Driver class will be hosted this weekend at Clubhouse 2, 8:30 a.m. to 1 p.m. which focuses on a course refresher and reservations must be made through the Recreation office; the Performing Arts Center will host the Monday free movie on September 18 at 2 p.m. featuring *Till*; Monday night football has resumed at Restaurant 19 with food and drink specials available; Clubhouse 5 will host a steak dinner on Monday, September 18 at 5 p.m.; Clubhouse 2 will host the free outdoor concert on Saturday, September 30, 4 to 6 p.m. featuring Tino Sings Tom Jones; Clubhouse 5 will host the fall Village Bazaar on Saturday, October 28, 10 a.m. to 2 p.m.; Drum Circle, a new, free, drop-in class, will be hosted at the Performing Arts Center on Tuesdays, 5:15 to 6:45 p.m.

Mr. McCray stated the golf course is in the first stages of three-week fall maintenance which is going well; the foreUP online registration staff changes have created some issues, but IT staff is working with vendor to rectify; the driving range project is ongoing with sod being added by the vendor which prevents an opening date from being secured; Mr. McCray thanked Guy West and his team for remaining responsive during the driving range



project issues; the second Garden Center Advisory Group meeting was held and each meeting has been very successful.

Chair Horton inquired as to both Garden Centers being represented within the Garden Center Advisory Group. Mr. McCray affirmed both are equally represented. Chair Horton inquired as to the Garden Center Vegepods rental. Mr. McCray stated five inquiries have been noted and staff is purchasing the proper dirt in order to secure rentals. Director Bhada inquired as to backlog of Garden Center renters not using the plots properly. Mr. McCray stated those needing assistance will always be present, but staff reviews each consistently on an individual basis. Director Bhada inquired as to what show was sold out at the Performing Arts Center. Ms. Giglio confirmed the show as the 5th Dimension.

### **Member Comments (Items Not on the Agenda)**

Members were called to speak on the following: extended hours of Pool 5 to 7 p.m. in October; update on court date regarding volleyball in the mini-gym.

Chair Horton directed staff to request Pool 5 hours extension to be added to the GRF agenda in October. Ms. Giglio stated the cost for Pool 5 hours extension will be approximately \$1300.

Chair Horton stated there is no court date for volleyball in the mini-gym and the schedule in the mini-gym includes all levels of volleyball play.

### **CONSENT**

Director Addington made a motion to approve the consent calendar. Director Laws seconded.

Motion passed unanimously.

### **REPORTS**

**None.**

### **ITEMS FOR DISCUSSION AND CONSIDERATION**

**Drop-In Lounge Television** - Ms. Murphy stated the staff proposed changes to the drop-in lounge television.

Director Laws made a motion to remove the drop-in lounge television. Director Bhada seconded.

Discussion ensued.

Motion passed unanimously.

**Donation of Step Ladder for Slipcasting Room** – Director Bhada made a motion to accept the donation of the step ladder for the Clubhouse 4 Ceramics room. Director Stephens seconded.

Discussion ensued.

Motion passed unanimously.

**Recreation and Special Events Department Operating Rules (Partial Review)** – Director Bhada made a motion to accept the presented operating rules with suggested edits. Director Blackwell seconded.

Members were called to speak regarding the following: tracking of facility usage; against the allowance of pets in the Garden Center; prohibition of shading a garden plot; pickleball court overcrowding, guest policy and prime-time versus non-prime time; removal of one hour tennis court restricts play; adding 10 minutes to prime time year round takes the pressure off; challenge court being viable; prime-time should be consistent; singles is viable; residents should be able to vote, not just tennis board members; support of proposed tennis operating rules; group play on reservation system at 9 a.m.; agrees with 1.5 hours set time for all courts, agrees with eliminating challenge court; addition of one court for reservations.

Discussion ensued.

Staff was directed to implement the suggested committee edits and bring the operating rules back to the Community Activities Committee for review.

Motion passed unanimously.

### **ITEMS FOR FUTURE AGENDAS**

**Reservation System Review** – Staff was directed to place this item under Items for Future Agendas.

**Recreation Policy Review** – Staff was directed to keep this item under Items for Future Agendas.

**Equestrian Center Non-Resident Boarder Fee** – Staff was directed to keep this item under Items for Future Agendas.

### **CONCLUDING BUSINESS**

**Committee Member Comments**

Advisor Boudreau stated the operating rules may be restated to seem more positive in lieu of prohibitive and gate 12 changes are helping with guest admittance.

Advisor Gidwani thanked staff for streamlining the operating rules.

Chair Horton thanked staff for making the operating rule review process easier.

Director Addington thanked committee for being congenial and thanked staff for the operating rule rewrites.

Chair Horton stated miscommunication of guest percentages is occurring publicly and directed any of those with inquiries must go to the proper staff for correct information before quoting numbers.

**Date of Next Meeting**

The next regular meeting of the GRF Community Activities Committee will be held both in the board room and virtually via the Zoom platform at 1:30 p.m. on Thursday, October 12, 2023.

**Adjournment**

There being no further business, the Chair adjourned the meeting at 3:35 p.m.

\_\_\_\_Yvonne Horton\_\_\_\_

Yvonne Horton, Chair

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**OPEN MEETING**

**REPORT OF THE REGULAR MEETING OF THE  
GOLDEN RAIN FOUNDATION  
MAINTENANCE AND CONSTRUCTION COMMITTEE**

**Wednesday, August 9, 2023 – 9:30 a.m.  
24351 El Toro Road, Laguna Woods, CA 92637  
Board Room and Virtual with Zoom**

**REPORT**

**MEMBERS PRESENT:** Reza Karimi - Chair, Gan Mukhopadhyay – Co-Chair, Andy Ginocchio (for Jim Cook/Third), Ralph Engdahl, Lenny Ross, Sue Stephens

**MEMBERS ABSENT:** Jim Cook

**OTHERS PRESENT:** **GRF:** Egon Garthoffner, Bunny Carpenter, Yvonne Horton, Juanita Skillman  
**THIRD:** S.K. Park  
**UNITED:** Alison Bok  
**Advisors:** Carl Randazzo, Ajit Gidwani, Bill Walsh

**STAFF PRESENT:** Guy West – Staff Officer & Projects Division Manager, Manuel Gomez – Maintenance & Construction Director, Bart Mejia – Maintenance & Construction Assistant Director, Ian Barnette – Maintenance & Construction Assistant Director, Heather Ziemba – Projects Administrative Coordinator, Sandra Spencer – Administrative Assistant

**1. Call to Order**

Chair Karimi called the meeting to order at 9:31 a.m.

**2. Acknowledgement of Media**

Chair Karimi noted that no media was present.

**3. Approval of the Agenda**

Hearing no objection, the agenda was approved as written.

**4. Approval of Meeting Report from April 12, 2023**

Hearing no objection, the meeting minutes were approved by unanimous consent.

**5. Chair's Remarks**

Chair Karimi noted that the infrastructure in the community is aging and emphasized the necessity of preventative maintenance in order to keep the buildings and facilities in good working order.

**6. Member Comments**

- A member commented on the seepage project in Gate 11 as well as the aging paint on red curbs throughout the community.

**7. Department Head Update**

Mr. West updated the committee on the Clubhouse 1 Archery Room beam issue. A load calculation study will be performed by an engineering consultant. Mr. Gomez noted that there have been safety concerns discussed in previous meetings. The committee directed staff to move forward with the study.

Mr. West updated the committee on the Performing Arts Center. An electrical engineer will be hired to create an electrical diagram for the facility in order to find the source of recent electrical issues.

Mr. West updated the committee on the golf driving range turf growth. Discussion ensued regarding the extended timeline of this project and possible solutions to the concerns about the project's progress.

Consent: *All matters listed under the Consent Calendar are considered routine and will be enacted by the committee by one motion. In the event that an item is removed from the Consent Calendar by members of the committee, such item(s) shall be the subject of further discussion and action by the committee.*

**8. Project Log**

**9. ChargePoint Summary**

**10. Clubhouse Preventative Maintenance Inspection Report**

The consent calendar was approved unanimously.

Director Ross left the meeting at 10:27 a.m.



Items for Discussion and Consideration:

**11. Paving Project Update**

Mr. West provided an update via PowerPoint to show photos of the work completed.

**12. Equestrian Center Stable Door Paint Update**

Mr. West provided an update via PowerPoint to show photos of the work completed.

**13. Equestrian Gate Update**

Mr. West gave a verbal update on this project, which is scheduled to start September 5.

**14. Shepherd's Crook Project Update**

Mr. West gave a verbal update and provided a map of the current area of work.

**15. Vehicle Maintenance Facility Generator Replacement**

Mr. West opened discussion on the RFP that was provided for this project. Discussion ensued regarding what fuel the generator will use, storage for the fuel, wattage options for a generator, and where exactly the generator will provide power. The committee directed staff to move forward with advertising the RFP for bids.

Future Agenda Items: *All matters listed under Future Agenda Items are items for a future committee meeting. No action will be taken by the committee on these agenda items at this meeting.*

- EMS Status Update
- MelRok Energy Management System
- Separate Metering for Community Center Vehicle Charging Stations

Concluding Business:

**16. Committee Member Comments**

- Director Mukhopadhyay requested staff provide an update on the driving range turf project at the next meeting.
- Director Stephens commented on future agenda items.

**17. Date of Next Meeting:** Wednesday, October 11, 2023 at 9:30 a.m.

**18. Recess** – The meeting was recessed at 11:12 a.m.



Reza Karimi, Chair

Reza Karimi, Chair  
Gan Mukhopadhyay, Co-Chair  
Guy West, Staff Officer  
Telephone: 949-597-4625





## **REPORT OF THE REGULAR MEETING OF THE GOLDEN RAIN FOUNDATION DISASTER PREPAREDNESS TASK FORCE**

**Tuesday, September 26, 2023 at 9:30 AM**

### **HYBRID MEETING**

**MEMBERS PRESENT:** Eric R. Nuñez (Chair), Juanita Skillman, Anthony Liberator

**MEMBERS PRESENT ONLINE:** Sue Stephens, S.K. Park, Rick Kopps (Towers Resident)

**MEMBERS ABSENT:** Elsie Addington, Moon Yun, Cash Achrekar, Gan Mukhopadhyay,

**OTHERS PRESENT:** Grace Stencel, Sandy Benson, Edward Green, Annie McCarry, Doug Gibson

**STAFF PRESENT:** Carmen Aguilar, Tom Siviglia

**THE MEETING WAS CALLED TO ORDER:** 9:37 a.m.

**ACKNOWLEDGEMENT OF THE PRESS:** None present

**APPROVAL OF THE AGENDA:** By consensus, the agenda was approved.

**APPROVAL OF MEETING REPORT:** By consensus, the meeting report was approved. Changes were made to the last meeting report July, 25, 2023

**CHAIRS REMARKS:** Chair Nuñez began his remarks by thanking the rest of the board as well as the audience for being present at today's meeting. Chair shared The Great Shake Out happening on Oct 19, 2023 at 10:19 AM. He did notify the audience Security Department currently has 6-10 earthquake kits for purchase. When an earthquake strikes Our Security, Department goes around performing a Windshield Survey- looking for critically infrastructure damage to buildings, and fallen trees etc. All the emergencies are then reported to the appropriate department. Communicating up to the chain of commands.

**MEMBER COMMENTS:** Members made comments

- Club House 3 Disaster Preparedness training
- Disaster Drills
- Good Neighbor Captain/ Club House Coordinator meetings
- Clarification on genetic term "Radio" should be changed to "Motorola Radio" to prevent confusion with amateur radio.

## **OFFICE MANAGER/ADVISOR:**

**RECRUITMENT / RETENTION / TRAINING:** Director Skillman mention Residents should practice shelter in place in case of a disaster. Also, a reminder email should be sent out for Radio Drills 24hrs before. It was mentioned to have a meet and greet with the Good Neighbor Captains and the Club House Coordinators before Oct 19, 2023. This help to organize the Good Neighbor Captains accordingly to their geographic area. Director Skillman all mentioned, there is a FEMA bill in congress currently being reviewed for private communities like Laguna Woods Village to obtain Disaster Funds. Currently Laguna Woods Village is not eligible for FEMA assistance.

**GRF BOARD:** Director Skillman noted at the GRF meetings Shelter in Place is being pushed in place.

**UNITED BOARD:** Director Liberatore- Mentioned uniforms to better identify the first responders within the community. Uniforms would be a good idea.

**THIRD BOARD:** Nothing to Report

**TOWERS:** Rick Kopps- The Towers will be holding their monthly meeting today 9/26/23. Their topics will be earthquake awareness and having supplies to last for at least a week in case of an emergency.

**PET EVACUATION SUBMIT COMMITTEE:** Gate 11 will be hosting their monthly town hall meeting today 9/26/23 at CH2. Sandy Benson will be attending the meeting and handing out Life of Life form for crucial information.

## **DISCUSSIONS AND CONSIDERATIONS**

**Fire Blankets:** Director Skillman-Prepare Hero is the company that makes fire suppression blankets. The cost approximately is \$30.00 per blanket there is a sliding scale when more are purchased. The most common fires occur in kitchen and this blanket is light weight and easy to use. This blanket is approximately 39X39 most of them are made from woven fiberglass material.

**Antenna Status:** Tom Siviglia here was a study completed by Carpentry and Eltrical and it was determined that the number of hours and staff exceed what they can do in house. Moving forward we will be out sourcing this project and obtaining quotes from different vendors at a reasonable cost.

## **ITEMS FOR FUTURE AGENDAS**

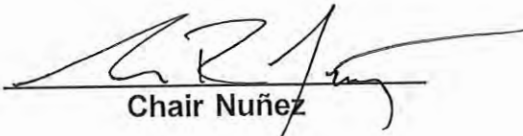
Tentatively and schedule permitting having OCFD personnel join our next DPTF meeting.

**MEMBER COMMENTS:** Multiple members made comments. Director Sue Stephens thanked the Chair for the introduction he made.

NEXT MEETING: November 28 at 9:30 a.m.

ADJOURNMENT: 11:51 a.m.

SUBMITTED BY:



Chair Nuñez

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